

Uber founder and CEO Travis Kalanick RESIGNS citing 'difficulties in his personal life' just days after going on indefinite leave in the wake of the company's sexual harassment scandal

[dailymail.co.uk/news/article-4624186/Uber-founder-CEO-Travis-Kalanick-resigns.html](https://www.dailymail.co.uk/news/article-4624186/Uber-founder-CEO-Travis-Kalanick-resigns.html)

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Uber founder and CEO Travis Kalanick has resigned from the ride-sharing company.

The 40-year-old entrepreneur announced he was stepping down at the firm he founded in 2009 deals with a sexual harassment scandal.

Uber's board confirmed the move early on Wednesday, saying in a statement that Kalanick is taking time to heal from the death of his mother in a boating accident 'while giving the company room to fully embrace this new chapter in Uber's history.'

He will remain on the Uber Technologies Inc. board and keep his shares which are worth billions.

In a boardroom showdown, five of Uber's major investors, including Bill Gurley from capital firm Benchmark, demanded that the chief executive resign immediately.

They then obtained a letter in which Kalanick announced his resignation, titled: 'Moving Uber Forward.'

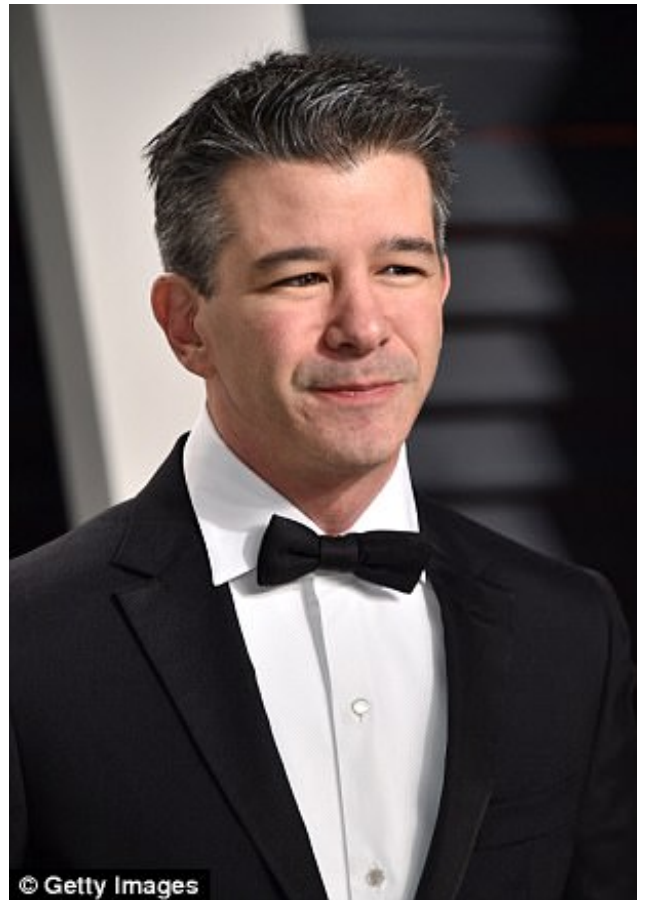
In a statement, the 40-year-old co-founder said his resignation would help Uber go back to building 'rather than be distracted with another fight,' an apparent reference to efforts on the board to oust him.

It was unclear who would replace Kalanick.

'I love Uber more than anything in the world and at this difficult moment in my personal life I have accepted the investors request to step aside so that Uber can go back to building rather than be distracted with another fight,' it read.

It went on: 'I will continue to serve on the board, and will be available in any and all ways to help Uber become everything we've dreamed it could be. Thank you for everything.'

Uber's board said in a statement: 'Travis has always put Uber first. This is a bold decision and a sign of his devotion and love for Uber.'



'By stepping away, he's taking the time to heal from his personal tragedy while giving the company room to fully embrace this new chapter in Uber's history. We look forward to continuing to serve with him on the board.'



Kalanick cited his 'personal life' as part of the reason he was stepping down from the company he founded in 2009

After the resignation, Uber investor and board member Bill Gurley took to Twitter saying: 'There will be many pages in the history books devoted to Travis Kalanick - very few entrepreneurs have had such a lasting impact on the world.'

The resignation came after a series of costly missteps under Kalanick that damaged Uber's reputation including revelations of sexual harassment in its offices, allegations of trade secrets theft and a federal investigation into efforts to mislead local government regulators.

Also, Kalanick lost his temper in an argument with an Uber driver who was complaining about pay. The profanity-laced confrontation was caught on a video that surfaced in February. Afterward, Kalanick said he needed management help and had to grow up. The company began searching for a chief operating officer.

In March, board member Arianna Huffington expressed confidence that Kalanick would evolve into a better leader. But Huffington, a founder of Huffington Post, suggested time might be running out.

He's a 'scrappy entrepreneur,' she said during the call, but one who needed to bring 'changes in himself and in the way he leads.'

Kalanick took an indefinite leave of absence earlier this month, in part to deal with a personal tragedy. In May, his mother was killed and his father hurt in a boating accident on a California lake.

Kalanick's resignation comes after he took a leave of absence earlier this month in the wake of a report being released into sexual assault claims made against the ride-sharing company.

In an email to staff at the time, Kalanick said he was taking 'time off from the day-to-day', giving no end to the widely anticipated hiatus which comes after a hellish period of professional and personal turmoil for the CEO.

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Uber founder and former CEO Travis Kalanick

He chalked the decision down to giving himself time to grieve for his mother Bonnie, who died in a boating accident on May 26, but said he would also use the time away to reflect on his leadership in light of the scathing report into Uber's cultural problems which stemmed from allegations of rampant sexual harassment.

His decision, though widely anticipated and called for by industry experts, came after former attorney general Eric Holder returned a damning, 13-page report into Uber's flaws.

The ex-attorney general and a team at Covington and Burling LLP created the report after being asked to investigate claims made in February by female former employees who alleged rampant sexual harassment at the company.

The two ex-employees also claimed at the time there were also incidents of homophobia and racism, all of which they said took place inside the environment fostered by Kalanick and his circle of trusted top executives.



Five of Uber's major investors, including Bill Gurley (pictured) from capital firm Benchmark, demanded that the chief executive resign



Bill Gurley @bgurley · 2h

There will be many pages in the history books devoted to @travisk - very few entrepreneurs have had such a lasting impact on the world.

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However after the resignation, Gurley took to Twitter saying: 'Very few entrepreneurs have had such a lasting impact on the world'

Holder's report featured a list of 10 recommendations that could help fix its culture, including a ban on booze at work parties and staff members having sex with each other.

Last week a woman raped by an Uber driver in India filed a lawsuit accusing the on-demand ride service of invading her privacy and defaming her character.

AXE THE BRO-CODE, LESS BOOZE AND NO SEX: RESULTS OF THE SCATHING UBER REPORT

The key recommendations made by Eric Holder in order to change the culture of Uber:

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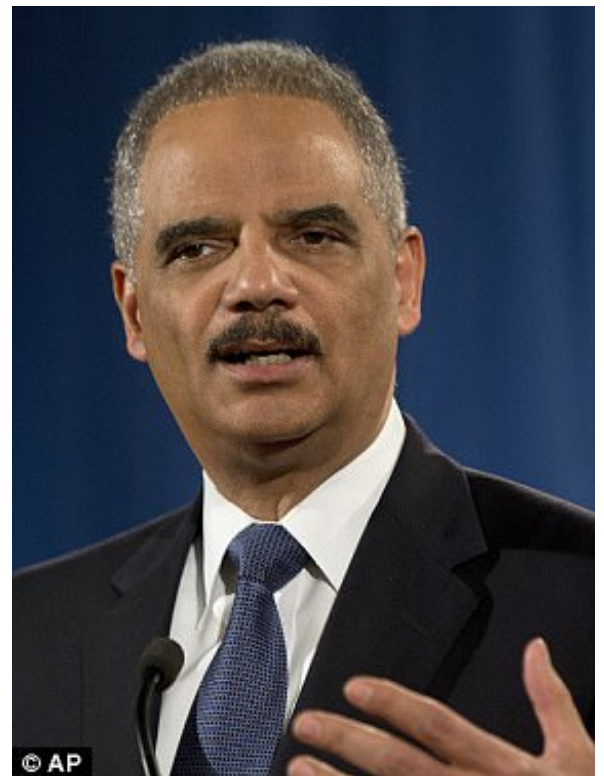
Former attorney general Eric Holder spearheaded the investigation

1: A CEO who has a background in 'diversity and inclusion': The report wants CEO Travis Kalanick's power reduced in favor of appointing a Chief Operating Officer to change the antagonistic and toxic working environment at the firm. Separately, the firm said Uber's board should review Kalanick's responsibilities and reassign some of them to others. The report also recommends adding more independent directors and replacing its chairman, Uber co-founder Garrett Camp, with an independent chairman.

2: One woman and one minority interviewed for every job: The report wants Uber to target historically black universities and recruit more from Hispanic colleges. Most importantly it wants to institute a version of the Rooney Rule which brought in positive discrimination to the National Football League. This would mean that for each position at Uber the firm should interview at least one minority and or woman for the role. The rule is already in place at other large tech companies, such as Facebook. The report also wants managers who promote diversity to be rewarded.

3: Boss-employee romance is banned: This is the most cutting of all the recommendations - In addition to zero-tolerance of all harassment and discrimination, Uber should ban all sexual relationships between staff who are in a junior or senior position to one another.

4: Less alcohol at company events: The firm should also reduce the culture of drinking at the firm as well as a zero tolerance policy for illicit drugs and make work events less about booze and more about team building.



- 5: Axe the bro-code: Current core values enshrined in the workplace such as 'Always be Hustlin' and 'Principled Confrontation' actually encourage bullying and bad practice says the report and new diverse and inclusive core values are needed instead.
- 6: Independent Board members who will carry out the changes: And the installation of an Independent Chairperson of the Board who will enact many of the recommendations in the report – pointedly not Kalanick.
- 7: Remove the culture of fear: Implement Human Resources record keeping which would allow staff to complain about their manager with anonymity and also allow managers to access the non-confidential records of their staff easily too.
- 8: Diversity not adversity: The report calls for re-training for all members of staff and not just for low level employees. The training should be focused on diversity, inclusion and offered to senior leaders.
- 9: If you see something, say something: The report said that the culture of fear at the firm led many to not register complaints about bullying, racial or sexual harassment. The report recommends a firm process of multiple senior members of staff to be involved when a complaint is made so that staff feel confident they are being listened to and not ignored.
- 10: Stop the high turnover: The report says that Uber should try and make a huge effort to keep their current staff. The firm also recommended that Uber adopt flexible work arrangements to help retain employees with children and other outside obligations.
- 11: The report said Uber should move its free catered dinner to an earlier time so employees with families can take advantage of it. That's a change Uber has already made. A spokesperson said Uber will now offer free dinner at 7 p.m. on weekdays; the dinner time was previously 8:15 p.m.
- 12: Equal pay for women and minorities.

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On Wednesday, Uber announced it would be enabling passengers to tip its U.S. drivers with a tap on its ride-hailing app for the first time, part of a push to recast itself as a company with a conscience and a heart



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Uber adopts all recommendations from sexual harassment report

The woman, a Texas resident identified in litigation as 'Jane Doe,' had settled an earlier lawsuit with Uber stemming from the 2014 sexual assault.

The new case filed in San Francisco federal court comes after Uber's firing of Eric Alexander, an executive who read and discussed medical information about the rape victim.

Alexander was named as a defendant in the litigation, along with Kalanick and former senior vice president Emil Michael, according to a copy of the court filing posted online by Wigdor law group representing the woman.

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Besides the built-in tipping announced Tuesday, Uber is giving drivers an opportunity to make more money in other ways too.



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Riders will be charged by the minute if they keep an Uber car waiting for more than two minutes.

Uber also is reducing the time riders have to cancel a ride to avoid being slapped with a \$5 fee from five minutes to two minutes after summoning a driver.

Uber won't take any of the tip money. The San Francisco company will continue to collect part of ride-cancellation fees, as well as the waiting-time charges.

The tipping option, long available in the app of rival Lyft, will start Tuesday in Seattle, Houston and Minneapolis. Uber wants it to be in all U.S. cities by the end of July. The other features will roll out in August.

The attempt to smooth over its sometimes testy relationship with drivers is part of a broader effort to reverse damage done to Uber's reputation by revelations of sexual harassment in its offices, allegations of trade secrets theft and an investigation into efforts to mislead government regulators.

'These drivers are our most important partners, but we haven't done a very good job honoring that partnership,' said Rachel Holt, regional general manager in the U.S. and Canada. She is on the leadership team running Uber while CEO Travis Kalanick is on leave.

The expanded earnings opportunities are the first step in what Uber is billing as '180 days of change' for its U.S. drivers. Holt wouldn't reveal the rest of the campaign.

Uber was having trouble dealing with its success. It posted a \$708 million first-quarter loss, unable to turn \$3.4 billion in revenue into a profit. The loss narrowed from the \$991 million it posted in the previous quarter.

Investors have talked about selling stock in Uber to the public. The company was valued at near \$70 billion the last time it sought capital.



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