

# *Harmony*<sup>TM</sup>

FORUM OF THE SYMPHONY ORCHESTRA INSTITUTE  
NUMBER 13 • OCTOBER 2001

## Organization Change



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## Organization Change

In February, 2001, on our Web site at < [www.soi.org](http://www.soi.org) >, the Institute initiated an educational series reviewing the theory and practice of “organization change,” along with applications of this discipline to symphony organizations. In connection with this review, the Institute also launched “Key Notes from SOI” as a method to alert Internet-connected readers of *Harmony* to the organization change series and to other fresh, brief, and substantive content being posted on the Institute’s Web site between issues of *Harmony*. (For more about “Key Notes from SOI,” see the inside back cover.)

As noted in the background, introduction, and first two Web-site content installments and as summarized in *Harmony* #12 (April 2001), promoting “organization change” within symphony institutions has been at the core of the Institute’s mission “to improve the effectiveness of symphony orchestra organizations by fostering positive change in how they function.”

As our journey into the background, meaning, and applications of this discipline commenced, and to assist readers to better understand our presentations, we put forth the following definition:

Organization change involves a concerted, planned effort to increase organizational effectiveness and health through changes in the organization’s dynamics using behavioral science knowledge.

In our review of organization change, we have tried to be academically accurate, but at the same time to select and write content that is reasonably brief, useful, understandable, and thought-provoking to members of symphony boards, staff, orchestras, and volunteer groups. As we move forward, we will also relate the insights of this discipline to the structures, processes, and practices currently followed in most symphony organizations, and to the possibilities

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these institutions have for positive change. For those interested in deeper study, references and suggested readings are noted at the end of each installment.

The principal author of our Web-site review is Laura Leigh Roelofs, former assistant concertmaster of the Richmond Symphony Orchestra and a candidate for a master's degree in organization change at American University/National Training Laboratories. Laura is assisted by Institute and *Harmony* staff and by outside advisors. We thank Laura for her continuing leadership in this journey.

## **Organization Change: Roots; Growth and Development**

The first two installments in our review of organization change summarized the historical development of the discipline from the early 1930s through about 1960. This content was reported in *Harmony* #12 (April 2001).

As a reminder, in our first installment, we reviewed the pre-World War II birth of organization change ideas and studies by such people as Mary Parker Follett, Elton Mayo and Fritz Roethlisberger (Hawthorne studies), and Kurt Lewin. Lewin's pioneering work in the 1930s bridged over into the postwar period until his death in 1947.

In the 1960s, as noted in our second installment, there was a flowering of organization change concepts and applications. Overall, we identified four interrelated orientations providing the foundation to the discipline by that time:

- ◆ Laboratory training /T-groups (Kurt Lewin and colleagues);
- ◆ The "Action Research Model" (Lewin, carried forward by other NTL founders Ron Lippitt, Ken Benne, and Lee Bradford, and influential members such as Chris Argyris);
- ◆ Sociotechnical systems theory (Tavistock studies of Eric Trist and colleagues, with roots in the Hawthorne studies of Mayo and colleagues; and,
- ◆ Theory X and Y (Douglas McGregor).

This period saw significant advances by Lippitt, Benne, Bradford, Argyris, Trist, and McGregor, joined by Lester Coch, John French, Ludwig von Bertalanffy, Robert Blake, and Herb Shepard, along with Rensis Likert, to name the leaders.

We urge readers who are interested in this background, and who did not have occasion to read these first two installments, to do so either on our Web site or in *Harmony* #12 (April 2001), pages 30 through 36. The *Harmony* article is also available on the Web site in PDF format.

## **Organization Change: Branches and Blossoms**

Built on the foundation described above, a branching and flowering of approaches to organization change has characterized the past 35 to 40 years of development.

One of the main themes, **participative management**, can be traced back to ideas introduced early in the century by Mary Parker Follett. This concept also

drew on a body of sociotechnical research including the classic 1948 study by Lester Coch and John French on resistance to change which concluded that the more involved employees are in a change process, the more supportive they will be.

A key figure in the development of the participative management orientation was Rensis Likert. In 1961, Likert published *The Human Organization*, in which he classified management systems into four categories: authoritarian, benevolent, consultative, or participative. His classification was not value-neutral; for Likert, the “participative” system represented the ideal.

In a later book, *New Patterns of Management*, Likert described in detail how such a system would look in practice. Instead of imposing standards from the top, leaders would create an environment in which groups could set and achieve their own high goals. Communication, support, and respect would be primary values, and mutual influence would foster flexibility and creativity. These concepts quickly gained wide acceptance as ideals, and their application in practice is still growing.

Most early organization change applications were internally focused, despite the theoretical models of Lewin, Trist, and others, which described organizations as systems interrelated with their environments. But from 1960 to 1970, as organizations faced ever more turbulent social, economic, and technological environments, a broadly strategic orientation to organization change began to emerge and to be called **systems theory**. This new orientation placed a greater emphasis on the organization’s relationship with its environment and will be explored in more depth below.

Another area of interest for organization change scholars and practitioners since the 1960s has been the dynamics of **power and influence** within organizations. The early work of Raven and French (1959) established a definition of the bases of power; later authors, including James March and Jeffrey Pfeffer, continued to explore the management of power relationships.

Early theorists, from McGregor to Likert, referred to aspects of what we now call “**organization culture**,” or the shared values, assumptions, and patterns of behavior within an organization or subgroup. The study of organizational culture became widely popular by the mid-1980s, when analysis of group culture and its effects on organizational success dominated the literature. Perhaps best-known among the scholars of organizational culture is Edgar Schein.

As gender, racial, and ethnic **diversity** has increased in U.S. workplaces, much has been written about the effect of human differences on the power structures and cultural climates of organizations. Bailey Jackson, Rita Hardiman, Taylor Cox, and Judith Katz are just a few of the prominent contemporary theorists of diversity issues.

**Leadership** is critical to successful change in organizations and has become a distinct area of study. Many authors, including John Kotter and Rosabeth

Moss Kanter, have articulated the attitudes and skills leaders need in order to manage a major change process.

James McGregor Burns pioneered the idea of the “transformational leader,” someone who could “look for potential motives” and “engage the full person” of his or her followers. Robert Greenleaf defined what he called servant-leadership, in which the leader’s task is to make it possible for subordinates to achieve their best and, in turn, to serve others. The ideal of participative management leads naturally to a broad definition of leadership which is independent of formal authority; everyone in an organization can develop and use leadership skills in their interactions with others.

Over recent years, ideas and insights about organization change have proliferated almost exponentially. Contemporary organization change practitioners have an ever-growing number of theories and methods from which to choose as they work with organizations, influencing change processes through “interventions” in their roles as “change agents,” “facilitators,” or “process consultants.”

## **Organization Change: Open Systems Concepts**

As noted above, in the period from 1960 to 1970, a broadly strategic orientation to organization change began to emerge which placed special emphasis on the organization’s relationship with its environment. The approach is based on a 1956 work by Ludwig von Bertalanffy describing the nature of biological and physical systems. These ideas were based on the assumption that performance can be improved by aligning the mission and design of an organization with its environmental constraints and demands. This orientation encouraged change agents to pay attention to economic factors, in addition to psychological and sociological ones, in their analysis of organizations. This thinking was broadly described as “systems theory” or “open systems theory.”

**What is an “open system”?** An open system is any distinct entity—a cell, a person, a forest, or an orchestra organization—that takes in resources from its environment, processes them in some way, and produces output. To survive, such a system depends on its environment and on interactions between its component parts or subsystems. When taking an open-systems approach, we look both inward and outward. We are interested in relationships and patterns of interaction between subsystems and their environments within the organization. We also look for relationships and reciprocal influences between the organization and the environment outside its formal “boundary.”

**How does an orchestra fit this model?** A symphony orchestra organization is a complex set of interdependent subsystems. It takes in resources and information and processes them in a variety of ways, returning a range of cultural services and products to individuals and systems in its environment. It is highly dependent on that environment for sustenance and survival.

**What are the boundaries of a symphony orchestra organization?** Assigning boundaries to any organization is somewhat arbitrary, and symphony orchestra organizations are no exception. Traditionally, the Institute, and the industry overall, has drawn the boundary to include members of the orchestra, administrative and conducting staff, the board, and direct-service volunteers. But perhaps we should examine our assumptions about how far the system extends. For example, are audiences part of the system, or are they part of its environment? What about contributors, individual and institutional? To what extent should we view symphony organizations as subsystems of their communities? Or as subsystems of the symphony industry? Or of the entertainment industry? An orchestra organization's programming, marketing, and even its governance structure and overall strategy will depend on the answers to these questions, either implicitly or explicitly.

Within the orchestra organization, the various subsystems are usually assigned very distinct boundaries, based on job function: orchestra, staff, board, volunteers. Some of these groupings or "constituencies" may be divided yet further (sections within the orchestra, departments within the staff, committees within the board). At the individual level, participants may belong to more than one subsystem inside the organization (as when musicians serve on boards), and they will inevitably belong to other systems "outside." All of this adds complexity and blurs boundaries.

An orchestra organization's placement of its internal boundaries, and its choice about how permeable those boundaries will be, can help determine its success in its environmental context.

**How does the idea of "input-process-output" apply to an orchestral system?** Orchestra organizations take in financial resources from their environments in two basic forms: earned income (e.g., ticket sales and fees-for-service) and contributions. These organizations also depend heavily on their environments' human resources to sustain a pool of donors and volunteers, replace departing musicians, recruit new board and staff members, and obtain the services of guest artists and conductors. In addition to being "personnel intensive," orchestra organizations require special, costly fixed assets, most notably concert venues and unique and valuable instruments. Another vital form of input for orchestral systems is information—for example, market research data or political, business, and music industry news.

The most obvious output of an orchestra organization is live musical performance for a live audience. Another output is recorded music in various forms, which can be reproduced for broader impact over a longer period of time. In recent years, the output of most symphony organizations has come to include some forms of music education services in their communities.

But suppose we also consider less tangible outputs? What about the organization's effect on its participants' quality of life and attitudes, which then

spread via their families into the wider community? Should we consider the long-term impact of an orchestra organization on the overall cultural development of its community, or the impact of the organization on its community's economy and sense of pride? The success of this kind of output is difficult, but not impossible, to measure and may help determine how well an orchestra organization is functioning as a system.

Between inputs and outputs, there are processes or "throughput." In a typical orchestra organization, the subsystems have very specialized functions, and the work includes a number of processes which are both distinct and interdependent. For instance, the musicians and the music director receive input in the form of sheet music and scores; through individual practice and group rehearsal they turn printed notation into live music. The marketing department uses research data to create effective advertisements, with the intent of generating a full house. Our readers will have no trouble thinking of other specific examples, as well as ways in which the separate functions may be interdependent.

Another kind of organizational throughput, which is no less critical to success, is the work of coordinating individual and subsystem efforts toward the goal of producing output. This work may be done through formal processes, such as staff meetings, committee meetings, or rehearsals. It can also take the form of informal interactions backstage or in the hallway. What if an orchestra organization considered such informal interactions between individuals to be vital throughput? Such an assumption would clearly affect the way it organizes its human resources, as well as the way in which it structures and uses its physical space.

**What happens after the "input-throughput-output" cycle is complete?** Completing the cycle, the orchestra organization receives feedback from the environment about its products and services in the form of sales figures, attendance numbers, music reviews, even the strength of applause. Individual subsystems may also receive feedback from their immediate environments inside the organization. All this information becomes new input and becomes part of a new cycle, potentially shaping future actions.

## **The Application of an Open Systems Model**

There are several well-established conceptual frameworks available to help understand and assess orchestras as systems. One of the most applicable models was developed by Lawrence and Lorsch (1967). This model grew out of a study comparing organizations in different industries, with different products, operating in different environments. Lawrence and Lorsch found that organizations which had stable, predictable environments were most efficient and productive when they used a traditional hierarchical structure. However, those exposed to rapidly changing environments or technologies were more successful if they pursued more flexible structures in which authority and control were decentralized. The authors also found that the higher the level of external change and uncertainty, the more subsystem specialization was necessary. More specialization, in turn,

created a need for more communication and cooperation among diverse groups within an organization.

Applying this framework to the typical symphony orchestra organization, we might first consider the characteristics of the environment. No two organizational environments have exactly the same characteristics, but it is fair to say that there are some widely acknowledged environmental forces that affect most orchestra organizations. Just a partial list, with many correlations, would include:

- ◆ an aging audience base,
- ◆ reductions in arts education in schools,
- ◆ shifts in listening habits from live to recorded music,
- ◆ less willingness to commit and subscribe to distant-future concerts,
- ◆ more choice in, and thus a higher valuation on, personal time expenditure,
- ◆ intense competition from a wide variety of entertainment forms and leisure-time services,
- ◆ the explosion of Internet technology, and
- ◆ the challenge posed by increasing cultural diversity to the preeminence of a largely Eurocentric classical tradition.

In other words, the external environment for orchestra organizations has become—and the outlook continues to be—highly uncertain, unpredictable, and risky!

According to Lawrence and Lorsch, an organization in such an uncertain environment should maximize its flexibility with a decentralized authority structure and highly developed lines of communication. The organization should be able to coordinate the work of individuals and subsystems with different specialties, and have the capacity to understand (and even constructively use) the inevitable friction that will arise between these subsystems.

A further consideration is that each subsystem of the organization operates within its own subenvironment. These subenvironments may differ in some significant ways, even in a single organization, and those differences need to be recognized and accepted.

In an orchestra organization, certain subsystems routinely work across “boundaries.” For example, executive leadership, development staff, marketing staff, and so on, are constantly exposed to the boundary between their organizational system and the external environment. For them, the external environment *is*, to a large extent, their subenvironment. Ideally, such subsystems will be structured with a minimum of hierarchy and a great deal of cross-communication among task groups.



In many ways, the immediate environment of the board of directors subsystem is even more predominantly the external environment of the symphony organization. It is only through functional board committees (which can be viewed as sub-subsystems) that some board members begin to share the subenvironments of staff members. How to structure the board subsystems of a symphony organization, taking into account the importance of external environment participation, to effectively span into internal environments, is a fundamental challenge to symphony institutions.

Conductors and players, on the other hand, traditionally work far inside the boundary of their organizational system. They are insulated by other task groups from contact with the system's environment. Although they play and even speak in front of audiences, they rarely interact with them. In fact it is unusual for musicians to interact with anyone outside their institutional boundaries in an "organizational" (as opposed to an "individual-professional") capacity. Their technological environment is relatively stable; the tools, methods, and practices by which they create sound, rehearse music, and perform for audiences have changed little in the past century. From an intellectual point of view, their environment is dominated by "music." In such a subsystem, according to Lawrence and Lorsch, the most effective structure is a traditional, hierarchical one, and that is, in fact, the pattern we see followed within the subsystem of the orchestra.

But here's where we find the rub. While these subsystems may function acceptably within the context of the organization itself, the challenges of coordinating different sets of needs and values, and of creating an overall organizational structure that can respond to the environment, still may not be met. The system as a whole may even function well for a given set of outputs (for instance, presenting full-orchestra programs of Romantic music in large halls). At the same time, it may not have the capacity to change these outputs effectively in response to environmental forces.

A student of the systems approach to organization change would encourage orchestra organizations to examine:

- ◆ their structure—at both the whole-system and subsystem levels,
- ◆ the fit of each system's structure with its own level of environmental uncertainty, and
- ◆ the possibility of integrating differently structured groups with somewhat different priorities.

This discussion and review might result in:

- ◆ redrawing some boundaries,
- ◆ creating new organization-wide pathways for communication, and
- ◆ generating strategies for using conflict productively.

Only then can a symphony organization effectively address environmental challenges, either by adjusting its outputs or influencing its environment.

With the need for communication and conflict management, the “engineering” approach of systems theory intersects with what, as we mentioned earlier, Douglas McGregor called “the human side of enterprise.”

It is interesting that some earlier *Harmony* articles have dealt with open systems ideas as they relate to symphony organizations. Specifically, in his excellent essay in *Harmony #8* (April 1999), Bernard Kerres described how orchestra organizations interact with their environments in a complex series of interactive and interrelated loops which can be schematically diagrammed. In *Harmony #6* (April 1998) and #8, Robert Spich and Robert Sylvester discussed the extensive impact of environmental factors on symphony organizations and pointed out how organizational success depends upon an adaptation to and alignment with a changing environment.

### **Future Installments**

It is our plan, with the assistance of Laura Roelofs, and possibly with some guest contributors, to continue this educational review of organization change concepts and applications into further subsectors of the discipline. For instance, by the time we distribute this issue of *Harmony*, we hope to have posted on our Web site an additional installment covering another main theme in current organization-change thinking.

If you are not currently a recipient of “Key Notes from SOI” and have an Internet e-mail address, please refer to the inside back cover for instructions on how to receive this periodic bulletin and stay abreast of our organization change review!