

## Strategic Quality Management Implementation Plan

Femi Obasun\*

Department of Cardiology, Morsani College of Medicine, University of South Florida, Tampa, FL, USA

\*Corresponding author: Dr. Femi Obasun, Department of Cardiology, Morsani College of Medicine, University of South Florida, Tampa, FL, USA, Tel: 7575068004; E-mail: drfemiobasun@researchinstitution.org

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### Abstract

Uber has developed as a leader in the private taxi business. Uber is a "ridesharing" service that coordinates responsible drivers with consumers looking for transportations. Unlike other well-known transportation services such as local taxi services and public transportation, Uber is a stimuli inputs company, meaning all data on customers and drivers are kept inward and, output reactions are mostly not provided to the open market. They do not give information about supply or demand, and rates are set by an obscure "surge pricing" algorithm, or customer behavior, and driver earnings. The absence of transparency has caused numerous concerns on whether Uber artificially manipulate prices, and whether changing prices are favorable to customers and drivers. In exploring surge pricing and its influence on passengers and drivers, the researcher presents the first in-depth inquiry of Uber by going undercover as a driver. Gathered fifty-one weeks of data from Uber by imitating the Uber smartphone driver-approved app and sharing ride throughout Hampton Roads of Virginia. Utilizing dataset collected from 961 trips, we are able to identify the concept of Uber in the Hampton Road of Virginia, as well as recognize essential implementation specifications of Uber's surge price algorithm, or customer behavior, and driver earnings. Our observations concerning Uber's surge price algorithm, or customer behavior, and driver earnings raise important questions about the fairness and the transparency of the system.

**Keywords:** Surge pricing; Supply; Demand; Customer behavior

### Introduction

Uber overnight created the sharing ride concept and turned into traditional overuse assets with more competitors joining the established enterprises. The accelerated growth of ride-sharing has upended the taxicab business, which is traditionally profoundly monitored. Administrators' most notable reactions have been to lobby regulators to reduce the increase of ride-sharing. Prices are regulated and change sporadically while taxi operators cannot reduce prices or attempt other payment systems other than the ridesharing platform. This study focuses on investigating the Uber's quality concerns in order to develop an effective strategic quality management implementation plan for Uber executive team. The deficiency of transparency has caused concerns as to whether Uber artificially manipulate prices and whether changing prices are favorable to customers, drivers and its driver pay rate. In improvement to understand the meaning of surge pricing on customers and drivers, the researcher performed the first in-depth examination of Uber by going undercover as a driver. Gathered fifty-one weeks of data from Uber by imitating the Uber smartphone driver approved-application. This research has employed a qualitative research methodology integrating the ethnographic approach that included participant observation and interviewing in the course of serving as an Uber driver throughout Hampton Roads of Virginia. Utilizing data collected from 961 trips, we are able to identify the concept of Uber in the Hampton Road of Virginia, as well as recognize essential implementation specifications of Uber's surge price algorithm, or customer behavior, and driver earnings. Our observations concerning Uber's surge price algorithm, or customer behavior, and driver earnings raise important questions about the fairness and the transparency with the Uber system and

leading to attempts of developing a strategic in quality management implementation plan for Uber executive team.

### Organizational Context

Uber is a transportation platform founded by Travis Kalanick and Garrett Camp in March 2009. The company's headquarters are in San Francisco, California. The highest valued private company globally, with over 15 million daily rides across 78 countries and over 400 cities around the world [1,2]. Uber app enables the customer to request a driver within his/her location upon which drivers within the area receive the request. An available driver accepts the request and picks up the rider. The company has achieved significant success attributed mainly to its convenience and cost-effectiveness as compared to the traditional taxis [1,3]. Uber offers services such as peer-peer ridesharing, bicycle-sharing system, taxi/cab services, and food delivery. The regular base fare, multiplied by the rate per minute and the rate per mile with pricing differing across cities in different countries with consideration of other costs. Additionally, the surge price applies when there are many riders and fewer drivers. It uses machine learning to estimate the amount the customer is willing to pay depending on the route. The integration of the technology into the taxi business has made it cheaper, convenient, and fast from an expensive and inconvenient industry. Additionally, the app allows the customer and the driver to rate each other [1,3,4].

The company's structure and leadership are designed to ensure effective leadership and management in a way that guarantees high-profit efficiency, increasing competitiveness, returns on investment and equity, and the creation of stakeholder wealth. Importantly, the company outlines the roles and responsibilities of the leaders occupying different positions to ascertain operational efficiency, quality services, and a growing consumption of its products. The

leadership comprises of the executive team and a board of directors. The executive team comprises of the C.E.O Dara Khosrowshahi, the chief financial officer, chief legal officer, a C.O.O., a chief people officer, a chief product officer, a chief technology officer, a chief marketing officer, a chief diversity and inclusion officer, and five vice presidents leading different sectors of the company. The board comprises of 12 people including the founder Travis Kalanick and the CEO [5].

Uber has developed a unique corporate culture where it focuses on providing quality and effective healthcare. According to Greenwald and Kuhrmann et al, the company strives to promote quality services by prioritizing the customers and the drivers [2,6]. Techboomers and Goldenberg point out that the company continues to connect drivers and customers, and importantly, promotes the convenience, flexibility, cost-effectiveness, speed, and efficiency among others [7,8]. The organizational culture has changed majorly over the years. Since its inception, the company has dealt with numerous cases of sexual assault, discrimination, and harassment. These unacceptable behaviors have shaped the culture of Uber significantly [9-12].

### Quality Statement: How Uber Approaches Quality

Uber acknowledges and prioritizes the quality of its services for the improvement of customer experience and satisfaction. The company implements measures targeting the improvement of the quality of the services it offers. According to Uber quality is fundamental for enhancing customer experience thus encouraging more people to continue using the services [5]. One of the ways of advancing the quality of the rides is the provision of a feedback platform that gives the client an easier way of providing feedback. The feedback platform helps recognize when the drivers provide quality and exceptional service. It aligns with the company's commitment to delivering a 5-star ride experience to all customers. As highlighted by Uber and Boudreau, Uber's on-trip feedback feature allows the client an opportunity to communicate concerns regarding the service through the provision of real-time feedback [5,13]. The feature asks the client to indicate the experience of the ride and compliment, offer a thank you note, or tip the driver. The options allow the company to collect critical information for continued improvement of the quality of the services [1]. The on-trip feedback feature further allows the client to highlight areas that need improvement regarding the app, the ride, or the driver. The provision of the option for communicating helps the company address the issues effectively. One of the fundamental elements guiding the effective continuous quality improvement in companies and institutions regardless of the sector is communication. Communication facilitates the understanding of the challenges facing a company that limits efficiency, the quality of the services or the products, and impact customer experience and satisfaction negatively. Uber has acknowledged the importance of effective communication in promoting the quality of its services and meeting the needs of the customers [14]. Further, according to Uber, the company prioritizes great services and thus focuses on recognizing high-quality service from its drivers. According to Uber, using rider compliments and thank you notes help recognize and reward top-quality drivers to encourage better services in the future in a way that guarantees the clients quality [5]. The approaches have played a significant role in improving the quality of the services and customer experience [15,16].

The company continues to identify more strategies for quality improvement. Uber has identified partnerships and improved driver support as key to improving the quality of the services. The company acknowledges the fundamental role of Uber drivers serve in promoting

the quality of Uber services and focuses on fostering a relationship that builds on that role to promote quality. The company has partnered with drivers for help in developing a new driving app that seeks to enhance the quality of its services. Uber describes the partnership as a new experience designed with and for the drivers to enhance the availability of resources to facilitate the efficiency of their work and provide impressive services. The app promotes driver support, which is essential for the improvement of Uber services. The improvement of the Uber-drivers relationship has improved driver support thus ensuring drivers can receive 24/7 support on or off the road. The service ensures that drivers' questions, roadside assistance requests, and other concerns that influence their operations are adequately addressed in a way that ensures they offer quality and satisfactory services [5].

The company asserts that it has set measures for improving the quality of its services in the future. According to Uber the improvement of Uber experience in the past has elevated its competitiveness, but the company needs to implement measures for its future [5]. Uber has vowed to implement customers' feedback by making the necessary changes across its apps to prioritize the areas and issues that matter most. One of the key areas that the company considers is the change of its organizational culture to acknowledge and put people (drivers and customers) first. The company states that it has brought new and experienced managers/leaders on board and established a new set of organizational norms that will guide the company. It continues to implement measures that will prioritize people while ensuring profitability. Uber has been criticized severally by drivers across the world for prioritizing profits, exploiting drivers, and offers poor services. The company seeks to address this criticism by putting people first as a measure for encouraging quality services and attracting and retaining customers [6,14].

Importantly, the company acknowledges safety as one of the factors that influence the quality of its services, the company's image, customer experience, and satisfaction. The company asserts that it puts safety at the center of all its operations and focuses on ensuring that customers and drivers experience safe rides. Uber has improved the screening process for drivers to give customers assurance of their safety in using their service. Additionally, the introduction of different safety features has promoted safety thus protecting customers. Strengthening driver screening through additional annual screening and background checks for drivers ensures that the company meets its safety standards. Other features such as the option for sharing trip details with up to five trusted friends and loved ones, improving the ease of accessing the safety tools and tips, including emergency assistance on the Uber app, insurance protection, and updating the app to make sure customers can easily verify the ride have enhanced the safety of the customers. The different safety features are fundamental for enhancing the safety of the customers [5].

Regarding drivers' safety, Uber has established numerous measures for ensuring that drivers perform their duties with confidence. The management and leadership of Uber acknowledge the necessity of promoting safety for the drivers and protecting their investments and wellbeing. The innovative approaches applied have enhanced the security and safety of drivers and customers alike. According to Uber, the measures and technologies adopted by the company support the drivers and protect them and their passengers. The company focuses on designing a safer experience for the drivers by adopting and integrating safety features, incidence response strategies, and creating an inclusive community. The Uber App is designed to help drivers

remain in touch with their friends and loved ones, the Uber Support Team, and emergency authorities. These features promote the safety of the driver significantly. Further, the integration of the features allows for an effective response by specially trained incident response teams. The inclusive community, on the other hand, involves working with safety experts and implementing joint efforts that help create safe journeys for the drivers and customers [5].

Additionally, Uber prioritizes the wellbeing of the driver and endeavors to create a work environment that promotes the drivers' peace of mind. The Uber system allows for the in-app emergency button that helps drivers call authorities for help when needed. The app shows the driver's location and trip details thus enabling them to share with the emergency services quickly. The company further offers 24/7 support which entails the personnel trained in incident response. Other features such as the option for sharing the driver's trip information to friends and family, phone anonymization, 2-way ratings, and GPS tracking among others improve drivers' safety. The two-way rating system allows drivers to rate users thus giving the company the opportunity to remove some users to protect Uber drivers. Moreover, phone anonymity enables the driver to contact the rider without sharing personal phone number or contacts. Importantly, the GPS tracking allows the tracking of all Uber rides thus keeping the trip's record in case of safety concern [2].

Uber focuses on continuous quality improvement through different measures and strategies. The quality improvement course aims to continue improving the capacity of the drivers to deliver quality services. The management reviews drivers' accounts and disconnects the accounts of drivers with poor ratings. The decisions are informed and guided by the rating system where customers are allowed to rate the drivers depending on the kind of service they receive. The drivers are then allowed back after taking the quality improvement classes offered by Uber. Such as, online and offline classes help drivers improve their capacity in the provision of Uber services. Uber has partnered with a third-party provider of the Quality Course that helps the drivers increase their ratings [5].

### Identification of Quality Problem/Process to Improve

Uber experiences numerous challenges that affect the customers' experiences and satisfaction directly thus affecting its profitability and competitiveness. Numerous authors have identified safety concerns and the app's surge pricing and lack of transparency among other issues as quality problems that need attention. According to PolyMatter (2018), the surge prices allow the increase of the Uber prices several times more than the usual prices. The surge occurs when there are numerous customer requesting for Uber as compared to the number of drivers available at the location at a time. PolyMatter and Munger assert that Uber drivers have found a way of manipulating the surge pricing Uber algorithm to increase the surge price and the cost of a trip. Drivers log out of their Uber apps at the same time to create an artificial shortage and triggering a surge [4]. The research found that more customers are concerned about the lack of transparency and threaten to seek the services of competing companies. Moreover, safety concerns are another quality problem that must be addressed to improve the process and the quality of the services. Many riders indicated that they felt insecure ridesharing Uber with strangers, women indicated that they were concerned about their safety due to previous cases of sexual assault, harassment, violence, unwanted sexual advances, and bad behaviors. Equally male riders cited safety as a vital element that influences customer experience and satisfaction

significantly. The implementation of an effective strategic total quality management is fundamental for improving the quality of Uber services, enhancing customer experience, and ensuring customer satisfaction [1,2,17].

### Goals and Objectives

The aim of the research is to contribute a comprehensive and articulate plan for total quality improvement in Uber. Designing the strategic plan will help the company improve the quality of its services thus ensuring the improvement of customers' experiences, satisfaction, and enhancing the profit efficiency. Further, the strategic plan seeks to promote safety as one of the key quality concerns facing Uber. This will enhance the safety of drivers and riders thus protecting and promoting their health, wellbeing, dignity, and humanity as they interact. The objectives include:

To outline the transparency concerns regarding the surge pricing and discuss measures for addressing the problem of artificial manipulation of the Uber system.

To evaluate the element of safety and develop strategic approaches targeting the improvement of the safety of riders and drivers.

To determine the measures that Uber can implement to ensure the continued quality improvement for the benefits of drivers, riders, and investors/shareholders.

### Model and Methodology

The research applies the qualitative research methodology for the collection and analysis of data. According to Creswell, an effective research methodology is critical for promoting the credibility, validity, and reliability of a study by allowing the collection of accurate, credible, and reliable data [18]. The qualitative research method enabled an in-depth investigation of the quality issues facing Uber. The data collection process stretched across 51 weeks of working as an Uber driver. The participant observation as an ethnographic technique was applied in collecting the data. The researcher delved into the study by registering as an Uber driver and collecting crucial data over the weeks. Using the observation approach allowed the collection of primary data regarding the Uber operations, quality management, the management of drivers, and quality concerns as per customers' perspectives. Further, the data collection process involved the interviewing Uber riders who were identified depending on the time the ride took. Those whose estimated time to their destination was over 30 minutes were informed of the conduction of the research with the researcher asserting that it was for the development of strategic total quality management plan to help enhance quality, enhance customer experience, and customer satisfaction. One hundred people agreed to take part in the research. The interviewing took a conversational approach and was made short and precise to answer questions on safety, customer experience, and customer satisfaction. The data and information collected through note-taking and recording (with the permission of the participants) was later transcribed, coded, and analyzed [18].

### Structure/Scope

The executive team and the leadership of the company must start by getting the employees and other stakeholders including drivers on board for the implementation of the plan. Success in implementing a strategic plan requires the leadership of a company to garner the

support of the staff and the stakeholders. The process requires effective communication and preparation of the different parties for the change to help them accept and support the change. As Uber explores ways of improving profitability, making people the center of its operations is crucial. The strategic plan requires the leadership to consider the impact of the safety and transparency issues on the drivers and riders. Communicating the measures effectively will get the leadership the needed support door implementation [16].

The leadership and management will consider the timeframe outlined in this plan and evaluate it to consider other fundamental elements such as budgeting. The executive team will have to hold discussions with the board of directors to discuss what is required for the implementation of the plan. Creating a supporting system is important for ensuring the success of the plan. There is a need for the chief financial officer, operating officer, legal officer, people, product, and technology officers to consider the legal issues, financing concerns, operational and technological elements while still evaluating how the different aspects might impact the people. Importantly, involving other departments including communications and public policy, diversity and inclusion, and marketing among others will ensure the effective communication of the changes, the consideration of the needs/concerns/wants of different people and effective marketing approaches among others. The department associated with technologies, operations, and product development need to work together to update the systems to limit manipulation that increases the prices for customers without genuine concerns [16].

Engaging the drivers and riders through the feedback features and surveys integrated into the app will ensure that they contribute towards the improvement of the transparency of the pricing system and the safety of the service. These are the directly affected people thus involving them will ensure that the adopted strategies align with the market and consumer needs [2,16].

## Performance Measures

The implementation of the strategic plan will involve key performance measures. The measures will focus on determining the extent of the success of the strategic total quality management plan instead of addressing issues of importance affecting the country. Dealing with safety as a quality issue will observing the number of safety complaints reported by the users and the drivers. A reduced number of cases will point towards an improved quality of the system. Additionally, regarding the issue of transparency of surge pricing, the company will need to monitor concerns and complaints related to the improvement of the pricing system as indicated by the reduced number of incidents of abnormally high rates without explanations [16].

## Timeframe

The successful implementation of the strategic total quality management plan will require the involvement of all stakeholders for four months. The first month (1st phase) will include consultations, executive team, and board of directors meetings, workshops, and discussion of the strategic plan. The necessary revisions will be made after discussions including all stakeholders. Therefore, the next month (2nd phase) will involve stakeholder and public engagement. The Uber app will be updated to accommodate drivers' and customers' feedback to surveys and questions on the plan. The engagement of stakeholder will attract further discussions and new and possibly more innovative

suggestions. The 3rd phase includes further executive team and BOD discussions and consultations. After the 3rd phase, the last month will include the approval and updating of the Uber app and the system to address the concerns of surge prices and laying down frameworks and platforms for dealing with the safety concerns. The fourth phase will include focusing on the implementation and further concerns on the topic.

## Discussion and Conclusion

The participants highlighted various issues that they asserted determine how they rate a driver. All participants agreed that Uber is flexible, convenient, cheaper, and easily accessible. The riders outlined speed, convenience, and transparency as some of the main factors that guarantee a great customer experience. All respondents agreed that the wait time is considerably short and that cases of late drivers are rare. The aspect of time is influenced by each driver's ability to follow a customer's directions and instructions.

Convenience and transparency were identified by all participants as fundamental in influencing the quality of the services that Uber offers. Uber allows customers flexibility and convenience by linking them to drivers near the customers' location. The convenience offered by the app encourages most users to prefer Uber. Moreover, all participants pointed out transparency as another critical element. The rating system and the pricing allow are done with transparency and contribute to the continued improvement of the quality of services offered. The participants stated that the payment system makes them feel like they pay a fair share for the services.

Most Uber users stated that they use Uber because the services are considerably cheaper as compared to the traditional taxis and offer comfort, convenience, and flexibility among others.

Of the 32 women of the 100 participants who accepted to engage in conversational interviewing regarding quality and customer experience, all pointed out that they had experienced firsthand or heard from friends of unwanted advances, harassment, uncomfortable behaviors, and asserted that they were concerned about their wellbeing owing to cases of sexual assault of women by male drivers. The female riders pointed out that they were more comfortable using the services when the driver was a woman. Women pointed out that they felt safer with women drivers even when drunk or at night. However, they also seemed to agree that female Uber drivers are few.

Most of the women participants asserted that they would prefer female drivers. The general themes for supporting the argument (apart from the issue of sexual assault, unwanted advances, and safety) was that female drivers are clean, follow directions instructions better, and consider other factors like asking before playing music among others. They pointed out that woman drivers tend to show a better understanding of service and focus on detail making the ride about the customer. Similarly, most male riders agreed with the points but, all save for two stated that they do not consider gender when requesting an Uber regardless of the time.

All the participants agreed that cleanliness was one of the issues they considered essential for a great customer experience. While most agreed that many Uber drivers maintain an acceptable level of cleanliness, others asserted that they have had bad experiences in dirty/smelly cars. Most night riders pointed out that most drivers do not mind the cleanliness of their car's interiors at night. Seven riders pointed out that they have ridden in cars whose seats were wet in some

parts or smelly especially past midnight. Other issues mentioned included stains on seats and poor grooming by the drivers.

Thirty-two percent of the participants pointed out that at one point experienced a scenario when a driver accepted a request and then canceled making the riders incur unnecessary charges.

Drivers most likely make less than the federal minimum wage per hour. Most drivers have to work day and night to make a reasonable income. The case of the researcher involved making 961 trips over 51 weeks, the majority of which were during the night (85%).

There are safety concerns for the drivers and the riders as well. Ridesharing, dealing with drunk customers, and having to work with strangers pose numerous safety concerns. The research identified confrontations, sexual assault, rape, and physical violence as common especially during the night when most of the clients were drunk.

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