

The Nashville Symphony

TEACHER NOTES

Learning Objectives

- Recognize how trust is built between management and artists.
- Identify growth opportunities for a mid-size arts organization.
- Develop swift and bold responses to unforeseen adversity.

Topics For Discussion

Building Organizational Trust

It is said that trust is at the foundation of any strong relationship. This applies to working relationships as much as personal ones. This case study surveys in part the relationships built between administration and musicians of the Nashville Symphony, which has stood among the institutional stalwarts of the “Music City.” The essay outlines a few key episodes dealing with trust between the parties. President and CEO Alan Valentine, who has served the symphony since 1998, remains at the center of these affairs.

- Early in Valentine’s tenure, music director Kenneth Schermerhorn pleaded with the administration to increase the orchestra from 54 to 70 members in preparation for a major tour of the East Coast. With gifts secured to augment the orchestral forces, the additional 16 players were considered for full-time positions. This prompted the original players to question if salary increases for them were more appropriate than growing the size of the symphony roster. The issue might well have created factions in the organization around this divisive issue. What did Valentine recognize about the Nashville Symphony’s organizational culture in this part of his tenure?
 - ♦ How did the CEO handle this early episode?
 - ♦ How did Valentine build from his experience with the players in tense circumstances?
- A description of the work of Sonja Thoms interrupts the case narrative. As the Senior Director of Operations and Orchestra Manager, Thoms is charged with handling day-to-day business between management and the players. She has said of her efforts with the musicians: “I want to make sure every day is a great day for them.” She and her

colleagues in the administration are well aware that the orchestra members are the lifeblood of the Nashville Symphony and deserve respect and input.

- ♦ What kinds of actions does Thoms take to foster a positive relationship with the players and promote an open culture?
- ♦ What is Thoms's role in contract negotiations? What has she witnessed with these negotiations?
- ♦ How does Thoms deal with adversity or miscommunication between administration and musicians?

Growing the Organization

Amid the pressures and flashpoints faced by the administration of the Nashville Symphony, it took remarkable steps to increase the size of the organization. When CEO Valentine was hired, the orchestra had only 54 full-time musicians, who were paid around \$21,000 per year. The administration itself consisted of 20 staff members, and offices were not housed within the same location as the performance hall, the Tennessee Center for the Performing Arts. Storage facilities were needed away from the hall in the administrative office space, a converted warehouse building. Transformation of these facets of the organization appeared over the two decades since Valentine's hire.

- The orchestra topped out at 82 musicians in the case study, with individual salaries above \$50,000. Select a student or two in advance of a class discussion to describe how the size and compensation of the orchestra changed. What role did fundraising play in the transformation? What arguments did Valentine use in defense of a robust orchestra for a medium-size city? How did core and supplemental players figure into the narrative and change over time?
- The construction of Schermerhorn Symphony Center, which opened in 2006, constituted a major moment for the Nashville Symphony. The case reveals that new programming had "hit a ceiling with audiences" in Nashville, and yet annual ticket sales more than tripled in the first season of the Schermerhorn's operation, from \$2.4 million to \$7.5 million. The subscriber base nearly tripled as well.
 - ♦ Ask students to reflect on the irony of these circumstances. Seek rationale for the outstanding results in that first season.
- Nashville is known around the world as the "Music City" or "Music City USA." How did Valentine want to leverage this identity from an artistic perspective? What role should the CEO play in suggesting artistic programming?

Responding to Adversity

The Nashville Symphony case highlights administrative actions taken in moments of institutional crisis. Music Director Kenneth Schermerhorn's untimely death in 2005 left the orchestra conductorless when the new performance hall was scheduled to open. The hire of Leonard Slatkin to fill the void paid great dividends in establishing the Nashville Symphony's commitment to artistic excellence in general and the genre of American music in particular. Other decisions were more fragile.

- In 2009, a bleak economy forced the symphony's administration to freeze staff wages. The orchestra however was in the second year of a five-year contract. CEO Valentine thought it was right to ask for a wage freeze in the middle of this agreement, drawing on the idea of "shared sacrifice." Players and union representatives were not pleased but agreed to the concession. Upon revisiting the frozen wages in six months, the local union president declared that there was no will among the musicians to accept a continuation of the wage stagnation. Valentine then took to the podium after a rehearsal and delivered what was described as a soliloquy. How did the CEO make his case to the membership? What do students think of the argument he made? What was its effect? Would this argument continue to work in the future?
- The cataclysmic flood of May 2010 in Nashville compounded the financial issues that the Nashville Symphony faced. On that fateful weekend of downpours, the basement of the Schermerhorn Symphony Center was filled with black water, which nearly entered the concert hall. How did Valentine and his administration respond in this moment of crisis?
 - ♦ How did the Nashville Symphony turn the disastrous circumstances into a chance to display civic pride? Challenge students to imagine how the aftermath would have changed if Christopher Cross had not agreed to play for free. What alternatives could have received a similar outcome?
- The case concludes with a scenario from 2012-13, which presents the reader with even deeper financial woes for the Nashville Symphony. Restructuring of the organization's debt was imperative, and rescue funding from FEMA was delayed. A consultant assisting with debt restructuring also advised CEO Valentine to cut \$6 million from the current operating budget. He started by cutting his own compensation by 21%, while Music Director Giancarlo Guerrero took the same pay cut. Salaries for senior administrators were reduced by 17%; other staff, at least 6%. The consultant recommended a 37% cut from players' salaries. Consultants were prepared to discuss cuts with the union negotiator directly and encouraged Valentine to stay out of the conversation. Why did the CEO prefer to speak to orchestra's union negotiator himself? How did consultants view the musicians?
 - ♦ Valentine was relying on his administration's history of honest and open communication with the players to aid the delicate negotiation. At least two considerations complicated the matter: (1) Over the two decades of Valentine's tenure with the Nashville Symphony, a number of players had left the orchestra, so the trust built up only applied to those who saw management's promises delivered over that time. (2) The request for salary concessions, like the previous wage freeze, violated terms of the Collective Bargaining Agreement. In the case, Sonja Thoms warned that "no amount of positive interaction can replace the administration honoring the terms of the Collective Bargaining Agreement." While negotiations had usually been handled professionally and without major disagreements, one could expect unsettling feelings between the parties with this kind of request. What good is the contract if it can be compromised? What recourse do players have in situations like this?
 - ♦ The case concludes with Valentine heading into a meeting with the orchestra's union negotiator about salary concessions. The consultants' recommended salary rollback of 37% needs to be addressed, as it is far greater than the cuts taken by the administration. As it concerns this scenario, instructors may opt for different types of assignments for students:

- Stage a role play in class discussion between the CEO and the union negotiator. What is a reasonable request from the orchestra, considering the Collective Bargaining Agreement and the sacrifices from elsewhere in the organization?
- Prepare discussion points for Valentine to bring to the meeting. Compare discussion points among members of the class as a launching point.
- Draft a memo from Valentine to the players at large. Select a few memos to expose different points of view that would illuminate items to consider in the negotiation.