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Case 6

Evaluating Dr. Luddite, Harristown Asperger’s Syndrome Foundation Executive Director

Tempers were beginning to flare at the mid-August board meeting of the Harristown Asperger’s Syndrome Foundation, and the atmosphere was hot enough as it was. The air conditioner had been turned down in the conference room to save on cooling expenses and satisfy a “green agenda” advanced by a coalition of nonprofits of which the Foundation was a member. The board was split right down the middle on whether to fire its long-time executive director, an action that the chair of the Foundation and convener of the meeting, Stephen Huddleston III, had considered to be inconceivable only hours ago.

“Dr. Luddite should retire gracefully,” brusquely accused Ryan Powers, a 30-something investment banker with an MBA who had little patience for beating around the bush. He had been the one a half-hour previously to offer the motion not to renew Dr. Luddite’s contract, effectively firing him on December 31.

“Absolutely,” agreed Tom Davies, the only “Generation Z” member of the board and only a few years out of college himself. “He should step aside and let a younger person with fresh ideas and experience in running a modern nonprofit bring the Foundation into the 21st century. Or at least the 20th century,” he added pointedly, thinking he was being funny.

Powers and Davies had been a tag team, taking turns at battering the executive director without any indication that they would ever run out of ammunition against him. It might take some fancy footwork along with some parliamentary maneuvering for the CEO’s defenders to deflect their frontal attack and provide enough acknowledgment of their complaints to placate them and other disgruntled board members. What would it take to convince them to withdraw their motion and substitute something more constructive and more in the interests of the Foundation? Even if their motion carried, Huddleston was confident that he could muster a re-vote on the action by having another meeting before December 31 with the attendance of some of the board members who were absent today. But it would take a major effort to smooth ruffled feathers, and who knows how Dr. Luddite would interpret the board’s current debate once it leaked out to him what was occurring, as it inevitably would.

“I don’t think either of you appreciates how much Dr. Luddite means to this organization,” parried Ruth Winnett. She was one of the original board members of the organization and among the legions of individuals who worshipped Dr. Luddite and raved about his accomplishments on behalf of those like her who had a child with Asperger’s Syndrome.

“This organization would never be able to replace him if he decided to leave voluntarily, and it would be a disaster to fire him, not to mention how unfair it would be to him. He has devoted his entire professional life to our cause, and we should be judging him on the results of his efforts, not the specific management techniques that he uses. I think we would be better served if both of you left the board if you’re not happy, rather than having Dr. Luddite leave.”

“Okay, let’s get back to focusing on the Personnel Committee’s executive director evaluation recommendations and the motion on the floor,” implored Mr. Huddleston.

Mr. Huddleston surveyed the conference room one more time, looking for any sign that the 16 members of the Harristown Asperger’s Foundation board before him would reach a consensus on the future of its long-time executive director and organizational co-founder. *We should have found some way to throw at least three of these folks off the board last year before it got to this, and perhaps I deserve some of the blame for letting things deteriorate to the point they have,* he admitted to himself.

The main agenda item was what was expected to be a perfunctory approval of the formal annual executive director evaluation report of the Personnel Committee. The committee, which was appointed by the chair, had generally agreed that Dr. Luddite’s performance was exemplary, but he could improve the management of the Foundation by infusing some technological innovation into its operations.

But things were getting out of control at this meeting. Some renegade members of the board were using the discussion of the report to express their dissatisfaction with the organization’s leadership in general, and the quality of the leadership of Dr. Michael Luddite, in particular. Chair Huddleston was irritated; this was the type of situation that needed to be diffused before it reached the board meeting stage. As a courtesy, Mr. Powers, the apparent leader of the cabal engaged in trashing Luddite, could have at least given the chair a heads-up that there was going to be a challenge of some kind. The debate did not appear to be spontaneous with Powers, Davies, and two others speaking out against retaining Dr. Luddite.

Now in the last year of his two-year term as chair, Mr. Huddleston had accepted the position by unanimous vote, and he had helped guide the organization through some turbulent economic times. He had forged a good relationship with Michael Luddite, Ph.D., the CEO and an icon in the social service community for nearly a half-century, who worked tirelessly for children with Asperger’s and the families who cared for them. Putting aside the substantial discomfort that would accrue to the organization by firing Dr. Luddite, Huddleston knew that a search for a replacement executive director would consume significant time and resources of the Foundation (and those of himself, personally), and that it would be unlikely for the organization to find someone of Dr. Luddite’s experience and national stature.

In 1995, the Luddites’ eight-year-old grandson had been diagnosed with Asperger’s after a frustrating three-year search for the cause of his often baffling behavior. At the time, Dr. Luddite had been the long-serving director of the State’s Medicaid program, serving a succession of Republican and Democratic Governors and their politically appointed Secretaries of Health and Human Services. For almost three decades, none had given even a thought to replacing Dr. Luddite, as was routinely the case with all other deputy secretaries in the department. He was a nationally respected expert on many aspects of the program, and his résumé documented his vast experience over the years advising presidential commissions, the National Governors Association, and others who were influential in shaping public policy in that area.

That same year, Dr. Luddite had been abruptly fired over his unwillingness to implement certain cost containment policies demanded by the Governor’s Office. Rather than retiring on his substantial state pension, as many in his position might have done, Luddite instead engaged in a Herculean effort to organize a coalition of parents and health care providers focused on Asperger’s. Both he and his wife, a registered nurse, had devoted the next 15 years to advocacy at the state and federal levels to find effective treatments if not an outright cure, provide government support for providing services to families with the syndrome, and educate the professional health community and the public about it.

Asperger’s Syndrome (a.k.a. Asperger’s Disorder, or Asperger’s) is a behavioral syndrome associated with autism that affects approximately one in every 5,000 children in the United States and around the globe—although epidemiological studies to gauge its prevalence have varied widely. Its name derives from Hans Asperger, the Austrian medical doctor who in 1944 was the first to catalog its symptoms—an impairment in non-verbal communication, physical clumsiness, and limitations empathizing with others. It had taken another half-century before Asperger’s had become a standard diagnosis, a delay that had caused immense grief and suffering to the families of children with the syndrome, who often suffered through the frustrations of misdiagnoses. There is no known single cause, although a genetic link has been established. There is also no reliable treatment; rather the symptoms are managed by behavioral therapy. Those who also suffer from depression and anxiety—which are not unusual to accompany Asperger’s—receive medications targeted to relieving those particular symptoms. In recent years, autism, ADD, and ADHD had become well known nationally as a result of extensive media interest. Asperger’s Disorder was less well-known, though certainly more known as a result of the work of Dr. Luddite and the Foundation.

As with other behavioral disorders in children, such as ADHD, Asperger’s is both over-diagnosed and under-diagnosed, partly attributable to the fact that there is a wide spectrum of the syndrome’s degree of severity. The Foundation had dedicated much of its efforts to assuring that the health care community received the education it needed to appropriately diagnose the syndrome, and had been one of the leading organizations to assist in the development of screening instruments.

As it was, Dr. Luddite was not present, as he was traveling across the country to help organize a parallel foundation in another state. He would not have been in the room while his evaluation was being discussed, but it might have helped if he had been accessible to answer questions. For most nonprofit executive directors, being on the opposite coast would not be a major obstacle. The fact that Dr. Luddite was unreachable during this crisis only underscored the point his detractors were making.

The Foundation was Luddite’s vision from the beginning. He and a small group of parents and grandparents had incorporated the Foundation, and they seeded its operations from their personal funds. At first, there had been no paid staff, and Dr. Luddite had chaired the board and voluntarily, with the assistance of his wife, managed the Foundation. After only two years, a well-heeled member had bankrolled the organization with a small six-figure contribution with promises to renew the gift annually. At that point, Dr. Luddite decided to become the organization’s executive director and continue to serve on the board in a non-voting, *ex officio* capacity. Mrs. Luddite had continued to serve on the board and served as its chair until her death in 2002.

Initially, Dr. Luddite suffered through a severe case of founder’s syndrome. This term has been used to describe situations in which the founder of an organization dominates decisionmaking through his or her commitment, passion, or personal charisma. This dominance eventually becomes inappropriate behavior as the organization matures and governance and management become more decentralized through a group of diverse stakeholders. But in time, he became more comfortable with the more restricted role of CEO. Helping him through this often painful process was an outside consultant hired to develop a five-year strategic plan for the foundation. Eventually, Dr. Luddite and the board recognized that it was Dr. Luddite’s job to manage, and the board’s job to govern. In time, Dr. Luddite had accepted this division of responsibility.

Dr. Luddite was always respectful of board members, but it was not unusual for him to ignore the board’s directions on occasion, particularly when he perceived that the board had overstepped its authority and was inappropriately micromanaging. For example, back in 2007, the board had passed a resolution, offered by the organization’s treasurer, directing Dr. Luddite to invest the Foundation’s entire available bank account with Bernie Madoff, a former chairman of the Nasdaq Stock Exchange. Madoff had formed a private investment company that seemed to offer good returns on investments that far exceeded the conservative investing Dr. Luddite arranged on behalf of the Foundation. Despite occasional nagging telephone calls from the treasurer, Dr. Luddite continued to place the Foundation’s investments in less risky, and less lucrative, investments. When the Madoff scandal broke in 2008, the board recognized that had Dr. Luddite followed its directive, the Foundation’s assets would have been completely wiped out.

In almost every case when he had ignored the direction of the board, Dr. Luddite’s instincts were prescient, and it was rare that anyone on the board ever pointed out his occasional lapses of blatant insubordination. In almost every case, a reasonable person would have concluded in retrospect that it would have been disastrous for some of the board’s direction to have been followed. For years, board chairs had given Dr. Luddite some slack to use his judgment, even if he might have to violate a board resolution in spirit, if not the letter.

Clearly, his experience and his commitment to the welfare of the families the organization served were evident, and his paramount concern during his tenure as the CEO was never himself. The board was grateful that he had been willing to accept a 10% pay cut during last year’s budget shortfall, and the organization’s revenues were enhanced by book royalties from a primer on Asperger’s Syndrome he had authored and that he had designated to be paid to the organization rather than to himself.

Board members and chairs came and went. Dr. Luddite was the public face and voice of the organization, and most would concede that even with his limitations, replacing Dr. Luddite when he chose to retire would be traumatic for the organization and the cause it advanced.

Yet, at least three members of the board were actively seeking to have Dr. Luddite removed from his position and were clamoring for his head on a platter. And they were finding increasing support from a cadre of relatively newly-elected board members who were sympathetic to a change in direction for the organization and were jockeying for either a change in staff leadership or a change in marching orders provided to the current leadership. These two factions of board members were in an alliance against the executive director, but it was clear to Mr. Huddleston that if they succeeded, they would be in opposition to themselves if and when the axe fell on Dr. Luddite. And if they succeeded, the continued viability of the organization might well be threatened, as several major funders remained under the spell Dr. Luddite was able to cast on them and provided grants on the basis of Dr. Luddite’s star power. If Dr. Luddite went down, the generous funding from these donors would likely be history. And Mr. Huddleston was in the middle of it all.

For his part, despite imploring from Mr. Huddleston, Dr. Luddite refused to help his own case, which Huddleston attributed to simple stubborn arrogance. He ran the organization virtually the same way he had when he first established the organization. The good news was that he ran the organization with energy and vigor, bristling with integrity that was communicated to the Foundation’s ten employees through both deed and word. Even now, approaching 75, he could be seen bounding up three flights of steps to the organization’s offices rather than taking the elevator. Although health might become an issue in future years, none of his detractors on the board dared to make the case that he no longer had the mental or physical capacity to lead the organization. Rather, the problem, admittedly becoming a more serious problem with the passage of time, was that Dr. Luddite was technophobic.

This had been amusing at times during the 1980s, as the business world had embraced the productivity increases spurred on by the personal computer. Dr. Luddite would still be seen at his state office into the late hours hunching over at his desk banging out letters and reports on the trusty old Remington typewriter he had used to type his doctoral dissertation in the late ’60s. During the 1990s, this was becoming less amusing to observers and more inconvenient. And entering the 21st century, some members of the board recognized that this was becoming a real problem that needed to be addressed. The world had changed almost overnight.

Nonprofit organizations were clearly always several years behind their for-profit counterparts in adopting new technology. But at some point, every nonprofit organization came to understand the role technology had in improving the way they delivered goods and services, and in communicating with their stakeholders. And, more and more, stakeholders of nonprofits had come to expect the organizations to use these new technologies.

Dr. Luddite spurned offers of training, and Huddleston’s predecessor as chair once had given an ultimatum that Dr. Luddite needed to learn some new skills or face some sanctions. But that chair had rotated off the board to an amorphous “advisory committee” before achieving any change in the executive director’s behavior. The situation today was different; the board’s new policy to evaluate the executive director provided an ill-timed forum to discuss Dr. Luddite’s glaring weaknesses, which in previous years were simply ignored.

Looking around the room, Mr. Huddleston estimated that at least 14 of the 16 board members present had used either their cell phones or Blackberries to check their e-mail during the meeting. Perhaps half of them had sent a text message—Mr. Huddleston had received three of these messages himself within just the last 30 minutes. The last one was from one board member sitting not more than three feet away across the table, John Winters, a balding, corpulent man in his mid-50s who didn’t need to take the entire 140-character limit of the Twitter.com application.

“Time 2 fir tht old dinasr,” read the message.

Mr. Huddleston shuddered to think who else in the room had received the same direct message from Winters. But one thing was for certain; it wouldn’t have been Dr. Luddite, who refused to even carry a cell phone.

The organization had a working Web site, but it was something that Dr. Luddite had managed, totally by outsourcing, simply to assuage the board. He did not participate in making the site interactive, such as by posting a blog, or by providing electronic newsletters. While his colleagues in the nonprofit community were using the Internet to recruit employees and volunteers, raise funds through online charitable auctions, fundraise and friendraise using Facebook and MySpace pages, and forge revenue-generating affiliation agreements with online retailers, Dr. Luddite turned up his nose at almost any suggestion that related to harnessing the power of the Internet. He refused to even have an e-mail address and would not have had any idea how to access any e-mail he received had he had one. He was a master at one-on-one meetings and radiated a personal charisma that won over many a person who might have been oppositional.

But today, Dr. Luddite was besieged by a phalanx of board members intent to can him and, perhaps, replace him with a younger person who had not even been born when personal computers had been invented.

Despite this disdain for technology, Huddleston was a strong supporter of Dr. Luddite, but recognized that this aspect of his personality could well be the Achilles Heel that resulted in his dismissal, if not at this meeting, at a future one. And the seeds of a potential firing had been sown two years earlier when the board, under the urging of a new organization funder, agreed to institute an annual evaluation of the executive director. At the time, no one was questioning Dr. Luddite’s leadership of the organization, and this was considered to be a *pro forma* initiative. Most thought it made sense anyway, as eventually, the reins of leadership would change. Whoever led the organization should be subject to a periodic board evaluation, certainly one of the management controls that are expected to be under the purview of the board. Unfortunately, the addition of three new board members, each of them sporting the latest model of iPhone that appeared to be in constant use, were feeding calls for the board to fire Dr. Luddite.

Mr. Huddleton suspected that in front of him, there was a meeting within a meeting, as the three primary conspirators plotted to fire the executive director, texting among themselves, exchanging strategy.

Joining these three insurgents were several board members who felt that the mission of the organization was too narrowly focused, and that the concentration on Asperger’s should be broadened to include all Autism Spectrum Disorders (ASD). They did not feel that Dr. Luddite was willing to extend the reach of the services provided by the organization to serve the growing number of families with a family member having an ASD diagnosis. And perhaps two other board members felt that Dr. Luddite was getting too old and should retire, and that the board should hire someone who would provide fresh leadership. Each had felt some sense of being betrayed by Dr. Luddite whenever he had ignored a board resolution.

Mr. Huddleston estimated that if anyone made a motion to remove Dr. Luddite, perhaps eight of the 16 in the room would join together to force him out, despite having disparate reasons for doing so. The board consisted of 21 members, and five of them were absent. All five were long-time board members, and would likely support Dr. Luddite if they were present. He considered whether to invite them to participate in the meeting by conference call for a reconsideration of the vote if the motion to fire received a majority, but he hoped to avoid a showdown.

Discussion Questions:

1. Is it ever appropriate for an executive director to ignore the express directive of the board or chair of the board?

2. When is it appropriate for a board chair to take actions to remove members of the board for other than missing board meetings or not participating in working on behalf of the organization?

3. Was it appropriate for Dr. Luddite’s wife to serve on the board at the time he was the executive director?

4. How much loyalty does a nonprofit organization owe to a long-time executive director whom it judges, for reasons beyond that staff member’s control, to be underperforming?

5. How much additional power does the chair of the board typically have compared to any other member of the board? Discuss how this power can be abused.

6. What are ways members of the board can deal with a chair who has Founders Syndrome?

7. What does it mean that “It was Dr. Luddite’s job to manage and the board’s job to govern”? What are the differences between these two tasks?