

# OpenAI Board Firing and the Staff Uprising: Analysis of Sam Altman's Reinstatement

## Altman's Leadership and OpenAI Culture

Sam Altman was widely seen as a **charismatic, visionary leader** who motivated OpenAI's staff. Colleagues noted his ability to communicate clearly and inspire teams <sup>1</sup>. Altman championed an ambitious mission of "**democratic AI**," emphasizing that AGI should empower all of humanity <sup>2</sup>. Under Altman's tenure OpenAI fostered a collaborative culture; employees reported a sense of **psychological safety and shared purpose**. After his firing, industry observers pointed out that the board's secretive move "**broke the company's culture**" of openness and collaboration that Altman had built <sup>3</sup> <sup>4</sup>. In public messages Altman repeatedly expressed personal commitment to his team (e.g. "I love OpenAI" and efforts to keep "this team and its mission together" <sup>5</sup>), reinforcing the strong bonds he had formed with staff.

- **Charisma & Communication:** Altman was praised as "super charismatic and super smart," with exceptional communication skills <sup>1</sup>. He was described as a "master of AI and persuasion" who could explain complex ideas plainly <sup>1</sup> <sup>6</sup>.
- **Mission-Driven Vision:** He consistently framed OpenAI's work in broad humanitarian terms. For example, he spoke of putting "incredible tools in the hands of everyone" and trusting humanity with AGI <sup>2</sup>. This mission alignment resonated deeply with employees, many of whom were personally dedicated to advancing AI for the public good.
- **Trust and Culture:** Under Altman's leadership OpenAI cultivated a flat, startup-like culture. He encouraged direct, honest feedback ("his researchers give him *nothing but disrespect*" yet he valued it) and discouraged bureaucracy <sup>6</sup>. Industry analysts later noted that the board's opaque handling of the firing "violated two of the company's core values: openness and collaboration," eroding the **trust** Altman had established <sup>3</sup>.
- **Employee Loyalty:** Former employees described the work environment as intense but mission-driven – "people are working extremely hard" and "obsessed with the actual mission of creating AGI" <sup>7</sup>. Many were reportedly willing to "die in the trenches" alongside Altman <sup>7</sup>. This deep loyalty reflected both personal respect for Altman and faith in his vision.

## Employee Reaction and Outcry

The board's sudden decision to oust Altman triggered an **immediate revolt among staff**. By the next business day, **nearly all** (~95–98%) of OpenAI's ~770 employees had signed an open letter demanding the board resign and Altman (and co-founder Greg Brockman) be reinstated <sup>8</sup> <sup>9</sup>. The letter was scathing: signatories wrote that the board had demonstrated "incompetence" and warned they would "resign... and join the newly announced Microsoft subsidiary run by Sam Altman and Greg Brockman" unless Altman was

brought back <sup>10</sup> <sup>9</sup> . One insider lettered, “We will take this step imminently, unless... all current board members resign and [reinstate] Sam Altman” <sup>10</sup> .

- **Open Letter:** On Nov 20, Wired and other outlets reported **730+ employees** (about 95% of staff) signed a protest letter <sup>8</sup> <sup>11</sup> . ABC News likewise noted “nearly all 800 employees” signed the letter demanding Altman’s return <sup>9</sup> . This extraordinary outpouring was unprecedented for a tech company.
- **Social Media Solidarity:** Staffers and supporters flooded X/Twitter with the hashtag #FreeSam and similar messages. CTO Mira Murati publicly posted “**OpenAI is nothing without its people**” <sup>12</sup> (a slogan echoed by many employees). Co-founder Ilya Sutskever – who had been part of the decision to fire Altman – even tweeted an apology: “I deeply regret my participation in the board’s actions... I will do everything I can to reunite the company” <sup>13</sup> <sup>14</sup> .
- **Morale and Trust:** News accounts described **shock and outrage** among rank-and-file. Staff were reportedly “frustrated by a lack of communication” from management <sup>12</sup> , and analysts noted the board’s move “broke employees’ trust” in the leadership <sup>3</sup> <sup>4</sup> . In effect, losing Altman was viewed as a loss of the company’s soul.

## Staff Pressure and Board Reversal

Employee loyalty translated into **immediate pressure on the board**. The letter explicitly leveraged Microsoft – OpenAI’s largest partner – as a threat. Within hours of the letter’s release, many employees had signaled willingness to defect. Reuters reported ~500 employees (including CTO Murati, Ilya Sutskever, and COO Brad Lightcap) “would resign” and join Altman at Microsoft unless the board stepped down <sup>15</sup> .

- **Microsoft Intervention:** Microsoft CEO Satya Nadella reacted at lightning speed. By Sunday Nov 19 he announced Altman and Brockman were joining Microsoft to lead a new advanced AI team <sup>16</sup> <sup>17</sup> . Nadella publicly stated he was “open to Altman staying at OpenAI or joining Microsoft,” effectively dangling Altman’s team as a fait accompli <sup>18</sup> . This signaled that if OpenAI lost Altman, Microsoft would quickly absorb much of OpenAI’s leadership.
- **Ultimatum Effect:** Facing the prospect of a mass exodus (staff threatening to quit en masse and take valuable knowledge with them), the board found itself in an untenable position. Media reported that employees continuously tweeted “OpenAI is nothing without its people” and discussed jumping ship <sup>19</sup> . In short order, commentators observed the board had only two choices: “let go of the board or lose the most valuable generative AI company in the world” <sup>4</sup> .
- **Reinstatement Agreement:** Under this combined employee-investor pressure, OpenAI announced late Nov 21 that it had reached an “agreement in principle” to return Altman as CEO, conditioned on reconstituting the board <sup>20</sup> . A new “initial board” was named (Bret Taylor as chair, plus economist Larry Summers and continuing member Adam D’Angelo) <sup>21</sup> . (Former directors Ilya Sutskever, Helen Toner and Tasha McCauley stepped aside <sup>21</sup> .) Altman’s own statement thanked staff and emphasized unity: “i love OpenAI, and everything I’ve done over the past few days has been in service of keeping this team and its mission together” <sup>5</sup> .

## External Dynamics: Investors and Media

Beyond internal strife, **outside forces amplified the crisis**. As OpenAI’s largest investor (with a reported ~\$10 billion investment), Microsoft wielded tremendous influence despite having no formal board seat <sup>22</sup> .

Microsoft's quick move to create a competing AI arm under Altman effectively forced other stakeholders to choose sides.

- **Investor Pressure:** The potential loss of Microsoft's backing loomed large. Nadella's public statements and the hiring of Altman's team made it clear that OpenAI risked forfeiting crucial funding and resources. Board members were widely reported to reconsider their stance amid this reality. (By Nov 21 it was noted that even Nadella had told Bloomberg TV that OpenAI's "governance structure needed to change" <sup>23</sup>.)
- **Media Coverage:** Major news outlets cast the saga as a tech-level crisis. Reuters called Altman "the human face of generative AI," describing the firing as sending "shock waves across the tech industry" <sup>24</sup>. Commentary framed the episode as a clash between **rapid innovation vs. cautious safety** – essentially pitting Altman's ambition against some board members' safety concerns <sup>25</sup>. The intense media spotlight (and Altman's celebrity status) increased the reputational stakes for the board's decision.
- **Public Sentiment:** Influential figures expressed immediate support for Altman, portraying him as a visionary mission-driven leader. Venture capitalist Vinod Khosla called him a "once-in-a-generation CEO," and Y Combinator founder Paul Graham praised his storytelling and persuasion <sup>26</sup>. This high-profile backing in news and social media further validated the staff's loyalty to Altman.

## Implications for Governance and Stability

The crisis has already prompted significant changes and will shape OpenAI's future governance. The board was overhauled: Bret Taylor (a respected Silicon Valley executive) was named chair of the **"initial" board** and tasked with expanding it to up to nine members <sup>21</sup> <sup>27</sup>. Notably, Bret Taylor had even been proposed as a board candidate in the employees' letter <sup>28</sup>, showing the employees' influence on the outcome. Legacy board members aligned with Altman's firing (Sutskever, Toner, McCauley) left the board as part of the deal <sup>21</sup>.

- **Revised Structure:** These changes suggest a move toward a more conventional, transparent governance model. In fact, in May 2025 OpenAI announced that its for-profit subsidiary would become a **Public Benefit Corporation (PBC)**, legally binding it to consider both shareholders and its founding mission <sup>29</sup>. This formal shift—ensuring the original nonprofit retains control while funding constraints are addressed—reflects lessons from the fallout about mission alignment.
- **Employee Empowerment:** The episode underscores the power of a committed workforce. Leadership experts noted that when employees feel **heard and valued**, they can become "the most powerful allies" a CEO can have <sup>30</sup>. OpenAI's top executives will likely take this to heart: future board or CEO decisions must maintain the transparency and collaboration Altman's culture promoted, or risk alienating the talent that drives the company.
- **Stability and Future Risks:** In the short term, reinstating Altman (and Brockman) has stabilized leadership and appeased investors. However, the near-collapse revealed systemic weaknesses. OpenAI's hybrid governance (a nonprofit board overseeing a capped-profit entity) was widely criticized during the crisis as confusing and fragile <sup>25</sup> <sup>4</sup>. Going forward, OpenAI must carefully balance its profit-driven commercial goals with its public-benefit charter. Observers warn that maintaining stability will require stronger communication channels between the board, employees, and investors—lest a similar revolt recur.

**Timeline Summary:** On Nov 17, 2023 Altman was abruptly fired, shocking employees <sup>24</sup>. Within two days (Nov 19–20), OpenAI's entire staff had mobilized in protest <sup>8</sup> <sup>9</sup>. By Nov 21 the board had agreed to bring Altman back under a new board structure <sup>20</sup> <sup>21</sup>. In early 2025 OpenAI formalized further governance reforms (e.g. converting to a PBC) to reinforce its mission <sup>29</sup>. In sum, the overwhelming **employee support** for Altman – rooted in loyalty to his leadership and vision – combined with investor and public pressure to produce a swift reversal and a rethinking of OpenAI's governance.

**Sources:** Contemporary news reports, official statements, and expert analysis <sup>15</sup> <sup>10</sup> <sup>8</sup> <sup>1</sup> <sup>3</sup> <sup>9</sup> <sup>21</sup> <sup>29</sup>.

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<sup>1</sup> <sup>6</sup> <sup>7</sup> <sup>26</sup> Why OpenAI Staffers Are so Loyal to Sam Altman - Business Insider

<https://www.businessinsider.com/sam-altman-openai-staff-loyalty-power-chatgpt-microsoft-2023-11>

<sup>2</sup> <sup>29</sup> Evolving OpenAI's structure | OpenAI

<https://openai.com/index/evolving-our-structure/>

<sup>3</sup> <sup>4</sup> <sup>30</sup> OpenAI, Sam Altman, and the power of employees | Employee Benefit News

<https://www.benefitnews.com/news/openai-sam-altman-and-the-power-of-employees>

<sup>5</sup> <sup>9</sup> <sup>14</sup> <sup>17</sup> <sup>20</sup> 4 days from fired to re-hired: A timeline of Sam Altman's ouster from OpenAI - ABC News

<https://abcnews.go.com/Business/sam-altman-reaches-deal-return-ceo-openai/story?id=105091534>

<sup>8</sup> <sup>11</sup> <sup>12</sup> <sup>13</sup> <sup>16</sup> <sup>18</sup> <sup>19</sup> OpenAI Staff Threaten to Quit Unless Board Resigns | WIRED

<https://www.wired.com/story/openai-staff-walk-protest-sam-altman/>

<sup>10</sup> <sup>23</sup> OpenAI staff threaten to quit en masse unless Sam Altman is reinstated | OpenAI | The Guardian

<https://www.theguardian.com/technology/2023/nov/20/openai-staff-walkout-sam-altman-board>

<sup>15</sup> OpenAI staff threaten to quit unless board resigns - letter | Reuters

<https://www.reuters.com/technology/openai-staff-threaten-quit-unless-board-resigns-letter-2023-11-20/>

<sup>21</sup> <sup>27</sup> <sup>28</sup> Larry Summers and Bret Taylor Are Joining OpenAI's Board - Business Insider

<https://www.businessinsider.com/openai-board-larry-summers-bret-taylor-adam-dangelo-sam-altman-2023-11>

<sup>22</sup> <sup>24</sup> ChatGPT maker OpenAI ousts CEO Sam Altman | Reuters

<https://www.reuters.com/technology/openai-ceo-sam-altman-step-down-2023-11-17/>

<sup>25</sup> Sam Altman's firing at OpenAI reflects schism over future of AI development | Reuters

<https://www.reuters.com/technology/sam-altmans-firing-openai-reflects-schism-over-future-ai-development-2023-11-20/>