UNIVERSITY OF LOUISVILLE ATHLETIC DEPARTMENT\textsuperscript{1}: THE ENDLESS COMEBACK

Josh Heird sat down to digest a hectic Monday and an intense weekend. In a press conference a few hours ago he was named the interim athletic director at the University of Louisville. He had been serving as the deputy athletics director for over two years, so it was natural for the University of Louisville to place him in the interim position, but the timing was unexpected. In the week previous, Heird’s predecessor, Vince Tyra resigned. A few insiders knew about some disagreements between Tyra and the university president, Neeli Bendapudi, but outsiders knew nothing. In fact, the talk of the past few weeks had all been about whether Tyra would accept a job as the athletic director at Florida State University, and local media assumed, after a board meeting that altered Tyra’s contract, that Tyra would accept that job. Instead, on the day when people expected Tyra to announce that he was leaving for Florida State, Bendapudi resigned in the morning to take a job at Pennsylvania State University, and Tyra resigned in the afternoon without any announcement of a new job. Then, after a whirlwind weekend, the Provost, Lori Gonzalez, was announced as the interim president of the university and Heird was announced as the interim athletic director.

Abrupt changes in leadership were not the only reason that Heird’s head was spinning. The two sports programs that should have been the most profitable were floundering. The football team had just completed a second losing season in a row under three-year coach Scott Satterfield and the basketball team, which had five wins and one loss under the interim coach while head coach Chris Mack was sitting out games because of an NCAA infraction, won one game and lost two games after Mack’s return. Mack’s NCAA infraction was just the latest for the men’s basketball team, which was still awaiting judgment for two scandals that happened before Tyra became the athletic director over four years previously. The wait for resolution to those scandals was excruciating for whole Department, and employees still had no idea when any decision would be made.

The school year had been hectic for other reasons as well. The global Covid-19 pandemic had shut down sports for a time, requiring the Department’s first-ever reduction in force. The pandemic was ongoing when Heird took over, and many of the residual effects of the reduction in force were still unaddressed because of the stress and separation caused by the pandemic. Fired assistant men’s basketball coach Dino Gaudio allegedly tried to blackmail Mack during the summer, and the Department was still addressing the consequences of that event. A major technology problem disrupted customer service at the beginning of the football season. The list of problems seemed to drag on and on. There were positive events to celebrate. For example, the

\textsuperscript{1}This case was written as a basis for class discussion rather than to illustrate effective or ineffective handling of a particular situation. It was written by Ryan Quinn. The purpose of the case study is to provide an opportunity to discuss topics such as leadership, culture change, resilience, and decision making in ways that increase awareness of relevant issues, identify alternative approaches, and prepare for future circumstances.
women’s volleyball team made it to the Final Four, and women’s basketball was off to a great start, but the negative news dominated the media and demanded Heird’s attention.

Four years previously, Tyra took over the athletic department after two major scandals in the basketball program. Upon being hired, Tyra almost immediately took action to try to change the culture of the athletic department in an effort to strengthen the Department, prevent scandals, and improve collaboration. Initial results from these efforts were highly positive. However, given the challenges on Heird’s desk were a cause for concern. Had Tyra’s team done enough? Were their culture change efforts misdirected at the beginning? Did they get it right at the beginning, but then lose their way? Or were their external factors driving the problems Heird was facing now? Were new or different initiatives needed? How would his response to his current problems affect the culture moving forward? Questions such as these weighed heavily on Heird as he closed out his first day as the interim athletic director.

A Historical Perspective on the Culture of University Athletic Departments

One of the things that made organizational culture difficult to manage in the University of Louisville Athletic Department (and in all athletic departments) was competing institutional pressures. In other words, the cultures of athletic departments are influenced as much by external pressures as they are by the actions of the people who manage them. Athletic departments are not-for-profit organizations, embedded within not-for-profit universities, and therefore face pressures to conform to not-for-profit values. However, the work of athletic departments is also intricately interwoven with the business of sport. This means that much of the work of athletics departments are driven by professional sports, corporate sponsorships, and other institutions that require for-profit logic. These competing pressures have been present in athletic departments almost from the beginning.

In the mid-1800s, university students began organizing intercollegiate sports competitions with teams from other universities. Soon, university administrators began to resist these competitions because of travel costs, distraction from studies, and even violence that erupted during the competitions. Undeterred, students continued organizing, and began to acquire their own funding by selling tickets, raising money, and building programs. Eventually, administrators recognized that they would not be able to shut down these programs, so they built athletic departments to manage the programs. Athletic departments from different universities then began to work together to build conferences to manage intercollegiate competitions.

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Eventually, the National Collegiate Athletic Association (NCAA) was created to regulate intercollegiate competition nationwide. At first, the NCAA focused on organizing tournaments. However, its influence expanded to encompass a much wider range of issues, such as who could be recruited, how they could be recruited, the number and amount of scholarships allowed, academic standards for participation, the number and types of coaching personnel allowed, travel, games, refereeing, health and wellness of athletes, and much more. The NCAA also managed issues that needed to be handled at a national level, such as television rights and how money from such endeavors would be distributed among programs. The NCAA instituted rules to manage these issues as well as punishments for athletic departments that broke the rules. Many of these rules can be understood as compromises, intended to manage the tension between for-profit and not-for-profit values, as the NCAA received and reacted to pressure from students, athletic directors, conference directors, university presidents, professional sports organizations, the general public, and even from the federal government.

Compromises that were formalized into rules by the NCAA were often tenuous. For example, to preserve the non-profit values of universities, the NCAA spent much of its history trying to enforce rules intended to preserve the amateur status of student athletes, consistent with the not-for-profit values of the universities for which these students competed. However, some student athletes and their families saw university athletic programs primarily as a means of accessing careers in professional sports; athletic departments were driven by attendance, television, and other sources of revenue; fans held their university sports to higher and higher expectations; professional sports organizations used university programs as a means to evaluate talent; and affiliated businesses such as media companies, apparel companies, and local businesses all found ways to profit from university programs. Each of these constituents put pressure on athletic departments and on the NCAA to question the commitment to amateur status.

The NCAA tried to manage this contrast between amateur athletics and business competition by creating rules. For each new rule created, some members of athletic departments found new ways to compete within the rules, some would try to get the NCAA to change the rules, and some broke the rules. Over time, a given compromise would weaken in response to these actions, and the NCAA would feel pressure to change rules or add new rules. As rules (and the need to enforce these rules) expanded, the bureaucracy of the NCAA grew more unwieldy.

An outcome of rule-based compromises was an ongoing process of cyclical change. The NCAA would reform rules and obtain some sense of equilibrium. Then they would encounter new efforts to innovate within rules, change rules, or break rules, until the equilibrium was lost and a new call would be issued for the NCAA to reform. This cycle occurred multiple times during the second half of the twentieth century and the first two decades of the twenty-first century. Major reforms included issues such as equal opportunity for female participation in university athletics, adaptations to technology and media deals, and the payment of students through scholarships, benefits, or even sponsorship using athletes’ names, images, and likeness. One scandal and reform that had particularly direct impact on the University of Louisville came when the Federal Bureau of Investigation (FBI) found evidence that managers from Adidas—a
shoe company that sponsored many university athletic programs—broke both the law and the NCAA rules by paying student athletes to attend universities that had agreements to use and wear Adidas products. The University of Louisville Athletic Department was one of the most prominent athletic departments implicated in the scandal and led to Tyra’s appointment as the athletic director.

**Athletics at the University of Louisville**

Tom Jurich was the athletic director at the University of Louisville when the FBI broke the scandal with Adidas in 2017. He had been the athletic director since 1997, and his leadership has also had a significant impact on the culture of the University of Louisville Athletic Department. Before Jurich arrived in 1997, the University of Louisville Athletics Department’s proudest accomplishments were probably the two national championships that the men’s basketball program had won in the 1980s. However, when Jurich took the job at the University of Louisville, the university was largely a commuter school and other than men’s basketball, sports were poorly funded. Athletic facilities were an industrial wasteland, the Department was facing a lawsuit for failing to comply with government regulations regarding women’s sports, and the budget was only $16.5 million.³

Jurich’s aggressive approach to growing the Department had a substantial impact on the culture. He expected high performance, and the Department’s accomplishments during his tenure reflected that. For example, during Jurich’s tenure, the Department treated donors like investors; experienced a budget increase to $104.5 million; built $280 million in arenas, fields, and offices; and invested in, and grew, the “non-revenue” sports (“revenue sports” in university athletics are typically considered to be football and men’s basketball). In fact, Jurich grew women’s sports in particular and was seen as a champion of female employees. Sporting accomplishments included three Final Four appearances and a national championship for the men’s basketball team, a Sugar Bowl victory and a Heisman trophy for the football team, two title games for the women’s basketball team, four college World Series appearances for the baseball team, 67 conference titles and 287 All-Americans for all other teams, got invited to join the Atlantic Coast Conference (ACC); and an increase in the student graduation rate from 56 to 86 percent. In fact, in a city with no professional football, basketball, baseball, or hockey, the University of Louisville Athletics Department eventually provided the de facto professional sports teams for the many sports fans of a major U.S. city. The pride that employees and fans felt over these accomplishments reinforced the culture Jurich was instilling in the Department.

Jurich’s aggressive approach was apparent in many ways. On one hand, if you did not perform well, he told you and you stayed out of his way until he was not upset anymore. However, he also protected his employees from external accusations. Because his expectations were so high, you knew that if he ever complimented you, there would be few things that could make you feel better. Jurich favored a model of direct communication rather than general

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communication. He seldom used emails or texts to communicate; only phone calls and in-person conversations. As a result, if significant events occurred, many employees felt like there was no general communication to the staff, and no direction about how to communicate externally. Thus, when public events occurred, many employees were left embarrassed by not knowing what to say to external stakeholders. Some employees felt that this lack of communication created a culture of secrecy, and of diminishing efforts to collaborate across units. Others appreciated the fact that it meant that they did not have to worry about what was happening in other units. Employees also said that Jurich’s management style was to let people make their own decisions, which could sometimes be empowering, but also sometimes left people feeling isolated and uncertain. Some employees thrived, while others felt that the lack of communication made fear endemic to the culture of the Department.

The peak of Jurich’s tenure occurred in 2013, when University of Louisville the football team won the Sugar Bowl, women’s and men’s basketball both went to the Final Four, the baseball team made it to the World Series, and the Department was accepted into the ACC. However, not long after these successes, many employees began to claim that things “felt off” across the Department. Small things happened, which, if they occurred in isolation, might be easy to ignore, but as they accumulated, became harder and harder to ignore. For example, employees might be told there was no money for some initiative, but then would hear of a similar initiative being funded in another department. Sometimes people would pretend nothing happened when a minor infraction occurred. Employees suggested that these events did not feel right, but also were not big enough to raise an alarm. Later, when these employees looked back on the events in their entirety, the pattern was clear that something was not right.

Scandals

The pattern of small, disconcerting events grew into a series of scandals that occurred during the final years of Jurich’s tenure. In 2009, Rick Pitino, the men’s basketball coach apologized publicly for having an extramarital affair, alleged that the woman tried to extort money from him, and paid for her to have an abortion. In 2014, the University of Louisville Athletic Department re-hired former head football coach Bobby Petrino, even though Jurich claimed that Petrino’s players from his former tenure as head coach had drug problems, and Petrino had been fired from the University of Arkansas after being in a motorcycle crash with a former student-athlete he had hired, and with whom he was having an adulterous relationship. In 2015, a woman named Katina Powell published a book with Dick Cady, entitled *Breaking Cardinal Rules: Basketball and the Escort Queen*. It alleged that the director of basketball operations in the men’s basketball program paid her for four years to striptease and perform sex acts with potential recruits, contrary to NCAA rules. In 2016 two football players were injured by bullet wounds. In early 2017, a large percentage of women’s lacrosse players left the team because of how they claimed the coach was treating them.

Then, on September 27, 2017, not long after a five-star McDonald’s All-American unexpectedly announced his commitment to the University of Louisville men’s basketball team, the Federal Bureau of Investigation (FBI) and the United States Attorney for the Southern
District of New York announced the arrest of managers for Adidas as well as assistant coaches from multiple university athletics departments for corruption. Released documents later revealed that the All-American’s family had received payments for the All-American to attend the University of Louisville. Jurich and Pitino were almost immediately put on administrative leave. The university put the associate head coach and an assistant coach on administrative leave shortly after. In October 2017, Jurich and Pitino were both fired, as well as other members of the basketball program. In 2018, after a series of legal proceedings, the University of Louisville agreed to a settlement with Tom Jurich that cleared him of wrongdoing and re-stated his departure from the university as a retirement.

After the scandal with Katina Powell, the NCAA punished the University of Louisville men’s basketball program by suspending Pitino for five games in the 2017-2018 season. Pitino never suffered this punishment because he was fired before he could receive the penalty. However, the NCAA also decided to vacate 123 of the basketball program’s wins from 2010 to 2014, including their 2012 Final Four appearance and their 2013 national championship, and to levy a fine against the program. Eventually, players who were not involved in the scandal had their personal honors and statistics reinstated. However, when the news broke about the University of Louisville’s involvement in the pay-for-play scandal with Adidas, the NCAA began to investigate the men’s basketball program as a repeat offender, with the possibility of extreme punishments. Serious repeat offenses raised the question of whether the basketball program, or even the athletic department, harbored a culture of disregard and defiance.

Vince Tyra

Not long after Jurich was dismissed as the Athletic Director for the University of Louisville, assistant coach David Padgett was appointed to be the interim head coach of the men’s basketball team and Tyra was appointed as the interim Athletic Director. Tyra was a Louisville native. His father, Charlie, was an All-American basketball player for the University of Louisville in the 1950s. Vince Tyra played baseball for Trinity High School in Louisville and for the University of Kentucky. After college, he built a career in business, eventually serving as the president of Retail and Activewear for Fruit of the Loom, chairman and interim Chief Executive Officer of Elite Medical, a corporate advisor for ISCO industries, and operating partner of Southfield Capital. He also served as chairman of the board for organizations such as RCR International, Total Fleet Solutions, Hallcon Group, Dealer Financial Services, and BioPharm Communications. His extensive business experience was relatively non-traditional for an Athletic Director. Prior to being appointed as interim athletic director, he was a member of the Board of Directors for the University of Louisville Foundation, chairing the Finance Committee. He stepped down from his role on the board to accept the new position.

When Tyra took over the Athletic Department, he discovered instability across multiple programs, even though basketball was the most pressing. All of these issues demanded action, and Tyra refused to assume that the “interim” in his title meant that he should be a caretaker. He immediately got to work on addressing these issues in meaningful and permanent ways. He fired the women’s lacrosse coach, even though the lacrosse season was just about to start, to respect
and protect the student-athletes and to get started on the recovery process as soon as possible. He discovered acts of fiscal irresponsibility in the spirit program and dismissed the coach there as well. He chose to not let the All-American identified in the FBI case stay as a member of the men’s basketball team. He addressed the loss of donors and season ticket holders who were protesting the firing of Pitino and Jurich by finding new donors and season ticket holders. It was not long before media outlets were predicting that the university would soon remove the “interim” from Tyra’s title. Their prediction became true on March 26, 2018. On March 27, he hired Chris Mack, the head coach from Xavier, to be the new men’s basketball coach for the University of Louisville.

The difference between Tyra’s style and Jurich’s style was quickly apparent to employees and student athletes. Laughing at the memory, Associate Athletic Director and Senior Woman Administrator Amy Calabrese described the shock employees felt at an all-hands meeting that Tyra called shortly after his arrival. She said Jurich had been a man of few words, and meetings seldom lasted more than fifteen minutes. As the all-hands meeting reached an hour, everyone was certain that life would be very different under this new, “chattier” Director. He met with different employee groups and with each team at practices, getting to know everyone. Unfortunately, not everyone was happy to have him there. A segment of the employees was deeply loyal to Jurich, and resisted Tyra’s initiatives. Although he could have blamed Jurich for the problems the Department was facing, Tyra tried to take the high road and never criticize him, telling people they would focus on the future instead of the past. In spite of this, within a few months it was clear that the Department could not move forward without restructuring the department, resulting in some of the loyalists departing the organization. He eventually eliminated the positions of three of the most senior staff members in this restructuring.

Strategic Goals and Core Beliefs

Once Tyra had addressed the most pressing crises and was appointed the permanent Athletic Director, he began to focus on changing the culture of the Department. Tyra had continued to work with Adidas, where managers were trying to institute their own reforms after the FBI scandal, and with whom the Athletic Department had a multi-year, multi-million-dollar contract.

Not long after beginning his work with the Department, Tyra met the dean of the University of Louisville’s College of Business, Todd Mooradian. Mooradian told Tyra that he was planning to create the Project on Positive Leadership, and that he was planning to appoint Ryan Quinn, an associate professor from the Management Department and author of this case study, to build that Center. Tyra wanted to show his commitment to reform, and also his commitment to work with the university, and saw this Project as an opportunity to do so. He asked Adidas to donate $100,000 per year for ten years, promising that the Athletic Department would donate $100,000 per year for ten years, and also donating $100,000 of his own personal.

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4 See https://www.proquest.com/docview/1979124610/C228E286006E587PDQ/6?accountid=14665.
money to building this Project and, eventually, turning it into an academic Center. Quinn then worked with Tyra, partially as service to the university and partially through the College of Business’ Executive Education, on the culture change for the Athletic Department.

The culture change was initiated in a series of phases. First, a diverse and representative group of employees was assembled to participate in planning culture change. They began by identifying strategic goals for the Department, such as having no serious NCAA infractions (Level 1 and Level 2) and winning NCAA and ACC championships over the next five years. Based on those goals, they next identified how behaviors throughout the department would need to change to achieve those goals. For example, participants recognized that people throughout the Department tended to get upset if people from units other than their own intruded upon the business of their own unit. However, they could not prevent serious NCAA infractions if people did not accept—or even invite—help or information-sharing across units (especially with the Compliance department). After identifying a list of behaviors that needed to change, they then identified the beliefs that would need to change for people to behave differently. For example, they realized that current behaviors were driven by beliefs such as “winning is a function of individual talent and effort” but that collaboration would require people to believe that “we win together.”

The initial team of employees codified the strategic goals and beliefs, and then vetted them with Tyra and the senior team. They made small tweaks in the wording. Then, senior leaders worked with Quinn to conduct a Department-wide survey. The survey presented the proposed goals and beliefs and asked two open-ended questions: (1) What, if anything, would you change about these goals and beliefs? And (2) What would have to happen in the Department for you to believe that these goals and beliefs are really what we stand for?

The majority of all employees responded to the survey, and most of them either agreed with the strategic goals and core beliefs as they were worded, or suggested minor word changes. Therefore, final edits were made and the Strategic Goals and Core Beliefs of the Athletic Department and they were published to the world as illustrated in Appendix A. Quinn also summarized the most common responses from employees about what would have to happen for the employees to believe that the Department truly stands for these beliefs. He turned these responses into recommendations of actions senior managers could take to exhibit their seriousness with regards to the goals and beliefs, and also to help the employees adopt the goals and beliefs themselves. These actions included:

1. Putting the senior managers through a training program designed to help them set the example for living the beliefs and pursuing the goals.

2. Creating a task force to redesign strategic communications throughout the Department and keep all employees informed.

3. Creating a task force to completely revise compensation structure to make them fairer and to make the procedures used to determine compensation more transparent.
4. Creating a task force to provide education, development, and career opportunities for employees.

Senior management accepted and executed all of these recommendations. Compensation structures were completely revised, including re-writing the job description for every job in the entire Department. A new development program was created for employees, and managers were encouraged to invest in the development needs of their employees. Regular “all-hands” meetings were held to review the core beliefs, provide strategic and structural information about the Department, and take questions from the employees. Senior managers went through a two-day training session. Then, some concerns arose, suggesting that senior managers needed to do a better job at managing conflict in order to live up to core beliefs. To address this, senior managers engaged in another training session to work on conflict management.

Leading the New Culture

Employees made extensive efforts to try to live the new culture. Tyra kept a personal copy of the strategic goals and core beliefs document in the top left drawer of his desk. Every time there was a hard decision, he would pull it out, scan the list, identify a relevant core belief, and use that belief as the guiding principle for making the decision. Other employees took similar approaches.

Many of the decisions involved staff changes. Over the next two years, Tyra continued to replace coaching staffs, eventually replacing the staffs for eight sports programs. The most public of these changes was the football staff. Although Petrino had a history of winning inside and outside the University of Louisville, he was not living the core beliefs and even his winning fell off. In 2018, there was professional-level talent on the team, but the season ended with two wins and eight losses. Firing Petrino was difficult because people had relationships with him and his staff, because any coaching change involved intense public scrutiny and criticism from media and fans who did not have a full knowledge of the situation, and because Petrino’s contract had a buyout clause worth over $14 million. Even so, Tyra replaced Petrino with Scott Satterfield from Appalachian State University. One of the outcomes was that the football program stopped acting as an island unto itself, and started working to “win together” with the other sports programs on campus.

Replacing coaches was always a risk: would the new coaching staff be better? Would relationships with donors be lost? How would the media and fans react, both to the firing and the choice of the new head coach? At least once, the risk was also personal for Tyra. While attending a Department event at a local hotel, a gunshot was heard. Tyra later found out that one of the replaced coaches was in the lobby of the hotel with a concealed handgun. The handgun discharged, shooting the former coach in the foot. The former coach denied any intention to harm Tyra or anyone else, but the police confided in Tyra that they could see no other motive for the former coach to be in the hotel with a concealed gun other than to shoot Tyra. A restraining order was imposed on the former coach, and Tyra had to explain to his family what happened and the risks he faced.
The effort to build the new culture also involved retaining coaches whose behaviors supported the new core beliefs. For example, Mississippi State University, one of the most premier baseball programs in the country, contacted Dan McDonald, the head baseball coach at the University of Louisville, to offer him a job. Their offer was significantly higher than the University of Louisville could pay. Their athletic director flew into Louisville, unbeknownst to McDonald, called him, and asked to meet with him in person about the offer. McDonald showed Tyra the offer. Tyra told McDonald that he could not match the offer. He also talked to him about the fit between McDonald, McDonald’s family, Louisville, and the University of Louisville’s beliefs, such as “We develop our student athletes.” He laid out the budget for McDonald. He and McDonald had been discussing the possibility of starting a program for getting baseball players enrolled with financial aid benefits six months early so that more of them would graduate before leaving for professional leagues at the end of their third year. Tyra showed McDonald how Tyra could launch this program or he could put that money in McDonald’s salary. McDonald told Tyra to put the money into financial aid for his baseball players, and that he would stay at the University of Louisville.

Countless other decisions, unrelated to coaching changes, also influenced the culture. For example, in Tyra’s second football season, an employee approached Tyra at the first football game with the forms that Tyra was supposed to sign regarding which members of the coaching staff would sit in the box versus stand on the field, and who would wear headsets for play calling. The NCAA had just instituted this form as a way of regulating rules about locations and headsets. The employee asked Tyra to sign the forms for the whole season, presumably so that they could skip that step in the future. Enacting the belief, “We choose integrity first,” Tyra told the employee that he would not, to come back every game, and if one of the coaches had questions about that, they should come talk to him directly. Other decisions ranged from switching vendors in which the relationship made it difficult to “share the organizational playbook” and “develop student athletes” to making financial decisions that made it more likely that the Department could end the year with a “financial surplus” and contribute to rather than take from the finances of the university, to distributing tickets differently, to changing parking arrangements, to giving students more accessible ways to attend sporting events.

The effort to lead the new culture faced a constant risk of being stymied by turnover among staff. Turnover was much higher than Tyra had experienced in the previous organizations he had run. The department tried to teach people the strategic goals and core beliefs when they were hired, but Tyra commented that he had to reiterate the core beliefs more than he ever thought he would.

In 2018 and early 2019, the Department began to experience many positive indicators regarding their efforts to build a new culture. For example, in early 2019, student athlete grades and service hours led the ACC. A university-wide employee survey showed that employees in the Athletic Department had more trust than any other department in the university, by a wide margin. The Department had dozens of student athletes identified as All-Americans. Men’s soccer won the ACC tournament 2018. There were multiple individual national and conference championships and some individual national championships in swimming, diving, and track and
field. The volleyball team won a conference championship. The baseball team went to the College World Series and won the ACC championship in 2019. The women’s basketball team went to the Final Four in 2018 and were ACC champions or co-champions every year from 2018-2021. New donors replaced those that were lost after Pitino and Jurich were dismissed. In fact, Tyra would explicitly bring up the core beliefs of the Department often, and donors who ran large organizations instantly understood, respected what he was doing by trying to build a culture around those beliefs, and were more likely to donate as a result.

Old Problems Persist, New Problems Emerge

In spite of visible progress, the Department seemed unable to escape problems. Some of them were specific to the Department, while others were more general.

One problem that would not go away was the ongoing NCAA investigation into the rules violations that occurred when Pitino was still the coach of the basketball program. The Department replaced the entire coaching staff from the time of the violations, and no students from that time remained either. Extensive personnel, policy, process, and culture changes had been made to the Department more generally. Tyra and others pointed all of these changes, and how proactive the Department was being to the NCAA. In spite of this, the NCAA investigation dragged on, casting a pall over the basketball program in particular and the Department in general. The ongoing lawyer fees alone were worse than any fine that the NCAA might impose, and the endless deliberations made many activities—from recruiting to fundraising, and even just keeping up morale—more difficult.

On May 4, 2020, the NCAA delivered their notice of allegations. Allegations were severe, with potentially significant penalties for the University of Louisville. The University responded by requesting a hearing by the Independent Accountability Resolution Process. This added months, if not years, to the process. As a result, the ambiguity dragged on, along with the pall that the investigations cast on the Department. Tyra lamented about why the institution had to be punished for the decisions of individuals—especially individuals that were no longer present. The NCAA investigation did nothing to prevent Pitino from accepting a new coaching job at Iona University, even though the NCAA alleged that Pitino failed to adequately monitor the program. However, even though Pitino moved on, the University of Louisville, who had no one left who was involved in either scandal, could not.

Then, in March of 2021, things got worse. Dino Gaudio—one of Mack’s assistant coaches in the basketball program—was notified by Mack that his contract would not being renewed. In response, Gaudio threatened that if he was not paid 18 months of additional salary, he would publicly report that Mack had violated rules about the production of videos in

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5 For descriptions of these processes, see https://www.whas11.com/article/sports/ncaa/ncaab/university-of-louisville/ouff-ncaa-allegations-response-basketball/417-689235e4-54a4-4960-acf3-8b70c43766e4 and https://www.whas11.com/article/sports/ncaa/ncaab/university-of-louisville/ouff-asks-to-go-to-independenreview-board-for-ncaa-allegations/417-51e65de3-fc77-4b80-9405-b072f41dbc8c
recruiting and using graduate assistants in practices. Gaudio’s threat was recorded. Tyra, Mack, and university president Neeli Bendapudi reported Gaudio’s threat with the relevant evidence quickly and comprehensively to all relevant authorities. Gaudio was prosecuted for extortion. The university reviewed Mack’s actions and suspended him from the first six games of the basketball season. Nevertheless, Gaudio’s allegations were added as amendments to the NCAA case against the University of Louisville. The violations that Gaudio could be perceived as minor, but because they were amended to the previous two, more severe, NCAA violations, the possibility that the University of Louisville may face even longer deliberations and more severe punishments increased.

The NCAA notice of allegations, the university’s response, and the problems with Gaudio all occurred during the novel coronavirus pandemic. This pandemic began in China at the end of 2019 and in March, 2020, much of the world went into quarantine to try to prevent hospitals from being overrun. University athletics departments—like many other organizations in most industries—shut down most of their operations. Games and tournaments stopped, sometimes in the middle of play. March Madness—the NCAA basketball tournament—was cancelled. Classes went online. Revenue largely ceased. To make up for the loss of revenue, the University of Louisville Athletic Department had to do its first and only reduction in force, including both layoffs and furloughs. This led to fear among employees and sleepless nights among the senior managers, as they tried to use the Department’s core beliefs to guide decisions, sometimes talking for nearly an hour about whether to lay off or furlough single individuals. Even so, they still felt horrible about every decision made. Some people dealt with the losses well, others poorly. Because of layoffs, many programs and departments were under-staffed. People did the best they could to compensate. However, in an effort to compensate for understaffing, the ongoing uncertainty of the pandemic, the high pressure of performing in university athletics, and personal stressors associated with the pandemic, some people made some poor decisions in moments of weakness, even if, overall, they were trying to make good decisions for the University and for the student athletes.

As the pandemic raged and lingered and raged again, other massive changes also occurred. Perhaps the largest of these involved legal and policy changes regarding studentathletes’ names, images, and likenesses (NIL). Although issues regarding whether studentathletes should be paid beyond scholarships and other benefits had been simmering for years, impending legal changes from state governments made the question of whether studentathletes could accept endorsements from companies using athletes’ NIL pressured the NCAA into sudden action 2021. On June 21, the Supreme Court of the United States of America ruled that its academic mission did not give the NCAA special privileges with regards to antitrust law. Because of this, and recognizing that multiple state laws giving athletes new rights with their NIL on July 1, the NCAA adopted a temporary rule change on June 30 that made it possible for individual universities to set their own rules for NIL, with only minimal guidance. Suddenly, athletic departments had to make seismic shifts to their operations to accommodate these new possibilities, less than two months before Fall sports would begin.

6 See https://www.nytimes.com/2021/05/18/sports/ncaabasketball/dino-gaudio-louisville-extortion.html
When Fall sports began, the University of Louisville Athletic Department was still reeling from the Gaudio scandal, the pandemic, and the NIL rules changes. They rushed to launch the new season, only to find out that one of their vendors had launched a new electronic payment system for concessions for the first game of the football season—and it did not work. Many fans spent much of the game waiting in line or leaving the stadium. Simultaneously, an anonymous external party found out that a number of years ago, one of the department’s recently-hired video technicians, who was a graduate of the University of Louisville’s rival, the University of Kentucky, had posted pictures of himself denigrating the University of Louisville. Social media erupted with fan anger. It seemed like the problems kept coming, and the University of Louisville Athletic Department could not catch a break. As problems piled up, a local news outlet asked in a headline whether the University of Louisville Athletic Department was capable of “getting out of its own way,” implying a lack of competence in Department leadership and employees.

The Fall of 2021 was hectic, with ups and downs. For example, the video editor was fired and technology problems were worked out. The Department followed all of the proper procedures to deal with Gaudio and the latest NCAA infraction. The women’s volleyball team had an amazing season, making it to the Final Four and winning the hearts of the local fans. The football team had a second losing season. Fans began calling for the department to fire the coach. Tyra announced that Coach Mack would remain. The men’s and women’s basketball teams started their seasons well. Suddenly, the news media started reporting on Florida State University trying to hire Tyra. Then, on the same day, Tyra and the university president both resigned and soon after, Heird was appointed to be the interim athletic director.

Josh Heird

Heird worked under both Tom Jurich and Vince Tyra at the University of Louisville. He was a college athlete who won multiple awards in cross country while competing at Mississippi College. After graduating in 2002, he worked for five years as a congressional aide for Senators Mike Simpson and Wayne Allard. He began working for the University of Louisville athletic department in 2007 as the assistant director of championships. He was promoted in 2009 to director of championships and facilities, running postseason events and overseeing major capital projects. In 2016—a year before the FBI scandal—he left the University of Louisville to become the associate athletics director for operations and finance, and then the senior associate athletics director and chief athletics operating officer at Villanova University. Vince Tyra hired Heird back to the University of Louisville in 2019 (after Tyra had begun making significant changes in the department, but before the global Covid-19 pandemic), where he served as deputy athletic director until Tyra stepped down at the end of 2021. During his tenure at these two universities, Heird acquired successful experience in running most aspects of athletics departments, including fund raising, budgeting, facilities, operations, ticketing, food service, camps, and event management.
What To Do?

Heird’s schedule was intense as the deputy athletic director, and only became more so as he began to run the Department. He had to constantly field questions and address problems. Underlying the day-to-day challenges, however, remained some fundamental questions. Was all of the work that he and his employees had done to build a new and better culture enough? Was it working? If it was working, were their efforts being undermined by turnover, a pandemic, market incentives for university coaches and student athletes, and massive institutional changes exemplified by the new NIL rules? Further, what exactly can a leader expect from an organizational culture? Even if most people accepted the beliefs of a new culture, there was always the possibility that one person may not adopt those beliefs and could undermine what they built. Is that what happened with Gaudio and Mack? Or was there a deeper cultural issue? Maybe a good organizational culture was not one that prevented all mistakes. Instead, maybe a good culture was one in which people’s beliefs led them to collaborate well, recognize and rebound from mistakes quickly, learn for the future, and do so without blame and finger pointing? If this is what he should expect from the culture, then it looked like the culture was serving them well.

Heird also needed to decide what to do about the culture. If he could expect a culture to prevent decisions that harm the Department and the university, then clearly more needed to be done to build the culture. On the other hand, if the most he should expect of the organizational culture is to have people collaborate, recognize and rebound from mistakes, and learn for the future, then perhaps he did not need to worry any more about the culture, and he just needed to make sure that he responded to the current problems as best he could. If he did need to invest more in the culture, what investments should he make? It was a lot to think about.
UNIVERSITY OF LOUISVILLE ATHLETIC DEPARTMENT:
THE ENDLESS COMEBACK

Appendix A: Strategic Goals and Core Beliefs

LOUISVILLE ATHLETIC DEPARTMENT GOALS

AT THE END OF 2023, THE UNIVERSITY OF LOUISVILLE ATHLETIC DEPARTMENT WILL BE ABLE TO SAY THAT, IN THE PAST THREE YEARS:

1. THERE HAVE BEEN NO LEVEL 1 OR LEVEL 2 NCAA VIOLATIONS BY ANYONE AFFILIATED WITH THE DEPARTMENT,

2. WE HAVE WON NCAA AND ACC CHAMPIONSHIPS,

3. EVERY YEAR HAS ENDED WITH A FINANCIAL SURPLUS, AND

4. TRUST AND COLLABORATION HAVE BECOME THE NORM AMONG EVERYONE AFFILIATED WITH THE DEPARTMENT.

5. WE HAVE MADE AN INTENTIONAL EFFORT TO FOSTER THE IMPROVEMENT OF DIVERSITY, EQUITY AND INCLUSION WITHIN THE DEPARTMENT.
OUR CORE BELIEFS

WE CHOOSE INTEGRITY FIRST

We demand winning, but never by compromising integrity—athletically, interpersonally, intellectually and fiscally.

WE DEVELOP OUR STUDENT-ATHLETES

We are accountable for helping our students become champions in competition and in life.

WE WIN TOGETHER

We celebrate diversity, equity, and inclusion as essential cornerstones of a successful team. Through trust and respect, we value each other’s ideas, backgrounds, and contributions that drive organizational success for our athletics department and university.

WE ALL WORK IN CUSTOMER SERVICE

Even the small decisions we all make affect how excited fans and donors are about the experience we provide.

WE ALWAYS SEEK TO IMPROVE

We constantly seek and encourage learning through feedback, education and innovation to grow and be resilient as an individual, an athletic department and a university.

WE SHARE THE ORGANIZATIONAL PLAYBOOK

We are as transparent as ethically appropriate with fiscal information and organizational decisions because it enables faster solutions, builds trust and motivates all of us to be responsible.

WE ARE FANS TOO

We have fun watching Cardinals sports and make it fun to work in this athletic department.

LOUISVILLE ATHLETICS