

Will new Red Cross CEO help or harm confidence in disaster agency?

by Renata Rafferty

The revolving door to the CEO's office at the American Red Cross has spun yet again, and the selection of the new top executive may be the most puzzling to date.

On April 18, the agency announced the appointment of IRS chief Mark Everson as its newest President and CEO, taking over from interim executive Jack McGuire.

Mark Everson "The IRS hardly inspires thoughts of selfless volunteerism, generosity, efficient and compassionate service, collaboration, and full transparency" says charity expert and best-selling author, Renata Rafferty. "Perhaps that's why there has been a resounding silence in the charitable sector in response to this odd selection."

The Red Cross announcement offered unusually little information about IRS chief Everson's qualifications for the position, begging the question of whether he has what it takes to run this increasingly troubled yet critical organization. The public probably expected that the new president and chief exec would, at the very least, have credentials in ...

- * Disaster relief, blood banking, health, social services or general relief work
- * Directing a donor-driven agency with a heavy reliance on volunteerism
- * Professional experience within the charitable sector

The little that is known about Everson's professional background, however, indicates no such experience. His history with the IRS, the federal Office of Management and Budget, the United States Information Agency, and the Immigration and Naturalization Office, coupled with private sector experience as a corporate financial officer, is very impressive.

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“But is it anywhere nearly enough to inspire public confidence in the American Red Cross and its ability to competently respond to national disaster?” asks Rafferty. “After all, the public has not forgotten or forgiven what happened after Michael Brown (‘Brownie’) took over FEMA in 2003 with little experience in emergency management. Has the Red Cross set Mark Everson up for a similar failure?”

The cynics in the charitable sector might guess that the agency's board sees the Red Cross as a hulking, slow-footed bureaucracy. Who better to lead the organization than the head of one of our nation's quintessential bureaucracies, the IRS?

Or perhaps the board tired of Congress and its increasing scrutiny of this federally-chartered charity and recruited someone who has worked the Hill, knows how to play the game, and can keep Congress happy and at arm's length now that the Red Cross's proposed governance reforms have been approved.

In the last seven years, the Red Cross has churned through three top executives. Dr. Bernadine Healy

(1999-2001) resigned as the charity's head shortly after the events of September 11th. In a horrendous display of misguided public relations efforts, the Red Cross bobbed and weaved around legitimate questions from the press and the public about how donated money would be used, and about who had the right to make that determination.

She was succeeded by former Navy admiral Marsha Evans (2002-2005), whose tenure as chief executive ended after the agency's poor performance in response to Hurricane Katrina. The Red Cross explained her resignation as resulting from a problem of coordination and communication between Evans and the board. After her departure, Executive VP Jack McGuire was promoted to lead the agency in an interim capacity.

If nothing else, the board should have learned from these past experiences what professionals in the charitable sector " at the national, regional, and local levels " have long understood. The successful President and CEO of the American Red Cross position must possess at least four fundamental qualities:

Experiential understanding of the unique dynamic that drives the charitable sector, particularly with respect to its donation-driven economy and heavy reliance on volunteerism;

The ability to inspire armies of top-level and middle-management leaders to move at lightning speed through a dizzying maze of logistics on a moment's notice -- leaders who themselves must then move armies of

volunteers in an impeccably orchestrated and efficient fashion;

A track record of full accountability and transparency with respect to the public as well as with Congressional overseers and the soon-to-be-appointed Red Cross Ombudsman; and,

Experience establishing ad hoc collaborations and partnerships on a massive scale, a major factor affecting the agency's poor performance following the 9/11 and Katrina crises.

The nation deserves to know the substantive reasons the board had for placing a bureaucrat and former businessman in charge of a critical institution charged with protecting and saving human lives under the most horrendous of circumstances – disasters that cannot be anticipated.

In the absence of that information, history as well as simple gut instinct strongly suggests that Mr. Everson will be yet another executive casualty passing through the Red Cross revolving door. Let's hope that, at the very least, his exit will not be triggered by the same circumstances that undid his predecessors – on-the-job training in the midst of a national catastrophe.

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