

The Fall of Travis Kalanick's Leadership: Decoding the 'Bro Culture' at Uber

Uber is an American company that gained monumental traction due to its taxi-like services that allowed consumers to hail transportation easily through the Uber app. In recent years, however, Uber has gone under fire for its culture of harassment, otherwise known causing the company to rethink the way it connects with both its consumers and employees beyond offering services.

PART I: THE SITUATION

On February 19, 2017, former Uber engineer Susan Fowler published allegations about the company's culture of harassment on her blog. Fowler recalled her countless experiences with gender-based harassment at Uber. This only solidified workplace 'bro culture' – "the exclusionary, male-centric vibe at some companies" (Cava and McCoy, 2017) that breeds excessive partying and systemic harassment of colleagues – that plagued so many startup companies. Fowler's powerful blog post resulted in a series of investigations at Uber, one of which was led by former Attorney General Eric Holder causing Uber to fire 20 employees. Additionally, Uber promised to make changes within the company that included "revamping its institutional values, prioritizing measures that promote diversity and inclusion, and cleaning up its hard-partying reputation" (Cain, 2017). Uber's then-CEO Travis Kalanick took a leave of absence from the company and ultimately resigned in June of 2017. The key publics resulting from this scandal included past, future, and current employees, consumers, and investors.

Initially, it may seem like Uber's response is an exemplary model for the actions that companies should take when faced with harsh criticism. Some, however, have remained skeptical. For example, in 2018, former Uber employee Ingrid Avendaño claimed that "Uber did

not do enough to address allegations of harassment” (O’Brien, 2018). One effective and smart move, however, that Uber played was the resignation of Kalanick and the installation of Dara Khosrowshahi as the new CEO. According to Glassdoor, Khosrowshahi currently has an 82% CEO approval rating compared to Kalanick’s 77% in Q2 2017. Ultimately, Uber has taken the correct initiatives towards responding to this scandal by installing new changes and revamping company leadership. As a company, Uber must walk-the-talk and remain faithful to their changes in order to gain trust with its key publics following this scandal.

PART II: PUBLIC RELATIONS THEORY APPLICATION

Uber utilized many public relations theories to help the company get back on its feet following its sexual harassment scandal. This essay will be focusing on the **fully functioning society theory** and **situational theory of publics**.

The **fully functional society theory** theorizes that “public relations can and should play a productive in maintain a healthy society” and that “management [should make] choices that lead the organization to be good and therefore legitimate in society” (Logan, 2020). Uber contributed to moving its corporation towards a **fuller functional society** through implementing company-wide changes. For example, following the investigation held by Holder, Uber announced that diversity and inclusion will be executive-level priorities, and every employee will be evaluated on their efforts towards this goal” (Carson, 2017). Additionally, the company promised to “cut back on its party culture and establish clear rules about sex, drugs, and alcohol at work” (Carson, 2017).

The **situational theory of publics** states that “building strategic relationships for an organization involves understanding publics. **Situational theory of publics** describes the factors

that contribute to creating active publics based on their situation” (Logan, 2020). This is an interesting theory to study Uber’s because of the strong activity of the publics. Uber’s sexual harassment scandal resonated with many consumers and employees, causing them to become active publics. For example, the #DeleteUber campaign that was active in January 2017 became trending again on Twitter in the wake of the scandal. During this time, “more than 200,000 customers deleted their accounts” (Isaac, 2017).

PART III: TEXTBOOK APPLICATION

The two standout terms that relate to this Uber case study are **paracrisis**, **damage control**, and **communicating the good deeds of an organization to the public**.

According to Timothy Coombs, a **paracrisis** is a publicly visible crisis threat that charges an organization with irresponsible or unethical behavior” (Swann, 2014, p. 297). Uber experienced a **paracrisis** following Fowler’s blogpost exposing the company’s ‘bro culture’ and mistreatment of female employees. Uber then took steps to reform repair their image through investigations, new company changes, and a new CEO as part of **damage control**, in which “public relations practitioners should manage their entity’s communications and reputations proactively, ethically, and responsibly” (Logan, 2020). Lastly, Uber did a good job at **communicating its good deeds to the public**. According to the Community Relations Chapter 9 presentation, organizations should communicate this information through both internal (company websites, newsletters, and social media) and external (local news media, community newsletters, and websites) means (Logan, 2020). Uber followed these protocols following its **paracrisis** by announcing their new changes not only on their company website, but also through various news media outlets as seen in this case study.

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