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Leadership and Trust

by

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Editor's Digest

Leadership and Trust

The late 1980s and early 1990s were tumultuous for the Buffalo Philharmonic Orchestra, years that included shortened seasons, a reduction in orchestra size, and reduced musician compensation, to say nothing of public bickering.

In 1995, the orchestra's board chairman asked Joe Goodell, author of the following essay, to serve as interim executive director of the orchestra while the board conducted a search to fill that position. Goodell—whose career was in corporate management, not orchestra management—agreed to do so on a volunteer basis. He had been an orchestra subscriber, but had not previously been involved with the orchestra in any other way. In August 1996, he led negotiations which resulted, without rancor, in a three-year musicians' contract. He continued to serve until June 1998, when new executive and music directors were appointed. His essay reflects his experiences as both orchestra "outsider" and "insider."

Of Musicians and Management

The essay begins with a discussion of what Goodell sees as impediments to trust, suggesting that many members of orchestra families contribute to the problem. He posits that to obtain trust, orchestras must have strong management teams. He then outlines a process for assembling such a team, starting with the executive director. His thesis includes calling upon top human resource executives from local corporate supporters to aid in the process, which also includes hiring directors of operations, finance, marketing, and development. And he adds that board chairs should be directly involved in the hiring process for these positions.

In a discussion of "questions of money," Goodell reminds readers that "the talents required to manage a \$10 million orchestra are the same as those required to manage a \$10 million business," arguing that this is not a place to "cheap out."

Organizational Effectiveness

Because better organizational effectiveness is the goal, Goodell then turns his attention to why a small group to facilitate hiring should be a formal committee of the board. He suggests that this committee can also provide a steadying influence when a senior staff member resigns, when an employee's subpar performance needs to be discussed, or when an employee needs to be discharged with dignity.

Returning to the "trust" theme, Goodell concludes with the thought that orchestra boards must demand the same standards in hiring leaders of the orchestra that they would in hiring leaders of a business enterprise.

Leadership and Trust

A number of American symphony orchestras have struggled with financial problems, rancorous employee relations, and an absence of trust. Discussion about these topics always includes such problems as changes in our culture and the way we spend our individual entertainment funds. But those are not the subjects I propose to address here, except to say that I feel orchestra leadership has failed in many cases to adapt to the changes. We are still trying to manage orchestras as we have in the past, even as the management challenges have become much more difficult, thereby exposing our management weaknesses. What I do want to discuss are the concepts of leadership and trust.

First a little perspective on my views. Following a full career in corporate management, I agreed in 1995 to serve, on a volunteer basis, as interim executive director of the Buffalo Philharmonic Orchestra. As executive director, I managed the orchestra for nearly three years. My observations are primarily of the Group I and Group II orchestras as defined by the American Symphony Orchestra League. (Group I orchestras, about 25, have budgets of \$10 million or more. Group II orchestras, also about 25, have budgets ranging from approximately \$4 million to \$10 million.)

My observations of the Group I orchestras result from interviewing a number of staff members for employment, as well as discussion groups at conferences. My exposure to the Group II orchestras' management is much broader and deeper.

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Some Observations about American Orchestras

It is my observation that orchestra leadership seeks *trust* from the musicians which is not forthcoming due to poor or marginal leadership itself. Trust flows from honest, candid communications, and the musicians (in this case) must

perceive competence in their leaders. In most cases, those leaders (the staff) are insecure, in large part because their backgrounds and training are not appropriate for today's management challenges. The result is difficult communications, unclear management perceptions of problems and attendant solutions, and attempts to "hide" problems and solutions. Is it any wonder that the staff has great difficulty *earning* the trust of the musicians?

On the other hand, constant badgering of staff by the musicians, excessive criticism, and making minor problems into major issues doesn't help foster candid communications either. The musicians cannot *earn* the trust and respect of the other employees through such tactics.

"During my career in manufacturing businesses I observed ... that enterprises had the labor relations that they deserved. Poor or mediocre management resulted in poor or mediocre labor relations."

During my career in manufacturing businesses I observed (with one exception) that enterprises had the labor relations that they deserved. Poor or mediocre management resulted in poor or mediocre labor relations.

Many of us have been involved with organizations that had poor leadership. If we could, we got out of the organization, perhaps after attempting change, with attendant turmoil. If we could not leave the organization, we got frustrated, and I would observe that poor labor relations are almost always based on frustration. Furthermore, I would suggest that the deterioration of the relationship with employees can usually be reversed, but as in all relationships of mistrust, a reversal takes time.

I am often asked how labor relations in orchestras differ from those in industrial unions with which I have worked. Musicians generally have much higher educational levels, and often employ their creativity to see complex conspiracies behind simple actions by staff or board members (a failure in "trust"). The actual union leadership is more difficult to identify in an orchestra, and musicians' agendas are also hard to pin down. (In a group of 80 musicians, there are probably 100 agendas.) Formal, elected leadership is seldom the *real* leadership, and the orchestra seems to be more fragmented (with several groups who are not necessarily antagonistic).

I had occasion to spend time with two men who hold senior positions in the musicians' national union organization. One had been described to me as a "destroyer of orchestras." I found both men to be reasonable, sensible, and intelligent, with a solid understanding of the issues facing orchestras (as individuals and as a group). Their perspective was not much different from that of most orchestra board members. Their solutions were not as far apart as one might expect. Both men strongly endorsed my observations about the quality of orchestra managements. One noted a significant drop in what he perceived to be the number of strong executive director candidates.

These individuals are employed by the musicians and generally follow their “clients’” directions. Their ability to significantly change the perspectives and beliefs of their “clients” is limited. The union leaders can be strengthened by reasoned presentations, and by records of accomplishment from strong, respected management teams.

Musicians *want* strong, competent management, capable of clearly explaining issues, not hiding them. They want management whose track record is good, who can recognize their own mistakes, explain the situation to the musicians, and go forward. Many of us have observed incidents that illustrate the antagonism that exists between orchestra leadership on a national basis and the musicians’ union. It’s as though a major part of employee relations is winning “debating points.” Some executive directors seem to think that winning enough points will cause the union to cower or even disappear. The reality is that the union is here to stay. Everyone should be trying to solve problems, not score debating points.

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The thread that runs through my analysis is that mutual trust is key to better orchestra labor relations. (The October 1998 issue of *Harmony* featured three articles that dealt with the need for greater trust: Gideon Toeplitz’s essay on Hoshin and the Pittsburgh Symphony, Paul Judy’s essay on organizational involvement, and a roundtable with members of the Kansas City Symphony family.)

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It is my thesis that trust cannot be obtained without a strong, excellent management team. As a group, the orchestras of America can gain this trust, and improve the relations among musicians, staff, and board. Most have a long way to go, particularly in obtaining a strong management team.

Assembling a Management Team

Quite often, board members state that the problem is that the orchestra is not run as a business. I believe that is largely true, but I also believe that, in general, boards fail to pursue this concept. The process of assembling a strong management team must start with the hiring of an executive director. Orchestras should obtain the aid of a top human resource executive from a local corporate supporter. That individual can ensure that the search committee thoroughly understands the candidates. Reference checking should be thorough. (It is amazing how staff members whose performance is marginal or worse move through the orchestras of America.) The human resource executive is accustomed to finding references that are not listed on a résumé, and also knows what questions to ask. An experienced human resource executive will usually recommend a credit check.

Testing for managerial ability is important. But caution is needed with testing. The testing should be proven and not some professor's toy. It should include an extensive interview with the psychologist managing the testing. The wise human resource executive will not allow the test to become the "go-no go" for hiring. It is part of the mosaic. These tests usually cost around \$1,000.

A thoroughly professional hiring process should not stop with the executive director. The directors (sometimes called vice presidents) of operations, finance, marketing, and development should be subjected to the same process, including strong guidance by our now overworked human resource executive. The human resource executive, the board chair, and one or two others should be able to veto the executive director's choice, and the decision on a candidate to whom an offer is made should be unanimous among them all. Some will argue that such tight control is not proper, that the executive director should be able to "build his or her own team." But I would argue that the hiring group should insist on quality, even requiring that the search be restarted, if necessary. Because an orchestra staff is small, an "acting" functional director is seldom available, so the strong temptation is to hire the "best we can find quickly." This is a temptation to resist!

This strong focus on the next level below the executive director is extremely important for the board, and is often a neglected responsibility. In corporate America, even the most senior managers are subject to strong oversight in the selection of key executives. Considering that the executive director has probably not had a great deal of experience hiring people (particularly for orchestras below Group I), the overview is imperative. (Though the personnel manager generally reports to the senior operations executive, that position should also be included in the high-level review process.)

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Questions of Money

Salaries are part of the hiring process. The outside human resource executive and the one or two others should help the executive director with salary tradeoffs. Few business executives would disagree with the adage that "you usually get the quality you pay for." I have seen cases in which an orchestra board has rejected a good candidate because he or she was "too expensive." Maybe the candidate was worth it! If hiring the right person requires exceeding the budget, so be it. Don't compound the problem by selecting second best. Board members and others involved with the hiring process must understand that the talents required to manage a \$10 million orchestra are the same as those required to manage a \$10 million business. The hours are long, weekends are usually not free, vacations are interrupted by calls or

faxes. The personnel manager's job for a Group II orchestra is much tougher than the same job in significantly larger business enterprises. Yet, the orchestra personnel manager is paid 30 to 50 percent less than an industrial counterpart. That manager is the one we rely on as our primary interface with the musicians. Through that interface we want to better communicate with the players and to seek their trust and respect. Is this the place to "cheap out"?

Two additional issues often arise when hiring is at hand. The first is whether to employ a search firm, or rather to "network" and run advertisements in newspapers. On the surface, it appears as though a professional recruiter is more expensive, but the cost must be factored against the length of time it takes to use networks and advertisements. I believe in the use of recruiters, but would caution about recruiters who know the industry too well and rely heavily on friends and their own networks.

The other issue arises when it is necessary to define the ideal candidate. I have concluded that there are only two senior positions that must be filled by candidates who have musical backgrounds: the senior operations executive and the personnel manager. A musical background for the senior marketing position is only a nice plus. The executive director need not be a former musician, but must have a thorough understanding and appreciation of the artistic mission.

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Structuring Organizational Effectiveness

In my observations above, I have suggested the formation of a small group to facilitate hiring. I feel strongly that this committee should be a formal committee of the board. It should be chaired by the board chair, or by another board member whose career has involved selecting and evaluating the performance of people. It should include the corporate human resource vice president discussed earlier (whether that person is a board member or not), one or two others, and perhaps even a wise, perceptive musician. This group forms the nucleus of an executive director search committee when required. It oversees the hiring process for the next level of staff ("senior staff"). And the group can function as an informal coaching team to help the executive director deal with people problems. (Selection of members of the committee must be done with care. The executive director must be comfortable and candid when discussing frustrations and people problems.)

Aside from hiring, there are three critical situations in which this committee can make a real difference. The first is dealing with the resignation of a senior staff member (who reports to the executive director). For orchestras with staffs of 30 or fewer members, it is highly unlikely that a successor is in place. It is also

unlikely that others in the department can carry the load while a search goes on. The executive director's tendency is to make a number of phone calls to industry colleagues to find out who "might be available" and perhaps to run an ad in the local newspaper, with the hope of having this position filled in four or five weeks—just shortly after the incumbent disappears.

In this situation, the committee that I propose is called upon to instill patience. It can help the executive director find a temporary solution so that the hiring can be done with care. If a conflict exists between the budget's provisions for salary and current market conditions, the committee can provide guidance. More than one orchestra has seen its marketing director resign just as ticket sales began. Though the loss may be only one-fourth of the department's head count, it could be two-thirds of the brain power. The committee I propose would be called upon to help find a solution to the crisis, perhaps by locating "industry" consultants as part- or full-time contractors.

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The second area in which this committee can help a great deal is in the identification of individuals whose job performance is lower than acceptable. Many executive directors are not well versed in setting performance standards. The committee would coach the executive director on how to recognize the problem, refuse to work around it, and develop and implement a plan for the poor performer to “get well” (hopefully).

The third critical function of the committee is to temper the trauma of discharging a subpar performer. This involves coaching the executive director in what to say, what not to say, how to preserve the individual's dignity, and how to determine severance financial parameters. There isn't a manager in the business world who has not made a hiring mistake. The executive director must understand that such mistakes are normal. The bigger, less forgivable mistake is failure to correct the original one. This

committee should also be chartered to oversee the preparation of a staff performance review process and merit salary increases.

The Quest for Mutual Trust

Throughout this analysis is a quest for mutual trust among the board, staff, and musicians. A first-rate staff must be in place before the process of achieving trust can even begin. Only with a strong staff can an orchestra develop effective communications, because it is much easier to talk about communication than it is to implement an effective program.

The most important part of a communication program is that the board chair and the executive director *really* believe it is important. In too many cases, mere lip service is paid to communications, with little effect.

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Of great importance is having the executive director make frequent presentations to the orchestra members on finances and any other issues of interest. These should be carefully prepared and rehearsed presentations. Attendance will be disappointing at first (serving lunch increased attendance at my presentations). A lot of time should be made available for questions and answers. The first year will probably be frustrating. Questions will likely be antagonistic. (“Why do you hire stupid operations people?”) If questions highlight mistakes, admit them! Explain the flaw in the decision process or the incomplete information. Keep secrets to a bare minimum. I believe there are only two areas in which confidentiality is required. One is a musician’s or staff member’s personnel file (salary, medical insurance claims, salary garnishments, etc.). The other relates to fundraising occasions when facts may need to be kept confidential. Anything else is open to the musicians. There may well be information that should not be made public, and this is a defining moment for trust. If you *really* believe in trust, explain to the committee

or musicians why it must be confidential, and then share it. The elected musicians committee will probably want to honor the request for confidentiality.

Having musicians as voting members of the board of directors is controversial. My feeling is that having musicians on the board is part of trust. The musicians must respect board confidentiality, understand board- room decorum (no manifestos to be presented) and the decision-making process (the role of committees), and that the board meeting is not the place to complain about backstage conditions.

No group (board, staff, or musicians) should expect major changes in relationships merely because musicians serve on the board. (“The musicians are on the board. They must know we cannot afford that . . .”) There will be a small positive impact on negotiations for a collective bargaining agreement since financial figures will be familiar (if some of the same individuals that are negotiating are on the board). The staff must realize that making musician leaders (board members, orchestra committee members, and union representatives) aware ahead of time of an announcement of actions to be taken can go a long way toward making their jobs easier. Reduced frustration is a requirement for trust. Trying to undermine certain individuals just doesn’t work. Little time is

required to send a few extra copies of announcements ahead of time so that the “representatives” can deal with questions before the “conspiracy” crowd can organize. There is often a temptation to try to isolate a difficult musician leader. This effort to undermine someone just doesn’t work.

And one final “must.” Communications is not something that gets under way just as negotiations over the collective bargaining agreement begin. It must go on during good times and bad, and the concept must permeate the organization. Front-line operations people will often try to sabotage the effort. They perceive it as a threat to their job security. But that is no excuse for becoming sidetracked.

Concluding Thoughts

In this analysis, I have attempted to share my observations about the weakness of orchestra management (with the qualifications noted earlier where I defined the scope of my observations). The reader should use caution in placing his or her orchestra in the “exceptions” category. A significant part of the orchestra world recognizes that trust and respect are lacking in many relationships among musicians, staff, and board members. There are many possible approaches to changing the trust relationship. Several have been described in past issues of *Harmony*. None of these processes will work without a strong, competent orchestra management. Once competence is recognized with appropriate communications, trust will replace, in large part, the contentious relationship that characterizes so many orchestras. Change will be apparent, but it will take several years for major changes to be evident.

Longer term, the symphony orchestra “industry” must develop an effective training program. It must be much more comprehensive than the existing intern program. The program should cover a number of years, with periodic followup of short continuing-education courses. There should be exams that measure the individual’s success. “Graduation” should not be automatic. Undoubtedly, other performing arts disciplines would benefit from similar training. Such a program would be costly, but a large foundation should find this to be an opportunity to have a real, near-term, positive impact.

“... orchestra boards must demand the same standards when hiring leaders of the orchestra that they would in a business enterprise.”

Even absent such a long-term program, orchestra boards must demand the same standards when hiring leaders of the orchestra that they would in a business enterprise. They must not fall into the trap of “too expensive,” and they must insist upon strong oversight of hiring. Trust among the musicians, the staff, and the board can be achieved, but only with a talented staff that is secure and able to instill confidence in the organization.

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