LEAD 578

Hallmark Assessment Task

Ethical Culture Analysis of TransUnion

Submitted by

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**History**

TransUnion is composed of approximately 12,200 associates (US News, 2024) and is headquartered in Chicago, Illinois. TransUnion began in 1968 as the Union Tank Car Company, a railcar leasing operation. The Union Tank Car company created TransUnion as its parent holding company. 56 years later, TransUnion is now operating in 250 offices in the United States and in twenty-four other countries (Zippia, 2024). Over the course of the last 50 years, TransUnion has acquired several information systems companies, allowing TransUnion to obtain an insurmountable amount of consumer data and analytics. TransUnion’s slogan states “We are committed to ensuring every individual is reliably represented in global commerce so consumers and organizations can transact with confidence and achieve great things. We call this Information for Good®” (TransUnion, 2024). While TransUnion is best known as a credit reporting agency, TransUnion’s numerous acquisitions have enabled them to operate in areas like fraud, marketing, Telecommunications, and customer-driven analytics worldwide, including India and the United Kingdom.

TransUnion acquired multiple companies over their 56 years in business which has led to their success and stake in the market share. In the 1990s Transunion acquired a powerful technology for high-volume, individual-level decisions, strengthening their analytics and decisioning capabilities and expanding their operations beyond traditional credit reporting (TransUnion, 2024). In 2017 TransUnion acquired a majority ownership stake in CIBIL, India’s leading credit information company. A year later in 2018, TransUnion expanded their global footprint with the acquisition of United Kingdom based company CallCredit. In 2021, TransUnion acquired Neustar, Inc. and Sontiq, allowing TransUnion to further expand their digital identity capabilities. The acquisition of Neustar was TransUnion’s acquisition to date, valued at $3.1 billion dollars (TransUnion, 2024). The most recent acquisition made by TransUnion was in 2022, when TransUnion acquired Verisk Financial Services, strengthening TransUnion’s offerings that help financial institutions make more informed decisions (TransUnion, 2024). Because of these acquisitions TransUnion continues to be a leading force in the credit reporting industry and enabled them to enter different markets including fraud and risk, Telecommunications, and marketing.

Shortly after TransUnion welcomed the new CEO Chris Cartwright in 2019 (TransUnion, 2024), large strides have been made towards diversity and inclusion within the organization. In 2020, at the beginning of the COVID-19 pandemic and the height of racial tensions and police brutality in the United States, the CEO signed the CEO Action for Diversity & Inclusion pledge- the largest CEO-driven business commitment to advance Diversity, Equity, & Inclusion in the workplace (TransUnion, 2024). The purpose of this paper is to evaluate factors within TransUnion that promote or discourage ethical decision making.

**Ethical Challenges**

The ethical challenge I will be examining is a dialogue that occurred during a company-wide meeting. TransUnion, has three pillars to their Diversity, Equity, Inclusion, & Belonging strategy- "Our People- We will value our talent through inclusive recruiting practices, continuous development, retention and supporting our associate networks”, “Our Culture- We will strive to cultivate an exceptional workplace culture of diversity, equity, inclusion, belonging, respect and accountability.”, and “Our Marketplace- We take positive actions to ensure fair and equitable access to our products, services, suppliers and employer branding reflect the communities in which we operate.” TransUnion has multiple Networking Resource Groups (NRGs) groups for Women, members of the LGBTQIA community, and people of color. While the company claims to support all members of their organization, remarks made by the CEO during a recent companywide meeting, do not align with the company's values or the vision. The remarks made by the CEO were "He, She, They, Them. Whatever the hell I am supposed to say". The remarks left associates viewing the leadership team and any D&I efforts as hollow and artificial. As an organization who has over 1,300 associates, many of whom identify as LGBTQIA, the gendered comments made by the CEO left many associates feeling unsafe. The comments made pose an ethical challenge because it goes against the principles of inclusivity and equality. The comments made also are not aligned with altruism. According to Craig Johnson “…the love of one’s neighbor is the ultimate ethical standard” (Johnson, 2022).

From the utilitarian perspective, the overall happiness and well-being of all individuals affected by the CEO's comments would be considered (Johnson, 2022). Making insensitive comments towards the LGBTQIA group can cause harm, distress, and discrimination. It can negatively impact the emotional and mental well-being of LGBTQIA employees, leading to decreased productivity and job satisfaction. Additionally, it can create a hostile work environment, affecting the overall morale and performance of the entire organization. Therefore, from a utilitarian perspective the CEO’s comment would be considered unethical as they result in more harm than good.

According to Kant’s categorical imperative, we should act based on principles that we would want everyone to follow universally (Johnson, 2022). In this case, if we apply the principles of treating all people with respect, dignity, and equality, it is evident that the CEO's comments towards the LGBTQIA group are morally wrong. It goes against the principle of treating others as ends in themselves (Johnson, 2022), rather than a means to an end. It promotes discrimination and undermines the fundamental rights and well-being of LGBTQIA individuals. According to Johnson “Rights violations are unethical because they are disrespectful and deny human value and potential”- as such is the case in the ethical challenge presented. Using a categorical imperative perspective, the CEO's comments would be considered unethical.

**Power and Leadership and Trust**

TransUnion does a moderate job at encouraging authentic leadership. I believe my organization still struggles with the dimension of relational transparency and self-awareness. There is a withholding of information, and it is hard to decipher whether leadership members are displaying their authentic selves. TransUnion was given a moderate score was given because I feel like my local leadership team does a great job of encouraging authentic leadership, while corporate leadership does not.

A four-point Likert scale was used when evaluating TransUnion’s building blocks of organizational trust (Table B), with the following responses: 1 = Strongly disagree, 2 = Disagree, 3 = Agree, and 4 = Strongly Agree. When evaluating TransUnion’s building blocks of organizational trust, the main considerations were all levels of leadership, including middle and upper management, as well as the executive team. The category of dialogue of openness and sharing was ranked relatively low, with an average score of 2.1. Several factors went into this rating. TransUnion’s leadership teams withhold information until the last feasible moment, including new product launches, employee engagement survey feedback, and updates regarding merit and bonus compensation. Associates are the last ones to find out new information, usually the day before a product launch or the day before payday. While it is understandable for legal purposes to keep certain information close to the chest until deals are finalized, TransUnion associates are often building the plane midflight regarding new customers or products. There seems to be a withholding of information regarding policies. TransUnion is not transparent in the policies they enforce; it is difficult for a regular employee to find policy information without searching various internal websites for hours on end. There is an expectation that you will be held accountable to policies without fully understanding or even being aware that such policies exist. TransUnion’s leadership team assumes negative intent versus asking questions to understand why an associate did x, y, or z.

TransUnion’s leadership teams do not make the workplace a safe environment where associates can express their opinions freely. TransUnion rejects questions or criticisms and sometimes even retaliates against those who challenge the norm. I personally know of one associate who has been critical of certain job processes and provided solutions to problems. This associate, who was interviewed for this report, has been retaliated against by their leadership, including applying outdated policies and poor performance reviews. This also coincides with TransUnion’s consistency in behavior; while one associate may be written up for accumulating points per the attendance policy, the policy is not applied to everyone. As interviewee A stated “Our leadership team does not promote an ethical environment because they do not know what ethics is. Our leadership team does not know how to interpret our policies. Neither does HR. We are not aligned with the expectations and guidelines and behaviors outlined in trainings.” The category of consistency in behavior received an average score of 1.75, the lowest of the three categories. This score is largely attributed to actions not matching words. For example, TransUnion pushes and pushes D&I efforts, or rather that they are committed to D&I efforts, but no work is done to move those efforts forward. No actions are taken at the local office level to push corporate initiatives, and dare I say no actions are taken at the corporate level to push those initiatives. For a company that is committed to D&I, gendered comments made by the CEO on a companywide meeting conflict with the vision and mission of the company. The comments made further instill the idea that D&I was created at TransUnion to appease shareholders and for positive public relations, but not really for the associates. Interviewee B stated “I feel that TU is not safe for certain employees. The situation was made worse by the forced apology that the CEO gave right after the comment was said during the live global town hall. When I and other associates went to the DEIB group to complain about what was said, a mass response was sent but no additional follow-up was given. Trans people are murdered for who they are; his comments and language made it clear he did not understand the weight of his comments.” Interviewee A also stated “Our CEO is incompetent and a showman. He tries to be funny because he thinks it’s relatable but fails to meet the moment when things are rough”. TransUnion’s highest ranking building block of organizational trust was “everyone is committed to the mission”, with an average score of 2.75. This category was the highest because TransUnion does do a great job at setting goals and ensuring all associates know of those goals and the progress being made towards those goals. When analyzing the mission category, it is important to note that this is strictly financial metrics. TransUnion sends quarterly updates on the business’ progress, specific business units meet to discuss their respective progress, and company-wide meetings are held quarterly to provide status updates on the metrics.

**Ratings**

**Table A**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Power: Needs Improvement (2) | Privilege: Needs Improvement (2) | Responsibility: Poor (1) | Information Management: Poor (1) | Consistency: Good (4) | Loyalty: Poor (1) |
| Cartwright has all five bases of power. While possessing legitimate power, Cartwight struggles with referent power. Employee satisfaction is currently at an all-time low, due to two recent rounds of layoffs. This further portrays the strong level of coercive power Cartwright possesses. Cartwight also has expert power, in that he has an impressive resume and education background. | Cartwright has a large amount of privilege, serving as the CEO of TransUnion, and receiving millions of dollars in bonuses and stock options each year. This area was rated as needs improvement because the vast majority of regular associates received a 1.5% merit increase, while Cartwright received almost $800k in bonuses and over $8 million in stock awards. | TransUnion has recently settled several lawsuits for deceptive marketing practices, inaccurate reporting, and data breaches. As CEO, the information provided by Cartwright to internal associates claimed no fault for each lawsuit, but further portrayed the settlements as a “way to move forward”. As CEO, Cartwright should be open and honest about prior practices that were wrong. | The examples provided in the responsibility section also contribute to Cartwright’s poor score in the information management dimension. In addition to those examples, internally information is withheld. Policies are not clearly communicated, written, or easily identifiable to employees. Changes to policies and benefits are not made known to affected associates. | Cartwright frequently communicates the goals and vision he has outlined for TransUnion to stakeholders. Everyone within the organization is generally treated the same across the entire organization. | Cartwright does not put the communities in which his organization is located first. There is no evidence of Cartwright and the organization giving back to the communities they serve. Given the history of Carwright’s actions to lay off over 10% of their workforce and outsource those jobs, loyalty from followers is at an all-time low. |

**Table B**

|  |  |
| --- | --- |
| **TransUnion's Building Blocks of Organizational Trust** | |
| **Behavior** | **Rating** |
| ***Dialogue of Openness and Sharing*** | ***Average rating 2.1*** |
| Be honest with yourself and others (share humanness): | 3 |
| Don't harbor hidden agendas | 1 |
| Let others know that what they say will not be used against them | 3 |
| Make people feel valued for their contributions | 2 |
| Make people feel safe in expressing honest opinions | 3 |
| Don’t withhold information for Power | 1 |
| Hold a basic belief that all people have good potential | 2 |
| Be willing to listen | 3 |
| Be willing to be vulnerable | 1 |
| ***Consistency in Behavior*** | ***Average rating 1.75*** |
| Say it and do it | 2 |
| Do the right thing | 2 |
| Be consistent in how decisions are made | 3 |
| Keep promises and commitments | 1 |
| ***Everyone Committed to the Mission*** | ***Average rating 2.75*** |
| Know where the organization is headed | 3 |
| Make sure people know and believe in organizational goals | 2 |
| Encourage teamwork | 3 |
| Encourage dialogue to establish shared values | 3 |

**Culture and Climate**

At TransUnion a formal code of ethics is used, referred to as the "Code of Business Conduct". Integrated into the code of ethics are TransUnion's values and beliefs. The code of ethics is available through an intranet website, The Hub, allowing the code of ethics to be viewed by any associate at any time. While the code of ethics is available to view, associates are only required to review and acknowledge they have read the 32-page document once a year, for compliance and reporting purposes. The values aspect of the code of ethics is integrated into performance management, which each value being evaluated on associates’ yearly goals. Within the organization's code of ethics, there are a few dedicated pages to reporting known or suspected violations. TransUnion explicitly states "You may report or inquire about suspected violations in confidence and without fear of retaliation. Your anonymity will be protected to the fullest extent possible if you contact the TransUnion helpline" (TransUnion, 2024). After further research on the internal websites, I was able to locate a website for the helpline, mailing address, and telephone number for reporting ethical violations. The code of ethics policy also states, "Associates must promptly report any possible non-compliance with this Code”. Outside of the required annual acknowledgement of the code of ethics, encouragement to speak up is not discussed.

The chief Talent and Diversity officer is someone that many would consider to be a role model at TransUnion. She embodies the values of integrity and people, aligning with TransUnion's values. Promotions at TransUnion are reminiscent of a union, in that most promotions occur based off tenure instead of merit. If you stay with the organization long enough, you will be promoted, regardless of your ability to do the job and previous performance. The current promotion practice is one that could create unethical behavior. If you know you're going to be promoted based on tenure and not merit, there are no downsides to acting unethically. This can be seen throughout various promotions I have witnessed, where associates were promoted to leadership roles even though they took shortcuts and abused company policies. I think this also is partly due to favoritism on the management team's part. Alongside that, recognition is almost non-existent at the organization. TransUnion has eliminated previous rewards and recognition programs. When asked to describe TransUnion’s culture, interviewee B stated “The climate is hostile and toxic. Culture is nonexistent.”

It is also worth noting that in the last seven years TransUnion has been the subject of four lawsuits by the Consumer financial Protection Bureau (Consumer Financial Protection Bureau, 2024). “In 2017 the CFPB issued an order against TransUnion for luring consumers into costly subscription plans. TransUnion had deceptively misstated the cost and usefulness of its credit scores and credit-related products. These actions lured in consumers and trapped them in costly recurring payment plans.” (Consumer Financial Protection Bureau, 2024). Additionally, in April 2022 “the CFPB alleges that, instead of following the order, TransUnion continued to dupe Americans into its costly subscription plans. In that action, the CFPB alleges the company, along with a longtime former executive, violated the order and other federal consumer financial laws by tricking consumers into signing up for subscription products with costly recurring payments.” (Consumer Financial Protection Bureau, 2024) The multiple lawsuits show that organization clearly has a pattern of unethical behavior instilled from the executive level down and are not living their values of integrity and building trust and relationships with their customers.

**Assessment**

Based on my evaluation, TransUnion would be considered a very decoupled organization. There is a misalignment or disconnection between its formal structures, processes, and the actual practices and behaviors of it’s members. TransUnion is considered decoupled based on the ethical challenge initially presented- gendered comments made by the CEO that does not align with TransUnion’s Diversity and Inclusion mission and vision. There is also an apparent disconnect between the actions of its associates and TransUnion’s values and beliefs. TransUnion states that their values are core to their identity and success and include integrity, people, customers, and innovation (TransUnion, 2024). While TransUnion states these are their core values, the gendered comments made by CEO Chris Cartwright do not live their value of people or integrity. The low scores TransUnion received from the organizational building blocks of trust also reflect the large gap in what they say versus what is happening. The lawsuits filed against TransUnion also reflect the gap in its formal structures and processes and the actual practices and behaviors.

**Recommendations**

TransUnion claims to support all members of their organization, however, remarks made by the CEO during a recent companywide meeting, do not align with the company's values or the vision. The remarks made by the CEO were "He, She, They, Them. Whatever the hell I am supposed to say". The remarks left associates viewing the leadership team and Diversity & Inclusion efforts as hollow and artificial. The comments made pose an ethical challenge because it goes against the principles of inclusivity and equality.

Based on the previous analyses, the following recommendations are made:

* Provide ongoing training and education on LGBQTIA issues, promoting empathy and understanding among employees. Presently, there are no formal or informal training and education programs available to associates on LGBTQIA issues. Enacting these types of programs, with executive leadership buy-in will reaffirm the organization’s commitment to their three pillars diversity, equity, inclusion, and belonging strategy. Without the buy-in from top leadership, the three pillars of TransUnion’s DEIB pillars will not be attainable. This recommendation also supports procedural and distributive justice. Procedural justice will be affected positively by this recommendation due to a higher consistency and a lack of bias; more training will ensure that everyone is treated the same and no person or group received unfair treatment. Distributive justice will be positively impacted by this recommendation by protecting the rights of individuals.
* Conduct a thorough review of the company policies and practices to ensure they align with principles of diversity, inclusion, and nondiscrimination. Reviewing current policies and practices will increase both distributive and procedural justice. If policies and practices are not aligned with the organization’s mission and vision, they can be updated to ensure that rights of all individuals, including the LGBTQIA group, are protected and that consistency and lack of bias is present across the board. This recommendation will also increase the leadership rating for Chris Cartwright in information management and consistency.
* Foster a culture of accountability by holding leaders, including the CEO, responsible for their actions and statements. Fostering this culture of accountability will increase both the procedural justice and interactional justice at TransUnion. Procedural justice will increase with accountability due to ensuring professional standards of conduct are not violated. Interactional justice will benefit from this recommendation because associates will feel they are being treated with dignity if the leaders are held accountable for their actions and statements. This will also increase the leadership ratings of Chris Cartwright, specifically in the areas of loyalty, power, and consistency.
* Engage in external partnerships and collaborations with LGBTQIA organizations to reiterate the organization’s commitment to inclusivity and support. This recommendation is rooted in the principles of fairness, respect, and equality because it ensures that all individuals, regardless of sexual orientation and gender identity, are treated fairly and with respect. This recommendation will positively impact TransUnion’s interactional justice and procedural justice. This recommendation acknowledges the importance of equal opportunities and rights for everyone. By working with LGBTQIA organizations, TransUnion can create a more equitable and accepting society. This action would in turn increase Chris Cartwright’s leadership ratings in the areas of power and loyalty.

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