

Uber CEO Kalanick resigns under pressure (Update)

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Uber's embattled chief executive Travis Kalanick has resigned, yielding to pressure from investors seeking to clean up a toxic corporate culture at the fast-growing ridesharing group.

Kalanick had announced an indefinite leave of absence a week earlier following the release of a report on Uber's workplace troubles by former US attorney general Eric Holder.

His departure announced late Tuesday caps a rocky period for the global ridesharing giant, which has been roiled by reports of a cutthroat workplace culture, harassment, discrimination and questionable business tactics to thwart rivals.

"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," Kalanick said in a statement.

The Uber board of directors welcomed the "bold decision," say it marked a "sign of his devotion and love for Uber."

Kalanick, who has been the driving force behind Uber's massive global expansion and whose brash style had made him a liability, will remain on the board with a large voting stake in the company, whose \$68 billion valuation makes it the world's largest venture-backed startup.

The pioneering company has been facing pressure to rein in a no-holds-barred management style led by Kalanick and to reform its workplace culture.

Investors had been growing impatient with Kalanick despite a pledge to implement reforms.

In a letter, titled "Moving Uber Forward," key investors told Kalanick that he must immediately leave as part of a necessary change in leadership, The New York Times reported.

'Lasting impact'

Following Kalanick's announcement, early Uber investor Bill Gurley of Benchmark Capital offered praise for the departing CEO.

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

Jan Dawson of Jackdaw Research said in a blog post that Kalanick's resignation "leaves an enormous vacuum at the top of the company," but that "this is all for the best long term, even if it's messy in the short term.

Uber has not only disrupted the local transport industry in dozens of countries. It's also been investing in autonomous driving technology, and has provoked a lawsuit from the former Google car unit now called Waymo that accused Uber of stealing trade secrets.

Last week, Kalanick said one of the reasons for taking a leave of absence was his mother's recent death.

Kalanick's fiery character helped Uber's expansion in the face of

opposition from regulators and established taxi operators, but it also got him into trouble.

As Uber faced a series of embarrassing disclosures, he was captured on a dahscam berating and cursing at a driver who had complained about earnings, in a video that went viral.

His resignation comes a day after the company emailed its US drivers to say it would allow passengers to tip them, starting in three cities and rolling out across the country by the end of July. Kalanick had reportedly been opposed to tipping.

Questionable practices

Before Kalanick's departure, Uber had been shaking up its ranks.

The San Francisco-based firm parted ways with its number two executive, Emil Michael, who had reportedly been linked to a number of questionable practices at Uber, including a visit to a South Korean escort-karaoke bar and an attempt to dig up embarrassing information on journalists.

Previously, Uber said it had fired 20 people after examining 215 claims of discrimination, harassment, unprofessional behavior and bullying.

Uber this month released a 13-page document calling for major reforms at the company based on a probe led by Holder, who investigated allegations of misconduct and ethical lapses.

The report, recommendations of which were adopted by the board, said Uber "should reformulate its written cultural values" to "reflect more inclusive and positive behaviors."

The reforms should focus on "tone at the top, trust, transformation and accountability," the report added.

It said Uber should also consider installing an independent board chair, "to serve as an independent check on Uber's management" and to show it is taking reforms seriously.

The Holder report called for "an ethics and culture committee" to oversee Uber's efforts to maintain ethical business practices.

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