Social Enterprise
ASSOCIATES

Emerging Topics Paper Series #7: Strategies for Managers Working within Founder's Syndrome Organizations

By: Jessica Shortall
MBA (Distinction) and Skoll Scholar,
Saïd Business School, Oxford, U.K.
January, 2007

Edited by Drew Tulchin
Social Enterprise Associates
www.socialenterprise.net

ABOUT THE AUTHOR

Jessica Shortall is a social entrepreneur with experience in the U.S., the U.K., Uzbekistan, and Romania. She is Managing Director of Catalyst Strategy Advisors (www.catstrat.co.uk), a social business consultancy based in London. Jessica has expertise in business planning, organizational strategy, growth strategy, and analytical research. She has an MBA (distinction) from Oxford University, as one of five Skoll Scholars in social entrepreneurship. From 2001-2005, Jessica was co-founder and director of The Campus Kitchens Project (www.campuskitchens.org), where she implemented a franchise business model to achieve rapid growth. The organization is now in ten U.S. cities.

Jessica can be reached at: jessica@jessicashortall.com

ABOUT THE COMPANY

Social Enterprise Associates applies business solutions to social problems to achieve public good. Through consulting services and partnerships, the company fosters financial and social objectives in 'triple bottom line' ideas, the entrepreneurs who develop them, and organizations in which they grow. Social Enterprise Associates' goals are to enable people to overcome the barriers limiting ideas. More information is available online, www.socialenterprise.net and by email at info@socialenterprise.net.

ABOUT THE WORKING PAPER SERIES

The Social Enterprise Associates Working Paper Series provides explorations of emerging topics of importance in the social enterprise and economic development field. The goal is to explore an issue, challenge new ideas, and suggest action items rather than providing an academic exploration with a definitive conclusion. Working paper topics, as well as submissions are welcome. An introductory email should be sent to info@socialenterprise.net.

ABSTRACT

Founders of social purpose organizations (non-profits and social enterprises) can be charismatic, visionary, and inspiring leaders. Their hard work and determination are keys to success. However, over-dependence on a founder's leadership, personality, and organizational strategy is detrimental to any organization's long-term sustainability and social value creation. In social purpose organizations, absent traditional competitive and legal structures found in for profit businesses that can force a change in leadership, some founders become entrenched, limiting the organization's maturity. Staff and board members may add to this by responding in kind, informally ceding power and emotional "ownership" to the founder. This scenario commonly is called "Founder's Syndrome".

Existing management literature on the topic of Founder's Syndrome advises the founders themselves and their boards. The literature is silent for middle managers and other staff—individuals who are committed to furthering the organization's social mission, but who can feel powerless to positively influence the Founder's Syndrome dynamic. This paper analyzes causes and effects of Founder's Syndrome in social purpose organizations, outlining scenarios for organizational stakeholders to make a "diagnosis." The paper provides middle managers with simple, effective tools to remove organizational blockages to a long-term mission and sustainability.

INTRODUCTION

Most middle managers in non-profit organizations, community based organizations, and grassroots groups (labeled broadly social purpose organizations and hereafter referred to as "organizations") are drawn to their work because they are committed to the mission and vision of the organization, rather than solely for salary or material reward. Exceptional managers continuously strive to improve the organization and further its mission. However, Founder's Syndrome—an unhealthy culture in which the organization's founder stifles growth—can thwart managerial efforts to build organizational strength. Can managers contribute to an organization's sustainability in the face of issues presented by Founder's Syndrome? This paper will examine the major Founder's Syndrome issues and provide strategies for managers who wish to contribute to organizational health in this challenging environment.

Organizations working to create social value often depend on social entrepreneurs for their launch and growth. These founders invest countless hours of sweat equity in risky ventures because they believe passionately in the ideas behind those ventures. Founding an organization requires flexibility, passion, and a driven belief in the rightness of the idea. Founders are often inspiring people without whom many social ventures would not have survived. But, these very same traits might not be suited to the leader of an organization as it matures and grows.

This dynamic is not unique to the social sector; private-sector entrepreneurs are often replaced by managerial CEOs as organizations grow. However, unlike the private sector, the social sector has no standard entrepreneurial cycle. Economist Joseph Schumpeter noted that in the private sector, the entrepreneurial cycle begins with the individual entrepreneur who takes advantage of new innovations and translates them into successful enterprises. Over time, competition, as well as diversified interests through additional equity-holders in the business, forces a replacement of the entrepreneur's individualistic role by a corporate structure.

In contrast to this common cycle in the private sector, the social sector often is home to a much different dynamic. Legal stakeholders in non-profit organizations, such as board members, have official oversight of the organization's activities but frequently cede emotional and *de facto* ownership to a founder who is seen to be the originator of the organization's mission. Additionally, in an organization that does not engage in trading activities, there is a dearth of economic competition that, in the private sector, would drive organizational and leadership change when it is needed. As a result of these factors, many founders do not face the cycle of entrepreneurship that leads to a redistribution of power in the organization, and even a transition to new leadership.

In this situation, an organization's leader can retain his/her role through emotion and historical precedent rather than through organizational strategic needs and "fit". Diffusion of ownership (albeit "emotional" ownership) and strategic power is stifled and remains with the founder. Such a situation can be actively created by a founder, but more frequently, it is a by-product of the structure the organization and of the social sector in general. Often organizations in this sector lie outside the pressures of a competitive market, are motivated by the emotional element of mission-focused work, and lack economic ownership by stakeholders. As a result, stakeholders and staff can be unwilling to—or unsure how to—challenge the *status quo* of the founder as owner/leader.

FOUNDER'S SYNDROME AND ORGANIZATIONAL GROWTH

These dynamics can give rise to "Founder's Syndrome," a culture in which growth is stifled by organizational dependence on the founder, and the founder, due in part to his emotional connection to the work, is unable to identify or address the weaknesses of the organization. Founder's Syndrome has several attributes, not all of which are present in every organization suffering from the dysfunction. The figure below outlines typical traits of an organization experiencing Founder's Syndrome.

Fig 1: Common Traits of Founder's Syndrome Organizations

Lack of Strategy	Under-managed
"Fire of the week" or "flavor of the month" projects can cloud an organization's long-term strategy, taking resources away from the mission and even blurring what that mission is. Lack of succession planning is part of lack of overall strategy.	Entrepreneurial founders often are intolerant of planning, policies, and procedures; so founder-dominated organizations can be under-managed, failing to develop structures that support growth and capture knowledge.
Lack of Open Dialogue	**Loss of Staff Motivation**
Input by staff can be overtly stifled or unconsciously discouraged, creating a less robust culture of self-examination, and reducing motivation	Decision-making by the founder can be arbitrary or intransparent, leading to staff confusion and demotivation. Additionally, the founder's perceived "ownership" of the organization affects employees buy-in and motivation.

Ironically, each of the traits listed above derives from characteristics that, in some form, may have been beneficial to the organization in its early, entrepreneurial stage. Many start-up organizations succeed with few resources because they are fast-moving, flexible, and unfettered.

Current and potential employees can assess the climate of an organization by paying attention to the language used both in official publications/web pages and in everyday speech in the office. Note that no one example of language offered below is always indicative of Founder's Syndrome in an organization, but these examples can provide useful signposts when combined with other observed factors.

Fig 2: Language as a Key to Identifying Founder's Syndrome

Language used by founder	Language used by staff	External/public language
• Possessives: "my organization," "my clients," "my staff," "my mission" • Excessive references to "founding story" • Dismissive language regarding rules, systems, processes • Lack of knowledge about daily operations, OR language suggesting overwork with myriad details of running the organization	• Possessives: "his/her organization," "his/her clients," "his/her staff," "his/her mission" • Consistent deference to founder's opinion	• Excessive focus on "founding story" in public materials • Focus on founder's personality and personal traits as key to organizational success • Majority of press coverage consists of "bio" stories on founder

Early-stage entrepreneurial organizations can benefit from strong leadership focused in an individual, and are able to move quickly and nimbly because decision-making and organizational control rest with one leader. These characteristics can motivate the team around the vision, prompting high performance in conditions with limited resources. However, in order for the organization to remain healthy as it grows in size, resources, and level of social responsibility, it must formalize its processes so that they reside in the organization and not with the leader, and diffuse leadership and decision-making to multiple members of the team. An outline of healthy organizational structural and cultural evolution is below.

Fig 3: Structures, Systems, and Cultures at Organizational Stages of Growth

	Start-Up	Growth and Expansion	Maturity
Structures and Systems	• Venture is too busy getting work done to develop strong systems • Experimentation and reaching milestones take precedence	• Structures should be built in this phase, to avoid non-strategic growth and knowledge loss • Idea generation and discourse are formally implemented	• Organization actively codifies successes and failures • Management and staff turnover are smooth, due to presence of structure
Culture	• Flexible • Staff and board are rallied around founder's vision	• Hierarchies begin to be built • More decentralised decision-making • Board begins to act as trustees of mission	• Transparency • Clear reporting lines • Board active throughout organization

If an organization does not grow culturally or structurally beyond its entrepreneurial phase, the result is widespread reliance on the knowledge and skills of the founder, and lack of coherent, organization-wide strategy for growth and sustainability. Institutional knowledge is lost because lessons and systems are not codified. Demotivated and disempowered staff turn over more frequently, taking knowledge with them. The goal of this paper, in outlining strategies for managers working within Founder's Syndrome organizations, is to empower managers to deliver proactively on their commitment to the organization, improving the organization's social impact and its long-term sustainability.

MANAGEMENT LITERATURE SOLUTIONS REQUIRE FOUNDER BUY-IN

The methodology for writing this paper was based on a literature review as well as personal interviews. A review was conducted of existing research on organizational development in social purpose organizations. Four personal interviews were conducted; these focused on individuals currently or formerly working in founder-led organizations – both healthy organizations and those that might be characterized with some aspects of

Founder's Syndrome. The interviews were qualitative in nature. The interviewer conducted subject-led interviewees, using neutral questions regarding each individual's experience with organizational growth. Insights from the interviews are discussed throughout this paper. The summary literature review is provided below.

The available literature addressing issues arising from unhealthy founder behavior is sparse, and it was what was lacking in this literature that was most interesting. Management literature specifically devoted to the subject of Founder's Syndrome is largely confined to two topics:

1. Advice to founders to help them avoid this situation
2. Advice to boards of founder-led organizations[16]

The first category of literature offers founders practical steps to avoid the syndrome. It includes the use of planning tools, staff motivation, and organizational culture in which decision-making falls to multiple staff members.

Still more research falls into the second category: the role of the board. This literature suggests that boards should engage in professional development of the founder, set milestones for development of a robust organizational system, and take active roles as trustees of the organization rather than advisors to the founder.[17]

Very little attention is paid to the role that can be played by staff and managers in founder-led organizations in order to prevent or repair Founder's Syndrome issues.

Carter McNamara's paper on Founder's Syndrome, "Founder's Syndrome: How Founders and Their Organizations Recover," is probably the most widely available paper specifically addressing the subject of Founder's Syndrome. It includes a section called "Actions Staff Might Take." However, this section is limited to crisis response, rather than strategies for strengthening managers' ongoing work in this environment. McNamara suggests that staff should consider leaving the organization, an option that is unattractive and unproductive for managers who are strongly committed to the organization's mission, and to correcting the organization's course.[18]

On the whole, the strategies provided in the existing literature are inherently flawed: they rely, directly or indirectly, on the participation of the founder him/herself. Statements made by McNamara like "great leaders never leave without ensuring that the organization survives their leaving"[19] place full responsibility for organizational strength on the founder, an untenable position when the founder is unwilling or unable to encourage change, or even unaware that change is necessary. Without the founder's desire to build an organization that will outlive her, McNamara's vision will never be implemented. Indirectly, the board faces a similar problem. Many boards of founder-led organizations

---

[16] Black and Rosenberg; McNamara; Carver; and James have all written directly on the topic of advice for founders and boards. See References section for more detail.
[17] Block, Stephen and Rosenberg, Steven, "Toward an Understanding of Founder's Syndrome."
[18] McNamara, Carter, "Founder's Syndrome: How Founders and Their Organizations Recover."
[19] Ibid.

are hand-picked by the founder, and often feel an obligation to the founder and have demonstrated reluctance to criticize him. As John Carver notes in his paper, "The Founding Parent Syndrome: Governing in the CEO's Shadow":

> It is common for boards to bring with them a volunteer mentality—that is, the sense that they are on the board to help with someone else's pursuit, rather than to determine and own the choice of pursuit themselves.[20]

The result is that, absent significant board upheaval or active participation of the founder, organizations looking for strategies to avoid or solve Founder's Syndrome are likely to come up short. The literature is silent on practical strategies for managers and staff who wish to build a strong organization that will thrive beyond the period in which it is founder-led. The first step in providing effective tools and strategies for managers within founder-led organizations is identifying and exploring the common trends and issues that can arise in dysfunctional founder-led organizations.

TRENDS AND ISSUES IN DYSFUNCTIONAL FOUNDER-LED ORGANIZATIONS

Four major Founder's Syndrome trends are evident, having been identified through interviews with founders, employees, and former employees in founder-led organizations. These are:

1. Lack of strategy
2. Lack of open dialogue
3. Under-management / micro-management
4. Loss of staff motivation

These trends are explored in detail below.

1. Lack of Strategy

Many Founder's Syndrome organizations exhibit a sense of "arbitrariness" as an impediment to cohesive strategy. Sudden, unexpected focus on "fire of the week" or "flavor of the month" projects can cloud an organization's long-term strategy, taking resources away from the mission and even blurring what that mission is. One manager working within a founder-led organization noted, "If something catches the founder's fancy, [the staff person who originated it]gets propelled into superstar focus, which may not be warranted based on the quality of work."[21]

Additionally, lack of succession planning is part of lack of overall strategy. This becomes a self-fulfilling prophecy, in which the founder, board members, and staff cannot envision anyone but the founder leading the organization because the role has become so

---

[20] Carver, J., "The Founding Parent Syndrome: Governing in the CEO's Shadow."
[21] Interviewee C

personalized.[22] Such a climate discourages staff from envisioning or taking leadership roles for themselves – discussed further in point #4, below.

2. Lack of Open Dialogue

Founder led organizations often lack managerial input into organizational activities and strategy. In a culture in which critical inquiry is stifled by worship or fear of the founder, or in which the founder simply does not listen, contrarian views and rich examination of strategy and direction are lost. One middle manager described the issue as a paradox of an entrepreneurial founder versus that of his entrepreneurial staff:

> Should a staff member challenge the founder's way, he is insubordinate. This is a problem when the [entrepreneurial] culture encourages rule breakers in general. The founder hires risk-takers…but when they challenge organizational culture…the founder gets offended. He can't separate his way from the organization's way.[23]

That this dynamic exists is not surprising; often it is the founder's single-minded determination that got the organization off the ground. One founder interviewed noted that "at the beginning, you have to be that way because you are going against such great odds."[24]

3. Under-Management / Micro-Management

A founder exhibiting Founder's Syndrome frequently under-manages day-to-day tasks, but sporadically micro-manages certain staff and certain projects. Details are not a high priority for the entrepreneurial, visionary founder: "Once an organization reaches a certain size, there is a need for the mundane, organizational stuff. Those are not the things that drove the founder to go without pay and sleep for years."[25] Under-management also means that the founder "does not understand the intricacies of the organizational systems when they do exist, but because he views himself as the head of the organization who…can't bother with the details, ostensibly because he sees a 'big picture."[26]

Under-management is detrimental to organizational robustness because it creates a vacuum of systems that capture and maintain organizational memory. Busy staff or social purpose organizations are not likely to create strong organization-wide systems without being managed and supported to do so. For those who do attempt to create these systems, sporadic micro-management from the founder can undermine the systems and those meant to use them. As a result, organizations lose lessons and repeat mistakes, new staff re-learn old jobs, and replication is difficult because systems are not codified.

[22] Interviewee B
[23] Interviewee A
[24] Interview: Dennis Whittle
[25] Interviewee B
[26] Interviewee A

4. Loss of Staff Motivation

Staff motivation is inextricably tied to the issues discussed above. Staff and managers are often responsible for creating the systems that ensure organizational sustainability. Without their continuous motivation, the organization's work will deteriorate. Most social-sector employees take a "mission discount to their salaries,"[27] and have strong non-financial motivation to do their work. Much of this motivation comes from the satisfaction of furthering the organization and its mission.

In an organization suffering from Founder's Syndrome, the terms under which the founder makes decisions are often unclear. This affects managerial motivation. One manager noted, "When an unexpected decision from the founder could have either wonderful or shattering ramifications for your programs, you become less trusting and less invested. You have no recourse; your only choice would be to cut your losses and walk away."[28] An additional contributor to loss of staff motivation is the unpredictable reactions of such founders to staff-led initiatives. A founder who feels that staff initiatives are an attempt to undermine her authority will sometimes react with hostility, discouraging staff from being creative and taking leadership roles.

The sense of a founder's "ownership" of the organization and its strategic decisions de-motivates ambitious employees. While nonprofits are legally structured to have no individual ownership, in practice founders, employees, and boards can place emotional ownership of the organization with the founder. "There is that dynamic of the organization still being [the founder's]. In terms of keeping entrepreneurial people, that can be an issue."[29] Additionally, lack of succession planning—indeed the sense that there will be no succession—can stifle motivation of managers who want advancement opportunities. These factors combine to de-motivate talented, ambitious employees, and even to drive them out of the organization, weakening it from within.

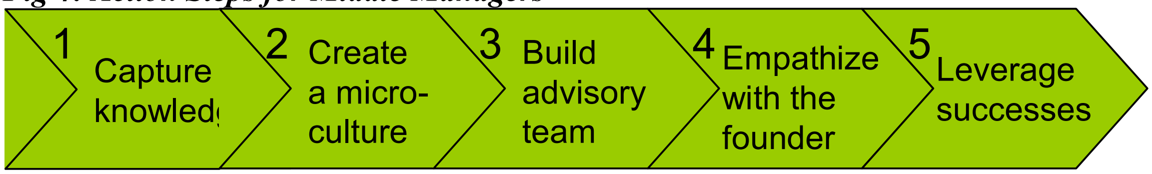
ACTION ITEMS FOR MIDDLE MANAGERS

The following action items were generated as the result of examination of the four trends discussed above, from interviews with middle managers in founder-led organizations, and interviews with founders themselves. When implemented, they can help managers contribute in meaningful ways to the long-term health of the organizations about which they are passionate. As middle managers experience success in implementing these action items, job satisfaction and motivation is likely to increase, and the behaviors can be passed on to other managers and staff.

The figure and text below outline five areas of action that middle managers can take, regardless of the level of awareness and concern about Founder's Syndrome in the board or the founder himself.

[27] Interviewee C
[28] Interviewee A
[29] Interviewee B

Fig 4: Action Steps for Middle Managers



1. Capture Knowledge: Record Everything

One manager who started several micro-ventures within a founder-led organization says she was "always thinking, 'What's going to happen if I leave?'" This attitude focused her on documentation and process mapping so that any new manager would be able to quickly understand and continue the projects she had developed. She created templates, tracking systems, and evaluations, knowing that when she did leave, she "could transfer the knowledge to someone because it was not just in my head."[30]

The ability to record and pass on institutional knowledge is a step toward organizational robustness that managers can easily take. A further step with wider impact is to encourage a culture for codifying knowledge amongst staff managed by that manager, and laterally amongst other management staff.

2. Create a Micro-Culture

The under-management dynamic of Founder's Syndrome gives managers some freedom to take the knowledge they record and use it to create, within their programs, structures and tools that contribute to organizational strength. Managers can themselves enact the change they wish to see in the organization as a whole by creating a "micro-culture" within their own purview. This is not to say that managers should detach themselves from the organization, or that they should create a counterculture. Managers who work within the organizational culture, with a focus on creating systems for sustainability, can share their ideas and techniques with other managers and even with the founder in order to widen their impact.

The micro-culture should exhibit the traits that are lacking in the wider organization: empowered leadership and risk-taking within the team; insistence on upward criticism and feedback; and transparent and inclusive strategy-setting. The manager can shield his unit from the top-down approach taken in a Founder's Syndrome situation, allowing a more open culture to grow within the unit, which can have long-term impact on overall organizational culture.

As part of micro-culture, managers who have an influence on workspace design can encourage an "open space" approach. Dennis Whittle, founder of Global Giving, notes the benefits of his entire office following an open space plan: "People hear me talk and I hear them talk. It takes away the mystery of me sitting in an office and being 'founder-

[30] Interviewee B

CEO.' I can sense when people are uptight about something, and they are able to send subtle messages to me because I am sitting out there."[31]

Purpose-built micro-culture has motivating effects on all levels of staff within the unit. One manager who has succeeded in building a micro-culture within a dysfunctional founder-led organization notes that "staff feel like they are building the company themselves, and because of that they encourage those they are managing to do the same. We encourage staff to suggest new programming, manage their teams in their own ways, find solutions that work, and then contribute that knowledge to the whole project."[32]

3. Build an Informal Advisory Team

External advice and guidance is essential for managers in a challenged organization. External advice can fill the gap created by under-management, and feeling supported can contribute to managers' motivation. Managers can assemble an informal team of advisors, made up of board members and outsiders who have both technical expertise and more general leadership and organizational development knowledge. Additionally, because boards in founder-led organizations tend to be loyal to the founder, working one-on-one with board members can create bonds between the board and the organization that will contribute to changing board perceptions.

4. Empathize with the Founder

Founders operating in Founder's Syndrome organizations are not inherently bad people – often they are equally trapped in the negative cycle that affects the entire organization. It is important for managers to understand the founder's motivations and fears in this environment. An intelligent approach to interactions with a founder in a Founder's Syndrome organization can diffuse tensions and smooth implementation of ideas. Dennis Whittle of GlobalGiving notes, "When you're a founder, you can be a megalomaniac and incredibly insecure at the same time. Sometimes (a manager) knowing this and phrasing things in the right way can take the temperature way down. Make sure the founder doesn't feel undermined. As soon as people suspect that [they are being undermined], they start to isolate themselves more and lash out more, and it's a downward spiral."[33]

Managers who try to understand what motivates the founder can make their input much more powerful when they do speak up. This holds true for everyday interactions and for hostile or uncomfortable interactions that sometimes take place as a result of Founder's Syndrome issues. However, sensitivity toward the founder's perspective should not discourage managers from being forceful when they are passionate about their ideas or when failure to change will harm the organization and its mission. Managers have a great deal of on-the-ground knowledge that gives them insights into what can make the organization stronger, and this knowledge should not be lost to timidity.

[31] Interview: Dennis Whittle
[32] Interviewee A
[33] Ibid.

5. Leverage Successes

Ambitious managers continuously push their projects and programs to better fulfill the mission, and in so doing, they can make one of their biggest contributions to the organization. Success in this context means programmatic success and the ability to fundraise to support the work. Successful managers will attract partners and grow programs using the strategies outlined in this paper. This success is likely to draw organizational resources and to provide an example to other units within the organization. Attracting funding is another form of success that can provide a validation for the manager's way of doing things.

The table below outlines the four major trends that arise as a result of Founder's Syndrome, as well as the managerial strategies provided in this paper to prevent and check those trends. Because all Founder's Syndrome organizations do not behave the same, managers should tailor their strategies to the key issues facing them. The success of these strategies outlined in this paper will depend on their "fit" with the organizational environment.

Fig 5: Organizational Issues: Repercussions, Goals for Managers, and Strategies

	Organizational Issues			
	Lack of strategy	**Lack of Open Dialogue**	**Under-managed, underinvestment in organizational structures**	**Loss of staff motivation; hostile reaction to new initiatives**
Repercussions	• Demotivation; staff turnover • Arbitrary decision-making	• Demotivation; staff turnover • Lost trust • Lost ideas for organizational growth	• Lost institutional knowledge • Repeating mistakes • Arbitrary decision-making	• Demotivation; staff turnover • Lost of trust • Stifling of ideas
Manager's goals	• Understand how work fits into and supports mission	• Encourage dialogue within programmatic units • Bring ideas to founder	• Develop organizational systems and structures • Build culture that values systems and structures	• Lower the "temperature" of the interaction • Move forward with ideas with founder's support
Strategies for managers	• Build team of advisors, including board members, to guide work • Execute successfully to further the mission and gain traction	• Build a "micro-culture" which welcomes and requires dialogue • Bring ideas to founder in non-threatening way • Encourage open spaces in the workplace	• Build a "micro-culture" that thrives on codification and system-building • Record the development, execution, and modification of all initiatives and projects	• Place space and time between manager and founder • Consider founder's motivations; re-frame the situation • Present well-reasoned response to emphasize mission, team success

ADDITIONAL STRATEGIES: ACTION ITEMS FOR FUNDERS

If philanthropic donations and grants are meant to support sustainable, healthy organizations, funders cannot ignore the dangers that Founder's Syndrome creates. Funders and donors can request to meet with managers and front-line employees, and should use this opportunity and other interactions with the organization gain a clear understanding of the founder's role and the organizational culture. Language, press, and job roles are key artifacts to be examined. Common warning signs include:

- Employees and stakeholders rely on a "What would the founder do?" mentality
- Language used by the founder, employees, and in external publications and media are founder-focused (see table above)
- The founder is conspicuously absent from or uninformed about ongoing activities of the organization *OR* the founder is present in virtually every activity of the organization

Engaged funders can and should seek out signs of Founder's Syndrome, and can add real value by encouraging change in these organizations through a venture philanthropy-style approach. Funders can require middle-management input on major initiatives or projects, earmark funding for staff-wide leadership training and communication workshops, and highlight the contributions of staff and volunteers through their own press efforts. Funders with a long-standing relationship with an organization can also take a more direct approach, intervening with the founder and/or board to suggest improvements to organizational culture and structure.

GETTING STARTED: MANAGERS AND STAFF

Identifying and addressing Founder's Syndrome issues can be a daunting and even frightening task. Managers and staff considering taking action should start with a few simple resources and efforts.

Carter McNamara's article on Founder's Syndrome is a good first read; it provides clear examples of Founder's Syndrome behaviors and can be found in *Nonprofit World*, Vol. 16, no.6, and at http://www.managementhelp.org/misc/founders.htm.

For those considering joining any founder-led social purpose organization, or taking stock of a current employment situation, it is important to stress that the great majority of founder-led organizations are healthy, dynamic forces for good that thrive under balanced and inclusive leadership. Job seekers and existing middle managers alike should not be too quick to judge all founder-led organizations as dysfunctional. Instead, they should seek out offline conversations with managers and employees, and observe the behavior of staff and of the founder. If job seekers have the opportunity to interview with the founder, they should ask questions that provide insight into organizational culture and the founder's leadership style; for example, whether the founder would consider changes to an established way of doing things, and what mechanisms are in place for managers to take on leadership roles and ownership in the organization.

CONCLUSION

Founders are dynamic and inspiring people whose vision and leadership are invaluable to the social sector—and many founders make excellent long-term leaders. However, Founder's Syndrome as a cultural and structural dysfunction is a danger in founder-led organizations. Under-management, stifled dialogue, lack of strategy, and loss of staff motivation often occur when an organization becomes dysfunctionally dependent on its founder, and the founder in turn exploits or encourages that dependence.

Middle managers in social purpose organizations hold responsibility for guiding and implementing work that fulfills the mission. In organizations exhibiting Founder's Syndrome, it is essential for managers to find ways to stay motivated, and to feel they can have a real and lasting impact on the long-term strength of the organization.

The strategies outlined in this paper provide middle managers with constructive methods for building organizational culture that is robust to the departure of the founder or the managers themselves. Because management literature to date has focused on founder and board actions in a Founder's Syndrome environment, the strategies in this paper address managers as a previously disempowered entity within the dysfunctional founder-led social purpose organization. Clearly, founder and board participation in the cultural change process are ideal, but absent these, managers can still have lasting positive effects on the organizations about which they care deeply.

REFERENCES

Block, Stephen and Rosenberg, Steven, "Toward an Understanding of Founder's Syndrome: An Assessment of Power and Privilege Among Founders of Nonprofit Organizations." *Nonprofit Management and Leadership*, Vol. 12, no. 4, Summer 2002.

Carver, J., "The Founding Parent Syndrome: Governing in the CEO's Shadow." *Nonprofit World* 10(5), 1992.

Flannery, Diane and Deiglmeier, Kris, "Leading the Social Purpose Organization: An Examination of Organizational Culture." The Roberts Foundation, 2000.

James, Joy, "Are You Fighting Founder's Syndrome?" *Recharge Magazine*, October 2004.

McNamara, Carter, "Founder's Syndrome: How Founders and Their Organizations Recover." *Nonprofit World*, Vol. 16, no.6.

INTERVIEWS

Interviewee A, Director, nonprofit spin-off from parent organisation. 29 May 2006.

Interviewee B, Former employee of several social purpose organisations. 5 June 2006.

Interviewee C. Director of a social consulting firm, former employee of a founder-led organization. 4 June 2006.

Whittle, Dennis. Founder and CEO, Global Giving. Washington, DC, 5 June 2006.