

Uber To Pay \$10M Over Salary Discrepancies

By Sean Kagan | Nov. 16, 2018

 Civil Litigation

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Women, minorities were paid less than white and Asian men.

Judge [Yvonne Gonzalez Rogers](#) of the Northern District approved a \$10 million settlement between Uber and a class of 485 female software engineers and engineers of color who claimed the ride-hailing company compensated and promoted them less than their white and Asian male counterparts.

The court also approved payment of \$2.5 million in attorneys' fees and \$152,958 in litigation costs and expenses Wednesday.

The engineers alleged Uber used a company-wide "stack ranking" system for performance evaluation, requiring supervisors to rank employees from worst to best. The plaintiffs claimed female employees and employees of color were "systematically undervalued" and received on average lower rankings "despite equal or better performance."

The engineers claimed violations of the Equal Pay Act, Title VII of the Civil Rights Act, the California Fair Employment and Housing Act, the California Private Attorneys General Act, the California Unfair Competition Law, and the California Equal Pay Act. *Del Toro Lopez v. Uber Technologies Inc.*, CV17-06255 (N.D., filed October 27, 2017).

Uber allegedly set the plaintiff's initial compensation based on their past compensation, a practice that "has disadvantaged women, who are generally paid 18 percent less than men in the same occupation in the marketplace," Jahan C. Sagafi, a partner at Outten & Golden LLP who is representing the plaintiffs, wrote in the complaint.

"Part of the problem in California is 'prior pay,'" said Jim Finberg, a partner at Altshuler Berzon LLP, who specializes in workplace discrimination but is not involved in the suit. Finberg noted that until October 2017, if an employee was applying to companies like Google or Oracle, the first question they would be asked is what they were making in their last job.

"Because women are regularly paid less than men in society, using prior pay, [that] institutionalizes gender discrimination," Finberg said. "There is still a historical pay gap that needs to be addressed."

Uber agreed to business practices designed to address diversity, promotions, and awards, according to the settlement, and noted it will continue to publicize diversity representation in its workforce, require all new hires and current employees to complete diversity and inclusion training, and work with an independent consultant on setting compensation and performance standards.

Nancy Abell, a partner at Paul Hastings LLP, who is representing Uber, declined to comment. Uber did not respond to a request to comment.

"We are extremely pleased with the settlement, which achieves exceptional relief for the class members - more money per person than in many comparable discrimination cases, and with excellent injunctive relief and three-year monitoring to ensure that it's implemented," Sagafi said in an email Thursday.

In the complaint, Sagafi also wrote of an alleged period of "unchecked, hyper-alpha culture" at Uber. He noted former Uber engineer Susan Fowler's February 2017 blog post about sexual advances made by her manager toward her and other female employees and the Uber HR department's failure to address those complaints.

"This hostile work environment was fostered, encouraged, and condoned by the highest levels of management, including former CEO Travis Kalanick and the members of his so-called 'A-Team,' the 'boys' club at the top' of Uber," Sagafi wrote in the complaint.

Speaking of the settlement on Thursday, Sagafi said, "We hope that this sends a strong message to tech firms that workers will stand up to gender and race discrimination and harassment,"

"In general, when we can hold one of the largest employers accountable for their pay practices, it sends an important message to employers," Kelly Armstrong, a partner at The Armstrong Law Firm who specializes in plaintiff's employment discrimination cases, said of Wednesday's settlement.

"It looks as if Uber is saying it will take positive steps to implement better employment practices," she added. "However, what they say and what they do and how long it takes to implement them remains to be seen."

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