

*Harmony*TM

FORUM OF THE SYMPHONY ORCHESTRA INSTITUTE
NUMBER 3 • OCTOBER 1996

Symphony Orchestra Organizations: Employees, Constituencies, and Communities

by

Paul R. Judy



To subscribe to *Harmony* or provide support to the Institute, contact:

Symphony Orchestra Institute

1618 Orrington Avenue, Suite 318

Evanston, IL 60201

Tel: 847.475.5001 Fax: 847.475.2460

e-mail: information@soi.org

www.soi.org

Symphony Orchestra Organizations: Employees, Constituencies, and Communities

I was pleased to be offered invitations to address the 1996 annual meetings of delegates of the International Conference of Symphony and Opera Musicians (ICSOM) and the Regional Orchestra Players Association (ROPA). The meetings also provided me the chance to meet and discuss symphony organizational issues with a wide range of musicians and to meet officials of the American Federation of Musicians, particularly the staff of the Symphonic Services Division. The speech I presented to both assemblies appears here, edited only slightly for publication purposes. – Paul R. Judy, Publisher

The economic viability of any socially legitimate organization should be the concern of every participant. Most of us look to regular paychecks for personal economic security, but the capacity to issue these checks depends upon the financial health of our employers.

Beyond receiving paychecks, we dedicate an important part of our lives to our work and in so doing, most of us invest substantial intellectual and emotional capital in our employing organizations. The longer-term development, character, and preservation of those organizations significantly affects that personal capital investment and, more broadly, our whole lives.

In for-profit organizations, there are three main groupings of economic interest—customers, employees, and owners. It has been increasingly recognized that in a free-market society the customer is “king” and must be served, with steady improvements over time, or the economic viability of the serving organization will weaken and may fail. Employees, through organizational process, provide products and services to customers in a competitive market, and together contribute to the maintenance, advancement, or diminishment of their organization’s viability. Owners provide directly, or by credit, the material resources which support the employee effort, in the hope of economic return. Many for-profit corporations encourage employees to become customer-oriented and also to become and/or think like owners.

If the resources provided by owners are inadequate given the scope of the organization, and/or the efficiency of the organization is poor, its economic viability is threatened, creditors may not be paid, capital will likely be lost, and

employees will be without jobs and economic sustenance. If the capital provided is adequate to organizational scope, and efficiency is good, the enterprise will be sustained, owners will likely realize a return, and employment will be maintained. If the return is high, capital will be abundant and the enterprise can grow; employees will be able to receive more benefits and employment will be assured if not expanded.

“... the charitable contributor expects to be served and to receive value, directly or on behalf of others.”

Now what does all this have to do with symphony orchestra organizations? How do we develop a similar framework for thinking about the economic viability of this unique form of nonprofit cultural enterprise?

First, the customer aspect of a symphony orchestra organization looks very similar to that of a commercial organization, at least with respect to customers who buy tickets to concerts. But I know of no symphony orchestra since that of Theodore Thomas (before its conversion into the Chicago Symphony Orchestra) that has depended singularly on concert revenues and fees for its economic viability. Some have suggested that

we try to reach the Thomas model through very creative and energetic means. Others who are more futuristic have suggested that technological advances may help achieve this end, as the worlds of interactive pay-video and e-music mature.

I have spent many hours penciling in various scenarios which might result in a self-financing orchestra and each effort has failed. Although we should stay alert to future possibilities, almost everyone has come to the conclusion, which I share, that free-market customer revenues will not sustain a symphony orchestra organization.

So we have to come up with some source of revenue to fill the gap. In America, like it or not, government is not a source for such funds, and politics being what they are, government funding is not very reliable and has had strings attached even when it was more fashionable. Thank goodness, however, that in America we do have another kind of “customer” to whom we can turn—the “philanthropic customer” or “charitable contributor”—be that an individual or a private institution. And, again thank goodness, the “philanthropic market” in most communities is broad and deep.

Like all customers, however, the charitable contributor expects to be served and to receive value, directly or on behalf of others. He, she, or it has a wide variety of opportunities to give away money. And quite often, the individual charitable contributor, or the representative of an institutional contributor, is also a regular paying customer. In fact, in many cases, more than 50 percent of subscribers provide more than 50 percent of contributed income.

The symphony orchestra organization is therefore often being evaluated in many dimensions by a mix of people who make up its “constituency”—regular customers and charitable contributors. These dimensions include artistry, musical

inspiration, educational service, physical appearance, customer friendliness and comportment, economic efficiency, and service to the community, just to name a few.

And to further complicate the characterization of the typical symphony orchestra “constituent” and thinking about his or her “customer needs,” many of these same people are key volunteers intimately involved in organizational governance, funding, and operations, contributing valuable time and know-how, and, of course, very closely observing how the organization of which they are a part is functioning.

The economic framework for a symphony orchestra organization becomes more complex with the question: Who are the owners? Are they the directors or trustees? The largest contributors? The musicians? Management? In observing the way some symphony orchestra organizations operate, one might well conclude that one of these alternatives applies, albeit differently in each case.

To me, however, it is clear that the local “community”—the collective of individuals, families, and institutions directly affected—is the principal beneficiary of a central professional symphony orchestra organization. It is the community which has the principal beneficial interest in the existence and vitality of such an organization. The board holds the organization in fiduciary trust for the benefit of the community and oversees the organization’s development in serving and creating value within the community in ways which earn the satisfaction and merit the support of an informed constituency. If through this process the organization succeeds, it is the community which principally benefits. If the organization fails, the community suffers a great loss.

*“... the local
‘community’—the
collective of
individuals, families,
and institutions
directly affected—is
the principal
beneficiary of a
central professional
symphony orchestra
organization.”*

So in contrast to for-profit organizations, employees of symphony orchestra organizations better assure their own economic viability by serving and expanding the base of constituents supporting their organizations— customers and contributors—and involving some constituents (i.e., volunteers) in the effort. This orientation and effort is all towards the goal of sustaining and desirably expanding their organizations’ economic health in order to provide and sustain clearly valued musical services in their communities. And in so doing, all employees must keep in mind that the constituents of their organizations have all the economic interests of customers, that they have a range of economic concerns for “value creation” which are similar to the goals of for-profit owners, and that they provide, through endowment, the financial capital on which symphony organizations depend for stability.

The labor laws of the land make no particular distinction between for-profit and nonprofit corporations. But, as earlier summarized, substantial economic differences clearly exist. Notwithstanding employee ownership trends, there is an argument that employee and owner interests are adverse in for-profit organizations. There are various ways which profits might be allocated between labor and capital. However, in the case of a symphony orchestra organization, there are no profits to be allocated, and it is clearly counterproductive for employees to consider the community to be an adverse party. Symphony orchestra organizations meet their commercial shortfalls through the unobligated charitable support of constituents, and it is rather nonsensical for employees to think adversely about the hand that feeds.

Nor is it very sensible to think that some employees are different from others when it comes to economic interest. I think a man or a woman or a thing from Mars (not such a fantastic notion based on recent findings) visiting a symphony orchestra organization would be perplexed to observe adversarialism between management and players. The Martian might be especially confused in overhearing some musicians talking about the special employment security they enjoy by reason of a collective bargaining agreement, including its tenure provisions. I think it might appear to the Martian that all employees were pretty much in the same boat. Especially in a crisis involving organizational life or death, some difference in economic interest might be observed between the employees, as a group, and a constituency, as a group, but not between different groupings of employees. I think a Martian would conclude that the economic security of each employee depends upon the financial health of the symphony enterprise as a whole.

“... the economic security of each employee depends upon the financial health of the symphony enterprise as a whole.”

Thus, it is probably more sensible for all employees of symphony orchestra organizations to dedicate themselves to building the financial health of their organizations through intensive service to their communities and through the strengthening and broadening of each organization’s constituency.

In this age, we dare not take constituents for granted. On the airplane this morning, as we made our final approach, it was interesting to hear the captain say: “We know you have choices; thanks for choosing United.” And then on the way to the rental car lot, the shuttle driver ended his instructions with “. . . and thanks for choosing National.” Even more so, the symphony organization constituent, especially the contributor who is a subscriber and volunteer, needs to hear every employee say, whenever possible, loudly and clearly: “Thanks for choosing to support the symphony orchestra.”

In companies with advanced human resource practices, every employee is oriented and trained to become customer-sensitive, if not customer knowledgeable and responsive. To this end, machine operators accompany

salespersons on field customer visits. Product design engineers spend as much time in customers' premises as in their own drafting rooms. Bookkeepers monitor customer focus groups, discussing possible product and service improvements. Employees are urged and trained to look outward and to realize that their organization's success, their own material benefits, and their opportunities for personal and professional growth depend upon excellent customer service and support. Substitute the word "constituent" for "customer," and the situation should be no different in the symphony orchestra world.

Should a company develop products and services which will be of interest to any and all possible customers? Will we "dilute and weaken" our primary competence by the development and extension of a range of secondary products or services serving a hoped-for wider range of customers? Or, looking at the matter differently, should we "exploit and expand" our base competence and strengthen our viability by encompassing a wider range of presentations to a more diverse clientele? Many organizations—including symphony organizations—face these choices which are best resolved within the framework of a clear, widely understood, and agreed upon declaration of mission and values.

"Best practices" organizations have such declarations to help guide their directions and actions. And a common dimension is to have as many employees as possible involved in inputting and understanding the organization's mission and values in order that everyone may "operate from the same page." In these advanced organizations, employees can better shape and guide their own behavior and actions by what has been agreed upon collectively. Motivation, focus, and empowerment are high in these organizations. The feeling of "being together" in musical performance is something with which orchestral musicians, observers, and listeners can easily identify. Why can't we bring about that feeling with respect to the total symphony enterprise?

It would be nice if society—or on a more "micro" basis our communities—would just recognize and reward orchestral participation, skill, and dedication without so much fuss and questioning. It just doesn't happen that way. It would be nice if management and governance were infallible, knew all the answers, and did all the work needed to retain and expand the base of constituent support necessary to assure our organizational and personal economic security, without any effort or cooperation on our part. It just doesn't work that way. It would be nice if the organization of which we are a part would function superbly, provide our economic needs, and permit us to live an isolated and insular artistic life, without any personal involvement and commitment. Organizations just don't function very well under those circumstances.

In advanced human resource practice enterprises, how products and services are improved, how work is processed, how time is spent, and how greater effectiveness can be achieved, are dealt with in decision-making systems which provide that inputs, and in many cases binding decisions, are made at the lowest possible level. Information needed to provide such inputs or make such decisions is readily available to everyone involved. Also, there are patterns of primary

specialization, but everyone is encouraged or expected to become multi-skilled in ways which support primary skills and enhance team performance. Employees have broad horizons and perform a variety of organizational functions. Training in skill development and team process is ongoing and intense. In such organizations, there are few if any “dead ends”; personal and professional growth opportunities are abundant.

“In many symphony orchestra organizations, we have tended to put employees—and even working volunteers—in ‘boxes.’”

In many symphony orchestra organizations, we have tended to put employees—and even working volunteers—in “boxes.” Everyone has a precise role to play and is expected to play that role rather singularly, narrowly, and intensively. We are too often, as Pierre Boulez has said, just “cogs in a machine.” We still operate too much in the shadow of Henry Ford. How many times do we hear, “Managers should manage and players should play?”

Unfortunately, too many people in management do not seriously wish to have players involved in anything more than music performance. Or, they don’t wish—or don’t know how—to provide the creative, energetic, and risky leadership necessary to motivate, orient, and

train musicians—at least those who are interested—to broaden their skills and contribute more generally to organizational vitality and economic viability. The stock answer I hear is that “players really don’t want to do anything but play their instruments,” or “the union won’t permit it,” or “the musicians really don’t know much about these matters.” These attitudes are quite often shared by key board members and undermine the will power of even the most forward looking executive director.

But the problem goes much deeper. It involves musician leadership, too, and in some cases, individual musicians. Too many musician leaders believe and preach that if a musician is encouraged or invited to do anything more than play an instrument, he or she is being “exploited.” Or he or she is “doing management’s job,” or “setting a bad precedent.” And there are still too many musicians who feel that any organizational involvement or contribution beyond strictly defined musical performance tasks is a legal and moral affront or must be carefully and contractually defined through extensive bargaining and documentation. Thankfully, for the sake of the economic viability of most symphony orchestra organizations and that of their employees and for the sake of more fulfilling orchestral careers, these outmoded views, with their accompanying rhetoric, are held by only a small, albeit vocal, minority of orchestral musicians.

Of course, we have all seen or read about employees and volunteers from every sector of a symphony orchestra organization pulling together, and putting forth great effort, flexibility, dedication, and sacrifice—just when it has become excruciatingly apparent that the organization is failing. What is it about the

human condition that moves us toward common purpose when it is probably too late?

I suppose we cannot expect easily to change the “mind set” existing at many levels in many symphony orchestra organizations. To effect concerted and comprehensive change, a number of people will need to be committed. There are some organizations where I sense management and governance might be ready to try a different approach, but musician leadership appears intractable. In other organizations, my sense is that musician leadership might be open and responsive to new directions, but the invitation—and the trust that would underpin it—is not forthcoming.

“I suppose we cannot expect easily to change the ‘mind set’ existing at many levels in many symphony orchestra organizations.”

I think many symphony orchestra organizations are like large scale logjams. Traditions, role playing, stereotypical attitudes, egocentric personalities, and the like, are all askew, locked up in cross-purpose, rigidly clogged in a topsy-turvy maze. On the other hand, down deep, there is a strong undercurrent of human desire and latent motivation to free up the jam, permitting all the elements to flow smoothly, swiftly, together, but each at its own pace, all in the same direction. What is needed, of course, is a team of really able lumberjack/leaders who know how, when, and where to apply leverage. Each member of this lumberjack/leader team trusts the other to insert levers into the jam in a synchronized way, closely communicating as the work progresses, operating with mutual commitment and courage to better assure that the jam is opened up safely for everyone, permitting natural human forces to take over, obstructions to unwind, and pent-up energy to be converted to positive ends.

Various organizational behaviorists have used the symphony orchestra as a metaphor to better understand and explain organizations in general. Sometimes, the reference is to the unusually wide “horizontal organization” involved in a conductor leading 100 musicians. Other times, in an uncomplimentary way, we hear about the “maestro” manager. I would suggest that perhaps we look to orchestral performance for a metaphor which might be both illuminating and inspirational when describing how a total symphony orchestra organization might function. To this end, I am reminded of a favorite word of Boulez—“sonority”—a condition of full, deep, and rich orchestral sound. Each of you has participated in—and I have observed and heard—orchestral performance in which the “sonority” was fantastic. That is the condition I think we should try to achieve in total symphony organizational performance!

So in our organizations we need “open mind” more so than “open door” policies—in our board rooms, management offices, player committee meeting rooms, and the conductor’s suite. We need to use our ears a bit more and our mouths a bit less. As my father-in-law used to tell me “you don’t learn very much with your mouth open.” There are new organizational ideas and practices

all around us and we need to remove our heads from the sand and observe and learn from them. We need to face the fact that although orchestral artistry has advanced regularly over the years, the functioning and “sonority” of the typical symphony orchestra organization has not much changed.

Musicians in many organizations are better off economically than ever before, but are contributing to organizational development, economic viability, and community value well short of their potential. Disengagement and uninvolvement tend to reinforce low morale in some orchestras—particularly in some smaller orchestras—where, in fact, what is needed is an enthusiastic total organizational effort to uplift lagging constituent and community support. Overall, musician job satisfaction continues low; angst is high. Staffs are stretched, stressed, and underpaid beyond reasonable limits in many organizations. Ambiguities as to the roles of the volunteer chairperson, the executive director, and the music director continue in many organizations, and these ambiguities do not contribute to strong and clear leadership. Information sharing is modest. Trust levels would appear to be below average.

On balance, the organizational practices we have followed for many years need to be questioned. They haven’t worked very well, particularly as to the release of human potential, and they don’t contribute to economic viability or growth. It is time we put our heads and hearts together and did something about it.

As a start, for your part, I urge each of you in this room, as you go about your conference activities and return to your organizations, to devote at least the same—if not more—intellectual energy to thinking about and discussing how you and your colleagues can provide more organizational value within your communities, and deepen and broaden constituency support for your organization, as you do to reviewing the intricacies of trade agreements and bargaining status. Let constituency support and community value become keynotes in your thinking about orchestral employment. I can assure you that, over time, your pocketbooks, as well as your workplace satisfaction and personal growth horizons, will be well served by this added emphasis.

Paul R. Judy is a retired investment banking executive. He is a Life Trustee and former President of the Chicago Symphony Orchestra. Mr. Judy holds A.B. and M.B.A. degrees from Harvard University.