

*Harmony*TM

FORUM OF THE SYMPHONY ORCHESTRA INSTITUTE
NUMBER 5 • OCTOBER 1997

The Process of Change in the Hartford Symphony Orchestra Organization

*A roundtable discussion with members
of the Hartford Symphony Orchestra*



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

The Process of Change in the Hartford Symphony Orchestra Organization

Organizational change is an important theme for the Symphony Orchestra Institute. Fostering greater effectiveness is part of our *raison d'être*. In the April 1997 issue of *Harmony*, you read of significant organizational change in the New Jersey Symphony Orchestra. In this issue, you will read about the process of change in the Hartford Symphony Orchestra (HSO).

An Increasingly Troubled History

The initial section of the "Hartford story" was written by Ann Drinan, a violist with the HSO since 1980. She guides us deftly through the early years, and then presents a thorough synopsis of the increasingly troubled years from 1985 to 1994. Ann also participated in the team that considered the process of change.

Relating a Story of Reconciliation

The story continues, as related by six members of the HSO family and consultant Paul Boulian. These seven met with Paul Judy, who represented the Institute, to discuss the process of reconciliation and change which moved the HSO from a 14-month work stoppage beginning in 1991 to a successful "contract-renewal process" in 1994.

Presented here is an edited transcript of that discussion, a fascinating recital of the building of trust, of learning to communicate, and of developing a willingness to take risks.

Evaluating the Outcome

To gain some perspective on the outcome of the "contract-renewal process," Paul Judy interviewed 14 HSO participants. He shares comments from those interviews as he evaluates the outcome and assesses the HSO's current health. The story concludes with a look to the future.

The Process of Change in the Hartford Symphony Orchestra Organization

The Hartford Symphony Orchestra (HSO) began as the Hartford Civic Concert Orchestra in 1934 through the efforts of Francis Goodwin and the funding of the Federal Emergency Relief Administration, and later the Works Project Administration. The early years involved many free concerts, including an extended summer season that established the Hartford community's appetite for symphonic music.

Although the Symphony did not perform during the war years, the Hartford Symphony Society remained intact. The present Hartford Symphony Orchestra gave its first post-war concert in January 1947, and resumed regular seasons in 1949. The musicians donated their services for all concerts and rehearsals for the 1949-1950 season.

In 1953, Fritz Mahler became music director and served in that capacity until 1964. During the Mahler years, the Hartford Symphony Orchestra annually gave eight subscription concerts, eight school concerts, and four young people's concerts. The HSO also made several recordings for the Vanguard label with Maestro Mahler, and presented a series of live television performances from 1959 through 1964.

In 1965, Arthur Winograd, the founding cellist of the Juilliard String Quartet, began a 20-year reign as music director of the HSO. During Winograd's tenure, the HSO instituted a "Pops" series in the early 1970s, and began to engage world-renowned soloists on a regular basis. The orchestra gave several well-received Carnegie Hall performances, and continued to grow in stature nationally. When Winograd retired in 1984, the HSO had a budget of \$1.85 million, and performed eight pairs* of symphony subscription concerts, five pairs of "Pops" concerts, three pairs of educational concerts, four opera sets (under the auspices of the Connecticut Opera), and several concerts with the Hartford Chorale. In addition, the organization presented occasional two-to-three-concert festivals, as well as a holiday concert.

After an intensive search, involving a year of guest conductors, Michael Lankester became music director at the start of the 1985-1986 season.

* Each prepared concert is given twice.

Developments: 1985 to 1988

As the Hartford Symphony grew from its modest beginnings as a civic orchestra to a well-established and critically acclaimed regional orchestra, the HSO organization experienced many of the growing pains common to American symphony orchestras. In particular, the HSO experienced musician-management contract problems as it began to support some musicians with full-time employment.

For many years, the HSO was a typical part-time regional orchestra that guaranteed a “Basic Orchestra” of 55 players approximately 115 services a year for a 34-week season. (A service is either a rehearsal or a concert.) In addition, 23 string players were guaranteed 50 services a year, and 7 other musicians, mostly third-chair wind players, were guaranteed the offer to play all the concerts that used their instruments.

In 1985, based upon the recommendations of a study committee composed of board members and musicians, the HSO established a “Core Orchestra” of 21 players by merging the symphony, the Connecticut Opera, the Hartford Ballet, and the Hartford Chamber Orchestra into one organization, Core, Inc. The 21 “Core” players, while also members of the “Basic Orchestra,” were salaried for 270 services over a 42-week season, but at a lower per-service rate. The remaining 34 “Basic” players retained their 115-service guarantee over a 34-week season.

“Using traditional bargaining techniques, the two sides argued angrily and bitterly, dug in their heels, and quickly came to an impasse, resulting in an 11-week strike.”

The core orchestra concept had been discussed for several years in Hartford, and was commonly considered by many other orchestras, as well as the American Symphony Orchestra League, to be a financially sound way to increase the size of an orchestra’s season and budget. Unfortunately, the contract that established the HSO “Core Orchestra” was written very quickly, without adequate time given to creating procedures to meet the varied situations that would inevitably arise. Problems appeared almost immediately. In particular, many core string players experienced severe tendon and muscle injuries as a result of the strenuous schedule. Core players were also troubled by the fact that they were paid significantly less for each service than were non-core players.

Contract negotiations between the musicians and management in 1988 involved two groups with very different agendas. The players wanted a reduced weekly service schedule for the core musicians, in line with what was considered industry-standard, and per-service economic parity for all tiers of musicians. The board wanted to reduce the length of the core season while retaining the scheduling flexibility provided by the existing contract arrangement.

Using traditional bargaining techniques, the two sides argued angrily and bitterly, dug in their heels, and quickly came to an impasse, resulting in an 11-week strike. The situation was finally resolved during a 24-hour bargaining session, as musician and management negotiating teams sat in different rooms while a mediator appointed by the governor of Connecticut, along with federal and state mediators, shuttled back and forth between people who could no longer sit at the same table. The resulting contract granted musicians a work schedule in accordance with the standard practice of most orchestras, but management retained the ability to pay the core musicians at a lower rate.

Further Developments: 1989 to 1991

The ensuing three years were not happy ones within the HSO. The musicians were deeply divided, with many core musicians resenting their lack of economic parity. The 1988 negotiations left bitter memories for both musicians and board members, and distrust on both sides increased. The Connecticut economy was in trouble, resulting in financial difficulties for all area arts organizations, including the HSO. The Hartford Chamber Orchestra disbanded, the Hartford Ballet began to use taped music for some of its performances, and Core, Inc., dissolved as an organization. All guaranteed services of the core musicians, as well as the financial commitments to them, were brought under the HSO contract.

“The 1988 negotiations left bitter memories for both musicians and board members, and distrust on both sides increased.”

Many board members began to see the “Core Orchestra” as an experiment that had failed, while many musicians perceived the board and staff as having given up on the idea of supporting a core orchestra. Despite the fact that several board members of the now defunct Hartford Chamber Orchestra had joined the board of the HSO, the common management wisdom seemed to be that there was simply no market for chamber orchestra music in Hartford. Many of the core musicians were new to the orchestra and had relocated to the Hartford area to play with a full-time symphony. The prospect of the HSO returning to part-time status, with no growth potential, was devastating.

Despite these difficulties, by the 1990-1991 season, with a budget of approximately \$3 million, Maestro Lankester had introduced several new concert series, including three family matinee concerts and a series of three “classical conversation” concerts, during which he used his considerable verbal skills to enhance concerts devoted to specific composers or themes. The core musicians performed a chamber orchestra series, several evening concerts at area high schools involving the schools’ music students, quite a few services with the Hartford Ballet, and, as chamber ensembles, many in-school concerts in the mornings. In addition, the core orchestra was hired as a chamber orchestra by many area churches, choirs, and arts organizations.

When contract negotiation time arrived in 1991, the initial proposal offered the core musicians only a few more services per year than it offered to part-time players. This proposal, in essence, ended the HSO's commitment to supporting a full-time core, even though most core players' salaries were still well below \$20,000 per year. The musicians immediately rejected this proposal, and offered to perform under the terms of the previous contract while continuing to negotiate. The orchestral association declined this offer, and canceled the first concerts of the season. At this point, the Connecticut Opera pulled out of the HSO contract and negotiated a separate agreement with AFM Local 400.

Work Stoppage and Compromise

The symphony was silent for more than an entire season. As the months dragged on, many attempts were made to find a resolution, but the basic tenets of the two sides were too separate and deeply held. The board's negotiators insisted that the HSO could not afford a core orchestra beyond a few chamber orchestra concerts, and the musicians insisted that the organization must not only continue to support a core orchestra but also plan for the future expansion of the core, as well as the full orchestra.

During the 14th month of the impasse, a compromise solution was put forth by the CEO of a major Hartford-based insurance company who had been meeting quietly and privately with members of the musicians' committee and members of the board. Based on his suggested compromise, the resulting contract contained per-service parity for all musicians and a commitment to retain the core, although at a reduced service guarantee. Neither side was entirely pleased with the compromise agreement, but everyone realized that to turn it down was to close the Hartford Symphony Orchestra.

The most controversial—and yet in hindsight the most important—provision of the contract was the establishment of 10 musician board positions, which are still in place. Not only are these 10 musicians full voting members of the HSO board, with membership on all board standing committees, but six also serve as one-third of the executive committee.

During negotiation of the compromise settlement, members of the players' committee had insisted that musicians be included on the HSO board because they believed that some members of the board were not wholeheartedly in support of the core orchestra. The musicians wanted the opportunity to push the organization in the direction of increasing the services offered to the core orchestra, and finding different venues and programs in which to use these services. The board, in response to the spirit of the compromise agreement, actively sought, among the wider Hartford community, new members who

“The symphony was silent for more than an entire season. . . . the basic tenets of the two sides were too separate and deeply held.”

possessed the necessary skills, contacts, and resources to move the organization forward.

The initial interaction of musician and nonmusician board representatives was tentative and wary, though not openly hostile. Some long-standing board members only reluctantly accepted the opening of all committee meetings to musician representatives. The musician representatives learned board procedures and gradually began to feel more comfortable attending meetings. Most committees initially had at least three musician members; having the support of several colleagues when taking a position differing from the majority was most helpful in making the musicians comfortable with the process. By the end of the first year, most board members, both musician and nonmusician, had come to accept the experiment as at least opening the avenue of communication in a way that had never existed before.

“The most controversial—and yet in hindsight the most important—provision of the [1991] contract was the establishment of 10 musician board positions...”

During the second year of the compromise contract, the HSO once again experienced significant financial problems, due partly to the loss of a large number of subscriptions—one result of the lost season. However, instead of again blaming the existence of the core orchestra for the financial difficulties, the new board president examined the organization’s expense structure, laid off several staff members, including the assistant conductor, asked every staff member, including the music director, to take wage cuts ranging from 4 to 10 percent dependent upon salary level, and requested that musicians consider taking a wage freeze for the last year of their contract. After much discussion, the musicians agreed to a freeze.

Setting the Stage for a New Process

By 1994, relations between musician and nonmusician board members were increasingly cooperative and mutually respectful. However, toward the end of the second year of the compromise contract, it became clear that the HSO was going to have cash-flow problems during the coming season. Subscriptions were increasing, up to 8,500, but were still well below the level of about 12,000 which was reached in 1991, prior to the lost season.

The HSO had a substantial line of credit, but needed additional funds to get through the remainder of the season. A source of additional credit was identified, but the loan guarantor insisted that the HSO adopt a balanced budget and have a signed contract before they would consider extending a loan. The HSO board and staff were also very concerned about the organization’s ability to raise money and sell subscriptions because many potential supporters in the Hartford community were hesitant, given the history of difficult musician-management

relations. The organization was also committed to starting a capital campaign to increase the HSO's endowment, but a nationally known endowment consultant was equally insistent about the need for a signed contract before the campaign could begin.

In the late spring and early summer of 1994, the stage was set for a team effort of musicians and nonmusicians to address what were now perceived as deep and serious mutual problems: reassuring present subscribers and finding new supporters, putting the HSO's financial affairs in order, and beginning a process that would lead to crafting a financially realistic contract that would be acceptable to the musicians.

The Participants Tell Their Story

Given this historical background, the Symphony Orchestra Institute asked participants in the 1994 "contract-renewal process" to come together and review how this process originated, how it was structured, and how its key elements evolved. What follows is an edited transcript of that roundtable review.

Institute: Let's begin by having each of you introduce yourself and explain your position with the Hartford Symphony Orchestra.

Dwight Johnson: I am an attorney and was president of the HSO board during the contract-renewal process.

Ann Drinan: I am a violist with the HSO. I joined the orchestra in 1980 and have served in a number of capacities. I was on the orchestra committee in the late 1980s, have been the ROPA* representative for the orchestra since 1989, and have been a member of the board since 1992, serving on the executive, marketing, and long-range planning committees.

Pat Werne: I am also a violist with the HSO and have been a member of this orchestra since 1978. I was elected to the orchestra committee in the fall of 1992, and served as chair from November 1992 to June 1995. During my tenure as chair, I attended all the board committee meetings. Currently, I am a board member.

Greig Shearer: I am principal flute of the HSO. I joined the orchestra in 1990, and was elected to the orchestra committee in the fall of 1992. I served as chair of the orchestra committee from June 1995 to March 1997. During that time, I was a member of the executive, finance, education, and long-range planning committees. I'm currently a member of the endowment committee.

Pauline Sardo: I joined the HSO in late 1992, and shortly thereafter became director of finance. During the contract-renewal process, I was also serving as acting executive director.

* Regional Orchestra Players Association, a conference of the American Federation of Musicians.

Jay Lichtmann: I joined the orchestra in 1982 as principal trumpet. I was a member of the contract-renewal team, and am currently a member of the program committee.

Paul Boulian: I am a consultant in organizational change. I was approached by a member of the HSO board of directors to help the HSO find a new approach designed to improve relations among the musicians, management, and the board.

Institute: Ann Drinan agreed to write a short history of the HSO, so we need not overly concern ourselves with what occurred leading up to early 1994. What we would like you to describe for our readers is the contract-renewal process as it evolved. Dwight, why don't you lead off.

Johnson: The very beginning of this story occurred in the late summer of 1993. I was first vice president of the HSO board at the time, and with the encouragement of the then board president, I convened, quietly and outside any formal structure, a small group of board members to talk about some long-term concerns I had about the HSO. Out of our initial discussions, two things became clear. We had to figure out how to improve our management's and board's relations with our musicians, especially in the context of upcoming contract negotiations. And we had to get musicians involved in the discussions of these relationships because they were at the center of our thinking. As a result, we soon asked several musicians if they would join us.

Werne: I remember our first informal meeting.

Johnson: Fortunately, it was right about this time that one of our board members suggested that if we wanted to try something different in establishing relationships and negotiating a new contract, his company had worked with someone who was experienced in nontraditional bargaining and he would be happy to provide an introduction.

Werne: I remember your asking me about Paul Boulian. One of our musicians was also familiar with Paul's work. So I think it was through a combined effort that we found Paul.

Johnson: In late January or early February of 1994, I had lunch with Paul and we discussed the need to have him meet with some of the musicians.

Boulian: I understood from my experience in labor-management relationship building that the various parties talk among themselves to reflect and test ideas, but I explained to Dwight that if the process was going to have any matter of jointness, I could no longer meet with him alone, secretly. From that point on, others would have to be notified about our meetings and invited to join us.

Werne: I remember that from the very beginning it was a very open process. Everybody was very concerned that nothing was going ahead without the musicians being aware of it and in on the process. And, for the first time, all of the organization's information was available to us.

Johnson: I should probably say that we did have some legal concerns about whether we could even try a new approach.

Boulian: Yes. We wondered what would be the meaning of a contract that basically did not have “normal” legal positioning by the AFM and the management. And I remember one of Dwight’s law partners advising that if you all went back to the process you had used before, the probability was high that you would end up down the same alley you found yourselves in before, with a strike or a lockout.

Werne: The orchestra committee also had concerns about how the musicians would view it if we did something different and actually worked together with the board. At that time, some people were still raising eyebrows if you were even seen talking with board members. It was an uncomfortable time for all of us on the orchestra committee. But I also remember that we were getting “go ahead” signals from our union.

Shearer: There was also discussion in the orchestra committee as to how we could do traditional bargaining when musicians held one-third of the positions on the board’s executive committee. How could the board develop a position when musicians were participating in executive committee meetings? In fact, with our having that degree of representation, it was probably impossible to have traditional negotiating.

Institute: Well, we know from the outcome that you successfully resolved your initial hesitations. Did you then move right to the contract renewal?

Boulian: No. There were many additional preliminary steps that were crucial if we were going to succeed. First we organized an informal steering-design group of Pat, Greig, Ann, and Dwight to develop an overall approach. I had meetings with the board, with the executive committee, and with the orchestra committee and several board members. We then had one meeting after a rehearsal with all the musicians where we talked about the approach we would take to begin building consensus. There was almost an incredulousness that we were suggesting doing something different. I remember that we all left that meeting wondering if a new approach was going to be possible. We then had a second meeting after a rehearsal to talk about the budget and the overall HSO situation. That was a meeting where Dwight and the executive director were really on the hot seat.

Drinan: I remember that second meeting after the rehearsal very vividly. Everybody was asked to write down their questions, and Paul took them one by one—a musician question and a management question—and had the person to whom the question was addressed answer until the questioner was satisfied. Some of the musicians were amazed at this process.

Werne: Even at the first meeting, there was a sense of relief among the players that we were doing something different, that lines of communication were really opening up. They weren’t sure what we were doing, and neither were we. But I

think they were relieved that we were trying something new. Several players came up to me and said that this had to be better than what we did before.

Shearer: Not everyone felt that way.

Johnson: Not everyone did feel that way. At some point, I was astounded to discover that there were musicians who were convinced that there were two sets of books. And at one of those meetings, someone asked me a question that implied that he or she did not believe the financial information.

Werne: I remember your making a joke about that, Dwight. And I didn't think it was very funny at the time.

Johnson: It shows how much I didn't understand.

Boulian: After a series of post-rehearsal meetings, we agreed to have a series of meetings in people's homes. I remember that Pat hosted one, and so did Dwight. The purpose was to begin to build joint discussions among nonmusician board members and musicians, and to begin to identify the issues. These were open forums to discuss what was on people's minds.

Johnson: This would have been in May or June of 1994. Paul had persuaded us that before we could formally begin contract discussions, we had to open up the process and build support among the musicians and the nonmusician board members. We had to get the issues on the table—not just contract issues, but general issues of concern to the musicians and the nonmusician board members—and start discussing them before we could assemble a smaller group that would tackle the actual contract.

Boulian: It had become clear to me that every time I met with anyone, issues would begin to arise about the HSO history and how the orchestra had gotten where it was. It was very difficult for people to get beyond the previous four years' experiences. The more I heard of these discussions, the clearer it became that until we could get history behind us and learn from it, we could not begin contract negotiation or discussion. The steering group even had long discussions about what we were going to call this "thing" we were going to do.

Institute: So you considered the use of words important from the beginning?

Boulian: Yes. We knew we did not want to call it "bargaining," and we did not want to call it "negotiating." The symbol of the last two "negotiations" was failure. I did not think it was appropriate to use in this new process any terms that were associated with past experiences.

Johnson: And it wasn't negotiations. It was discussions of the issues with the objective of reaching consensus. At one point, we even had a "sacred cows" discussion where we focused on those things we could not talk about without raising our voices. At some point, we even debated what we meant by sacred cows. It was good discussion. We identified the tough issues that usually cause someone to close the door before discussion begins. And we were able to get those on the table.

Lichtmann: I've been pretty quiet here, but I have thought a lot about the process. And I think there is an important point you have overlooked. I do not think we would have succeeded if we had not had a complete changing of the guard. The board president was new; Pauline [Sardo] had just been appointed acting executive director; some of the musicians were new to the process. We were not dealing with entrenched feelings about one another, and we were beginning to form a basis of trust.

Boulian: Don't underestimate the role you played, Jay, in representing sort of a conscience for the group. The fact that the people involved were all willing to try to reconcile their differences to assure that this organization stayed together became more important than individuals having their personal views satisfied. That made our work easier.

Institute: Now would be a good time to share with our readers how you assembled the contract-renewal team.

Johnson: As we put the group together, we agreed that everybody in the group had to be acceptable to everybody else. No one could be unacceptable to the musicians, and no one could be unacceptable to the nonmusicians.

Werne: We didn't start out with one musician and one board member who then chose the rest of their teams. We started with the five musicians who were on the orchestra committee, the ROPA representative, and the union president. Then we added Jay to increase the representation of the "Core" players.

Boulian: And then we really broke the mold. In traditional negotiations, if the musicians had eight representatives, there would obviously also be eight nonmusician board representatives. Not this time. Dwight suggested that the team would have only four nonmusician board members. He believed that if we could agree to work toward consensus, and not become mired by voting on anything, we could assure that the process would stay open.

Johnson: That was partly driven by the fact that some of us had an almost naive belief that there were answers, and that if we would all sit and look at the facts and get to know each other, we would reach the same conclusions.

Institute: So you had now agreed to the team's membership. And you had reached a lot of preliminary agreement about how you were going to approach the contract renewal. It was now September. What direction did you next take?

Drinan: We should probably insert here that some HSO musicians, and the AFM Local 400 officials who were involved in negotiating during the 1989 strike, were very leery of this contract-renewal process. We didn't have "the list of demands." We didn't have a bottom line. We hadn't prepared any of the traditional negotiating procedures. It troubled them enormously because they thought we weren't ready and would end up "giving away the store."

Lichtmann: Funny you should mention that. I remember that after sitting in four or five of the "touchy-feely" meetings that Paul initiated, I found myself

thinking, “When are we going to negotiate? When are we going to sit down and really hammer on these issues?” In the past, it had always been that management would say, “This is the pie. Cut it up any way you want, but this is the pie.” And because we did not trust the pie, our answer was, “Make it a bigger pie.”

Boulian: Getting back to the question about the direction we took, we reached the conclusion that in a complete reversal from past history, the team would work with Pauline Sardo to develop the budget. As Jay has alluded, in the past, the board would adopt a budget and the contract would be negotiated against that framework. This time, Pauline worked with everyone and cranked numbers constantly, and over weeks of discussion, this group developed the budget for the symphony.

Institute: Did the group arrive at the idea of preparing the budget early on, or did you lead them in that direction, Paul?

Boulian: I remember taking the original budget home one night and starting to analyze the numbers. I concluded that if this were a normal management-labor negotiation, management would propose a 10 to 15 percent pay cut for the orchestra. It was crystal clear that we were going to have to change the process, because I knew that was a nonstarter.

Johnson: There was another element that led us to work on the budget. One of the group’s early agreements was that this organization could not afford a deficit. In the interest of moving forward, the musician members of the team bought into the idea that we should adopt a realistic budget that provided a zero deficit. Once you reached that conclusion, then you had to get into the budgeting process.

Shearer: We also decided fairly early that any pain would be shared across the organization, including nonmusicians.

Johnson: And Paul Boulian gets credit for that. That was tough and it still creates problems. But let me reiterate something that was said about the numbers. In one of the early meetings someone—and I think it was you, Jay—said, “if Pauline says these are the numbers, these are the numbers.” And that was very important.

Werne: Pauline played a crucial role in our process.

Sardo: I could see that it was important for everybody to understand what we were doing, and that people were really unsure. So my role became that of an educator.

Johnson: You gave us a little tutorial.

Sardo: I gave you a lot of tutorial!

Drinan: I think that anyone who reads this review needs to understand that prior to Pauline’s joining the HSO, our paychecks were often incorrect. And when we called to question them, our calls were not returned. Now, if Pauline

says, “These are the numbers,” every musician in the organization believes her.

Lichtmann: And when we got those numbers, we could ask her exactly what was included in each category; what the numbers meant.

Drinan: More to the point, the team was given a line-item budget. Never before had we been given such a detailed budget to study. That fact alone helped convince all of us that the process could work.

Boulian: We went through the numbers line by line, and it took a lot of time. Let me give you one example. The whole area of marketing and forecasting potential income is so subjective that it is hard to know what is real. So we had the marketing director join us to answer questions. The group needed to begin to understand the cash-flow implications of subscriptions, and the difficulty or ease with which you can affect the subscription component. We really worked together to understand how difficult the projections are and how much you have to invest to get even a blip in those numbers. Ultimately, we knew that there really was a lot of risk in some of the assumptions that we made.

Drinan: We did that with a lot of items. We would ask the director of marketing, or operations, or finance, “Are you comfortable with this number?” We were considering three budgets—one with a 2-percent pay cut, one with no cut, and one with a 2-percent pay increase. The fact that the area directors were comfortable with certain numbers finally led us to arrive at the 2-percent-pay-cut budget.

Werne: Once the players’ committee realized that we were going to accept a budget that included a pay cut, there was a sinking feeling that we would never be able to get the players to agree. I remember thinking we worked so hard, and they are not going to like this. And I also remember thinking, no way am I personally going in there alone! I came up with the idea that the whole team would present the budget. And that was the point at which the idea of profit-sharing came up.

Drinan: Paul suggested the idea, and I remember his saying it could go both ways, but we rejected that. We looked at ideas from other orchestras, but we developed our own system. As Pat said, when we began to realize that we were heading toward a possible pay cut, we all realized that would be very, very difficult to sell, and we wanted to build in some upside potential.

Werne: Of course, nobody really believed that there would be a surplus.

Johnson: We knew the musicians believed there would not be a surplus. But those of us familiar with the endowment process knew how much that could affect the results.

Boulian: We went so far as to say everybody would have to take a cut. This was our first attempt to get everybody to take a stake in the orchestra. Then we went further to begin to find a way to say that if the organization does perform well, there needs to be variability in compensation. Even if only to compensate for

the hours that people were putting in as board members and on committees. That's still a challenge.

Institute: Because we are telling a story more about process than about every contractual outcome, let's address whether reaching agreement on the budget sped you on your way to a conclusion?

Boulian: It was now November, and our target was to have a conclusion by the end of December.

Johnson: And we would have made it, except we had an interruption. We had all gone through this process—and I was probably the most guilty—not really thinking about the local union's role. I rolled along thinking that we had a group of people at the table who were close to reaching an agreement with which the musicians were comfortable. If we could sell it to them, that would be it. And then I got a phone call from Pat saying, "Bad news. We [the musicians] were just told by the executive committee of AFM Local 400 that we can no longer participate."

Shearer: This didn't last long, but it made for a difficult couple of weeks. The contract specifies that the sole bargaining agent of the orchestra is AFM Local 400. And yet we were hearing from the AFM national office in New York that it is the musicians who ratify the contract. In addition, the president of the local was seriously ill, and there was something of a leadership void. We were able to go forward after the orchestra committee went to a special meeting of the executive board of the local and presented our case.

Johnson: We got back on track in early December, and then we had one final dilemma. The musicians actually held a rump meeting without the nonmusician board members.

Werne: I think we caucused mainly for a comfort level. We were very close to the end, and a couple of team members were not entirely comfortable with the process. We needed to go into a separate room for a time-out.

Drinan: There were still some work-rule issues to be completed, and the musicians were divided among ourselves. We didn't really know what we wanted, and the contract-renewal team couldn't solve that. We needed to resolve it ourselves first.

Johnson: Because by now we all really did believe in the process, we were soon over that hurdle. And then it was a question of getting the language in place. At one point, I suggested we throw the contract out and start from scratch. I wanted a two-page contract. Ann and the others looked at me as if I were some kind of a nut case. So we put that aside.

Boulian: I had the same vision—that a contract is a piece of paper, an agreement among the parties to work out their issues. But I, too, realized that was never going to be accepted.

Johnson: We ended up with a pretty typical contract, and only modified those sections which we had to.

Shearer: To be fair to the contract—and I don't like having such a voluminous contract—most of the things that are included address specific abuses that have occurred at some point.

Institute: We thank you for taking the time to share with our readers a process which obviously worked for the HSO. Do any of you have any final thoughts you wish to add?

Boulian: I think it is crucial for *Harmony's* readers to understand just how dramatically we flip-flopped the normal logic of negotiations. Usually, people start with language issues, in easy steps, and then move to harder language, finishing with sprints for the last couple of days and nights on economics. We turned that idea upside down. We tackled economics first because we knew that if we could not resolve the economics, we would not have an agreement.

Shearer: Although the process took a lot of time, I think it gave all of us a chance to see where we were going with the economics, and gave us time to think about how we were going to sell the eventual agreement to our constituents. It certainly beats suddenly realizing the day before a ratification vote that you are going to have to sell a 2-percent pay cut! And even as I am saying that, I realize here we are, in the second year of a three-year contract . . .

Johnson: I've been thinking about that, too. . .

Evaluating the Results

The HSO contract-renewal process was completed in January 1995, and the new contract became effective July 1, 1995. To gain some perspective on the process and its significance, and to gauge the post-process functioning and outlook of the organization, we interviewed 14 HSO participants. We asked them if, looking back, this drastically different approach to defining the relationships among the orchestra, staff, and board was really necessary and valuable? One board member put it this way:

“It was clear we were destroying the organization. . . . As a group, we stared over the abyss. . . .”

Having been with the organization for a long time and seeing the emotional and almost physical scars of the previous process by which we negotiated a contract, it was clear we were destroying the organization. It was not a matter of creating a new contract, we needed a catharsis. As a group, we stared over the abyss and saw how awful it was that the whole thing could have gone down. I think that everybody backed away from that abyss and said, “We don't want this orchestra to fail, so we better work together.”

As to the alternative to more traditional bargaining procedures, one of the musicians offered some telling comments:

When you go into adversarial negotiating, the only way you can ask for pie in the sky is if you really believe there is pie up there. But when you really get to know the numbers, and you get to know the people, and you go to meetings, and you begin to see and understand the details, you realize there is no pie in the sky. That leads one to be reasonable; you can ask, but there is no way you can get it.

The contract-renewal process appears to have subtly influenced the way the organization functions. For instance, a general sense of trust and interpersonal regard has grown and broadened. The following observation is from a staff member.

“A general sense of trust and interpersonal regard has grown and broadened.”

I think peoples' attitudes have changed. Board members have more appreciation of musicians. When musicians make brief presentations at board meetings, it reminds nonmusician board members that musicians are specific, actual people. Not that they didn't know that before, but there has been a change in attitude.

And a musician observed:

The time that volunteers put in is amazing. I have also gained tremendous respect for what the staff does, what the executive director does, and what the board does. It takes an amazing amount of work to have a successful orchestra.

A staff member agreed that many eyes have been opened.

Board members have certainly learned a lot about what it is really like to be a musician in an orchestra such as ours. We know more about having to put together 16 different jobs in order to survive, because we really don't offer full-time positions to musicians. I think people getting to know each other as people has been invaluable. They're not just “the musicians” sitting up there on the stage. They are Ann, and Greig, and Candy. We know them and know their personalities, and their pluses and minuses, just as we know other board and staff members. They've become real.

Or, as a nonmusician board member related:

We had a board meeting (you should have been there!) where one of our musician members really unloaded on the subject we were discussing, without any respect—straight talk, all riled up. But when the final decision was made, it was clear that everyone agreed that we had taken into account the matters raised that otherwise would have been

completely ignored. This musician's contribution was very positive. It's a classic example that if you involve people who come at matters from different points of view, you achieve better decisions.

Musician Involvement in Governance

Since late 1992, but especially since the completion of the contract-renewal process, HSO musicians have been very involved in central governance activities. In the last 4 fiscal years, 12 different musicians have served on the HSO board. Six musicians are members of the eighteen-member executive committee.

“The HSO governance structure is unique in that it provides substantial congruence between the... board’s executive committee and the... players’ committee.”

In terms of actual meeting participation, the HSO board, which generally meets monthly or bimonthly, has had, over recent years, an average attendance of 31 members, of whom, on average, 4 are musicians. Board meetings are held at noon, which, for many HSO musicians, is not a convenient time to be in downtown Hartford. The executive committee meets at least once a month, generally at the end of the day, which is more convenient for many musicians. Since early 1994, the executive committee met on 36 occasions, with an average attendance of 12, including 4 musicians.

The HSO governance structure is unique in that it provides substantial congruence between the HSO's central decision-making group—the board's executive committee—and the orchestra's elected leadership group—the players' committee. By virtue of their

offices, all five members of the players' committee also sit on the board's executive committee, as does the ROPA delegate. The Symphony Orchestra Institute knows of no other such structural alignment in a volunteer-governed North American symphony orchestra organization.

A number of musicians who are not on the board are active in various functional-area board committees, and their commitment to HSO governance activities is substantial. Three musicians interviewed estimated that HSO governance activities increased their HSO time commitment by 25 to 50 percent over preparation and performance time alone. We asked them if they thought this level of involvement was truly worthwhile? Here is what they said.

I think the symphony will function better and will be more responsive to the needs of musicians as long as we're involved. The more we know, the better off we are.

Someone said to me, “You've been here a long time, and it's time for you to serve.” I said to myself, “That's right. It is time for me to do something for the organization rather than just use it as an income

source.” That’s what motivated me at least to start. I am a firm believer that as many musicians as possible should get involved. For me, it has been an extraordinary learning experience.

I would like to see even more players feeling a part of everything. I want them to have more firsthand board experience, more input on programming and guest conductor selection, and more brainstorming. I wonder how we can involve the whole orchestra? Maybe we should have a retreat or a conference once a year. The initiative must come from the player leadership, but the board president must be very much involved.

Shirley Furry became executive director of the HSO organization in June 1995, about five months after the contract-renewal process was completed. She was recruited by a search committee of musicians and nonmusicians. She says:

I think our working together can continue to be improved, and can include other kinds of involvement. Operating in this environment has been a learning process for me as well. When I accepted the position, I understood the process and agreed that this was the organization I was going to lead. I’m always conscious of the fact that we just can’t arbitrarily make this decision or that; more people have to be involved and this sometimes means that the process takes longer, but it leads to better decisions that are more satisfactory and acceptable to more people.

Returning to Financial Health

Even going back to the 1980s, the HSO experienced chronic operating deficits. By the end of fiscal 1987, the organization had an accumulated operating deficit of \$417,000. During the next four fiscal years, \$136,000 was added to the deficit, increasing it to just over \$550,000 by June 1991. During the following fiscal year—the year of the work stoppage—the operating deficit reached almost \$200,000. For fiscal 1992-1993, with less than a full season’s operations, the deficit was modest, but misleading, since marketing staff and concert-production costs had been pared to well below normal levels. Subscriptions had declined from about 12,000 to about 5,000; philanthropic good will and momentum also declined.

As the HSO moved into fiscal 1994, staff had been rebuilt, and these costs, along with orchestra and other concert-production costs, were back up to or exceeding prior years’ levels. However, subscription and other concert revenues were only slowly recovering. The stage was set for a major operating deficit as the year progressed. It was during this time period that the imperative emerged to look inward and consider some new approaches. This impetus was timely, since by fiscal year end, the operating loss reached \$400,000, and would have been even larger except for an upward change in endowment-spending policy. As the contract-renewal process got under way and was completed in January

1995, the positive effect of an already better-functioning organization was beginning to be felt, and the operating deficit declined to \$185,000 for fiscal 1995.

Primarily as a result of the work stoppage, an aggregate operating deficit of \$800,000 was incurred during the four fiscal years from 1992 to 1995, bringing the cumulative deficit to \$1,350,000 by June 1995. In the last few years, the HSO has regularly drawn on bank borrowings—from an annual high of \$1,100,000 to a low of \$400,000—reflecting in good part the real loss of funds incurred in prior years.

“In the last two fiscal years, the HSO has regained most of the ground it gave up in the prior four years.”

In the last two fiscal years, the HSO has regained most of the ground it gave up in the prior four years. For fiscal-year 1996, the first year under the new musicians' contract, and after drawing on endowment at a level of 8 ¼ percent of beginning market value, the HSO organization achieved a balanced budget. Expenses included surplus-based additional compensation to all eligible employees of 7 percent of their base pay.* This “bonus” more than offset the reduction of 2 percent in base pay taken at the beginning of the year. For the fiscal year ended in June 1997, the organization again experienced a balanced

budget, after drawing 7 ¾ percent on beginning endowment value, and paying surplus-based additional compensation to eligible employees of 3 ½ percent of base pay.

Subscriptions for the 1996-1997 season were back almost to the level reached in 1990-1991, a striking achievement. This recovery was due not only to increasingly effective marketing, but also to steady growth in the orchestra's artistic quality, balanced programming, an increased emphasis on music and cultural education, and fresh, able, professional management. Endowment funds have also been edging up, by reason of investment performance and capital gifts, with the market value now exceeding \$6 million. The Hartford metropolitan community has responded positively to the HSO's new image and vitality.

* “Bonus” compensation is paid to regularly contracted musicians and permanent staff, in proportion to their base pay for the year, when a “surplus” exists at year end. In general, a “surplus” exists if the organization's revenues for the year, including endowment income on a total-return basis, exceeds actual expenses. If endowment income is less than a budgeted amount, the differential is treated as a shortfall in budgeted revenues. Eligible employees are entitled to receive bonuses of up to 50 percent of any such surplus, subject to maximum bonuses being payable during fiscal 1996, 1997, and 1998 of 7 percent, 3 ½ percent, and 3 ½ percent, respectively, of base pay for the year.

A Look Toward the Future

Achieving steady professional growth and expanding community service on a sound economic basis are central issues facing the HSO organization. Like so many orchestral institutions, the HSO is resident in an excellent central venue—Bushnell Hall—but does not own the building or control its use. Some key performance dates are not available, and rehearsal use is limited. The Hartford area offers few alternative venues. Building a pattern of performances outside Hartford is a desirable alternative, but developing sponsorships and audiences takes time, and there is competition from other local ensembles. Meanwhile, fixed costs are rising steadily, and must be offset by combinations of cost and revenue productivity.

“The Hartford metropolitan community has responded positively to the HSO’s new image and vitality.”

As is the case in many similar institutions, the HSO employs groups of musicians at differing levels of service, and, therefore, differing levels of time commitment. Some musicians would like the HSO to expand its reach so they might grow with it professionally and financially. Faced with HSO growth prospects, other musicians are torn, since their non-HSO time commitments and interests are significant, and they might have to choose between occupations. Growth is a double-edged sword for many HSO musicians.

Margery Steinberg, a professor of marketing at the University of Hartford, became president of the HSO, succeeding Dwight Johnson, in 1996. She is optimistic about the future of the HSO.

While we face many challenges, the opportunities are very exciting. Never before in our history have we had the winning combination of creativity, communication, and cooperation, supported by a competent and hard-working staff, a talented music director, an excellent orchestra, and a dedicated board. We are working together to enhance audience development and retention, increase musician services, establish long-term financial stability, and identify additional appropriate venues in which to perform. All these challenges are interrelated and dependent upon diverse community support, which continues to increase each year. We must work hard to maintain our momentum and to reach and hopefully exceed our goals.

Given the character and togetherness of the HSO organization, the Institute joins in this optimism.