



# UTAH SYMPHONY & OPERA MERGER

HARVARD BUSINESS REVIEW

ORGANIZATIONAL MANAGEMENT

JFT2: Task 3

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## **CVF Cultures**

A company culture is the company's values, traditions, beliefs it finds most valuable, its code of conduct. In essence, a company's culture will define how a company will operate within its industry and within its own organization. Arthur Thompson said, "A company's culture is important because it influences the organization's actions and approaches to conducting business—in a very real sense, the culture is the company's automatic, self-replicating "operating system"—it can be thought of as the organizational DNA" (Thompson, 2011).

There are four main types of culture: Clan, Adhocracy, Market, and Hierarchy. Each culture comes with varying beliefs. For example, a clan culture believes that its internal assets, employees, and its ability to be flexible are most important. A clan culture spends a large amount of money ensure that their employees have job satisfaction through employee involvement through all decisions. Conversely, a market culture believes that their focus needs to be set more heavily on external factors (productivity, profits, customer satisfaction). Employee development and satisfaction come second to the bottom line. If an employee cannot reach certain predetermined sales goals he/she is replaced with someone that can. Often, a market culture environment has been described as militaristic or aggressive (Thompson, 2011).

A hierarchy culture focuses on a strict structure that has many formal rules and regulations. The line of command is well defined in the hierarchy culture and it is encouraged to always follow the chain of command. Authority and respect is often the result of positional power or the power that is given because of a employees job

title. In other words, in a hierarchy culture jobs are specifically defined and organized for each employee. This means that everyone does their assigned job and nothing else unless told to do so by upper management.

Adhocracy culture “The adhocracy culture places most importance on flexibility and innovation. Adaptability and quick reactions to the changing market, competition and external environment is an integral component of corporate strategy in this type of business. Leadership in an adhocracy culture is demonstrated by entrepreneurship and risk taking. The emphasis is always on growth opportunities and employees are encouraged to experiment with new ideas. What might seem like chaos and disorder to the hierarchy culture is valued and embraced in the fast-moving adhocracy culture” (Benjamin, 2014).

We can think of the differing cultures as X and Y cultures. X cultures believe that employees are cogs in a machine and the machine tells them what to do. In contrast, Y cultures see employees as people in the machine and want to receive feedback on how to run the machine better. It is important to note that too much focus on a X culture can create dissatisfied employees, which in turn can create dissatisfied customers. On the other hand, too much focus on a Y culture can slow down reactions to market trends and can grossly increase costs. Therefore a successful company needs to be an XY culture, taking a piece from each philosophy.

## **Symphony Culture**

The Symphony processes a clan culture. There are two main reasons that the symphony leans towards a clan culture: (1) Taking care of symphony employees is the first priority. Of course, taking care of the employees requires striving to be a world-class symphony. However, the company vision states “the business is to provide sufficient high-quality concerts to sustain the 83 full-time musicians under contract”. The high wages, 1-year contracts and extra benefits are an indication that the symphony is a clan culture that will make sure that its employees are fully satisfied. (2) The organizational structure suggests that employees are encouraged to work together to create opportunity and results. Teams and group work seems to be highly encouraged. For example, the CEO and the music director both report to the chairman of the board suggesting that they have similar power and decision making authority. Also, both the music director and the CEO share management of similar employees.

## **Opera Culture**

The strategic goals outlined on the scorecard align with the vision of the Utah Opera to become a nationally renowned opera, improve quality of performances, and increase endowment funds. The vision and strategic goals combined support a mixture of market and adhocracy culture, which means putting on a great show is about adapting to produce the needed revenue. If predetermined fundraising goals are not met, performances are cancelled, which means the good of the company is put above that of the individuals. Furthermore, the ability to be flexible or adaptive to new trends in the market (especially with its organizational structure) and the desire to create innovative

performances lead to an adhocracy culture with a little market flare to increase profitability and overall market share.

## **Organizational Structure**

The organizational structures differ greatly and allow both the Opera and the Symphony to play to its individual cultures.

### ***Opera***

As discussed above the Opera has an adhocracy culture with a little market flare. In other words the Opera takes pieces of each culture theory to make its own. The Opera's organizational structure supports an adhocracy culture in that the "non-salaried occasional workers" allow the company to be flexible and eliminate costs when needed or incur those costs when they are required to execute performance. It is important to note that the permanent positions follow a direct line of authority or hierarchal structure. A direct line of authority is important because the ever-changing non-salaried occasional workers need a structure to follow. Without the structure the occasional worker structure would cause cacaos.

The Opera indicates that Anne Ewers is at the top of the organization right below the chairman of the board, Bill Bailey. According to the chart Anne has subordinates that can take care of the smaller issues and day to day tasks, which leaves Anne available to deal with larger issues like insuring fundraising produces

the necessary funds. It appears to be a type of management by exception; I will contact you with issues that exceed predetermined goals. If no issues arise I am free to run my area how I deem best to do so type of structure. A closer examination of the case study shows that Anne's authority reach does not extend all the way to decisions that each of her subordinates should have made. For example, the case study mentions that not only did Anne have a great business sense but also had a reputation for an outstanding artistic sense. Anne's outstanding artistic and business sense allowed her to retire a \$450,000 debt, increase the annual budget from \$1.5 to \$5.0 million, increase the annual productions from three to four, and attract a yearly 130,000 patrons and over 70,000 students to UOC performances.

Though it is possible, there is no evidence that she accomplished all of the above improvements by overreaching her authority. It is more reasonable that under her direction and guidance, her subordinates were given goals which they accomplished.

### ***Symphony***

As discussed above, in the symphony culture the organizational chart depicts a clan culture, which encourages group and team work. This also means that managers and employees work jointly to make decisions, goals, and changes. For example, the symphony's organizational structure shows that the CEO and music director have the same level of decision-making authority. Specifically, the CEO has decision-making authority over the artistic administrator and director of ticket services. The music director also have authority of the artistic administrator and

director of ticket services. This joint leadership style requires the CEO and music director to work together to accomplish goals related to the artistic administrator and director of ticket services to be successful. Similarly, the orchestra manager and the artistic administrator must work together to motivate and lead the 83 musicians employed by the symphony. It is important to note that both the CEO and the music director report to the chairman of the board, Scott Parker.

A closer examination of the case study shows that the distribution of authority demonstrated on the organizational structure is slightly different than the actual exhibited authority happening in reality. For example, Keith Lockhart, though he has lower positional authority than Scott Parker, holds greater personal authority with the musicians. As a result, Keith Lockhart often has more real power in influencing decisions that result in actual implementation of company changes.

## **Key Factors**

The Utah Symphony & Opera merger will undoubtedly will create a need for culture change in both the Opera and the Symphony. It is important to note that changing culture is one of the most difficult leadership challenges that a management team will encounter. It is difficult because in essence you are changing people (i.e. values, communication practices, attitudes, assumptions). For the combined Utah Opera and Symphony culture change starts with a vision.

A vision is a “long-term goal that describes what an organization wants to become” (Thompson, 2011). For example, the merged Symphony & Opera may have

the vision to be the number one provider of quality Opera and Symphony productions in the western states. The vision must come from the top and trickle down (i.e. top management to the customer). The vision must be accompanied by clear roles. For example, Anne is the CEO and is in charge of financial stability, final decisions when there are problems in coming to consensus, ensures that programs align with the overall vision of the combined company, and drives the vision and procures funding. For Keith Lockhart, his role could be, representing the needs of the musicians, tailoring performances to support the vision of the company and collaborate with the management team in creating quality synergistic Symphony and Opera productions.

New systems should be put into place that supports the new vision and metrics should be developed to measure the new systems and vision. Often the first thing an organization wants to do is to effect change by replacing all the top management. However, Forbes magazine says that you should not start by reorganizing but, “first clarify the vision and put in place the management roles and systems that will reinforce the vision” (Denning, 2011). This does not mean that reorganization may happen in the future. But it does mean that it should start with original management and should be accompanied and reinforced with values that support the vision of the founder.



Figure 8 shows Forbes “most fruitful ‘cultural change’ success strategy”.

According to Forbes cultural change starts with leadership tools, which are back by

## Organizational tools for changing minds

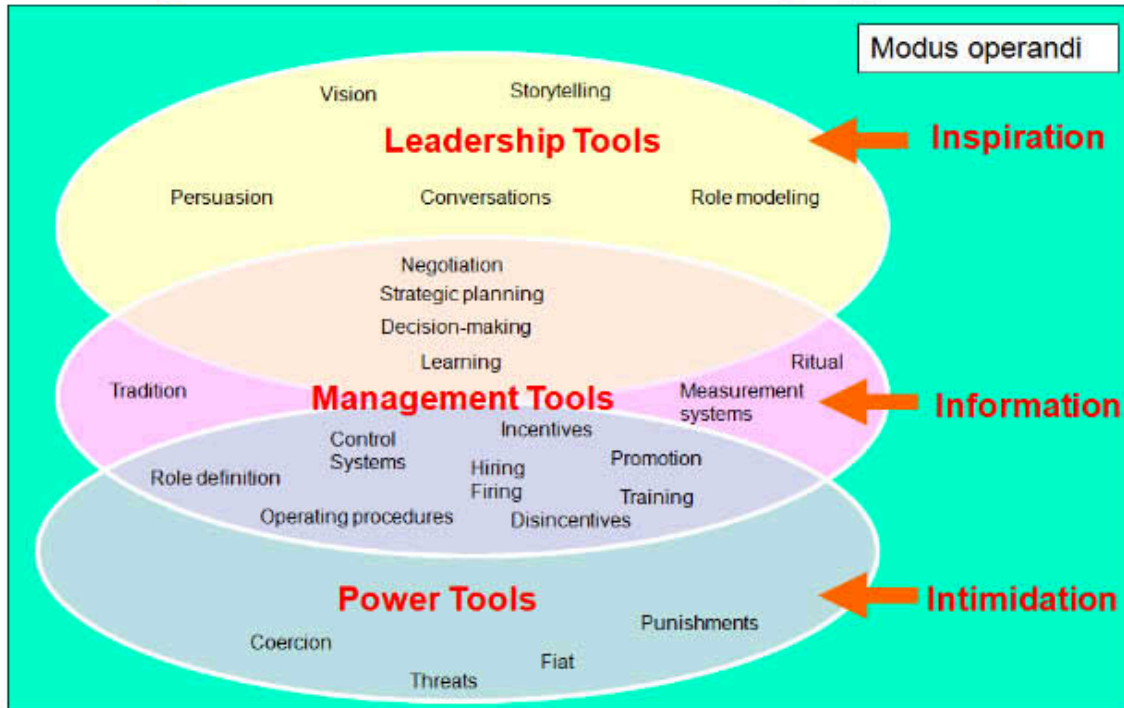


Figure 8

management tools, and power tools are only used as a last resort (Denning, 2011).

Reinforcement of the values that support the culture include formal statements, slogans, trainings or mentoring, rewards, stories, leader actions, and organization structure or procedures, and/or goals. It is important to note that integration of cultural norms is a process and is often quite a big adjustment for new employees. Figure 9 describes some of the tactics that organizations use to help employees through the adjustment process (Thompson, 2011).

TACTIC	DESCRIPTION
Collective vs. individual	Collective socialization consists of grouping newcomers and exposing them to a common set of experiences rather than treating each newcomer individually and exposing him or her to more or less unique experiences.
Formal vs. informal	Formal socialization is the practice of segregating a newcomer from regular organization members during a defined socialization period versus not clearly distinguishing a newcomer from more experienced members. Army recruits must attend boot camp before they are allowed to work alongside established soldiers.
Sequential vs. random	Sequential socialization refers to a fixed progression of steps that culminate in the new role, compared to an ambiguous or dynamic progression. The socialization of doctors involves a lock-step sequence from medical school, to internship, to residency before they are allowed to practice on their own.
Fixed vs. variable	Fixed socialization provides a timetable for the assumption of the role, whereas a variable process does not. American university students typically spend one year apiece as freshmen, sophomores, juniors, and seniors.
Serial vs. disjunctive	A serial process is one in which the newcomer is socialized by an experienced member, whereas a disjunctive process does not use a role model.
Investiture vs. divestiture	Investiture refers to the affirmation of a newcomer's incoming global and specific role identities and attributes. Divestiture is the denial and stripping away of the newcomer's existing sense of self and the reconstruction of self in the organization's image. During police training, cadets are required to wear uniforms and maintain an immaculate appearance; they are addressed as "officer" and told they are no longer ordinary citizens but representatives of the police force.

Figure 9

It is important to remember that implementation of a new culture takes time, clear goals, roles, expectations, follow up and most important support. Aligning an strategic plan/vision to the appropriate culture can mean great success for a company, its employees and all its stakeholders. Remember implementation of a new culture at for the Utah/symphony starts with the founder and her vision. The culture will not be successfully implemented unless it is fully embraced by her.

For the Utah Symphony and Opera its new vision will dictate its new culture. However, here are a few cultural norms that will need to change for the merged company to support the first-year strategic goals.

Culturally, the symphony musicians are more focused on their paychecks and benefits than on performing quality works of art to maintain the financial stability of the company. More focus needs to be put on performing quality masterpieces to support and grow the company. It needs to be understood that growth of the Utah Symphony/Opera protects musician jobs. We need a culture less concerned about “ME” and more about “WE”.

The Utah Opera has more of a market/adhocracy culture approach to business. They are focused on being flexible so that the bottom line can be the best it can be. The Utah Opera will need to learn how to better support its employees and involve them in the decision making process to retain key employees (i.e. Keith Lockhart and the Musicians). One idea is to move each area into programs (i.e. Opera Program & Symphony Program). Keith can be the head of the symphony program while Leslie can be the head of the Opera. While both will still need to report to Anne Ewers, Keith will retain his decision making power over the symphony and Leslie will retain her title with a few extra duties as the director of operations of the Opera. Both will be given liberty to guide the overall direction that each program takes to achieve the new company vision. With this structure the musicians will feel that they still have a representative and the Opera will not lose its identity.

If an overall vision is created and supported from the top down a new culture can be born. When employees are helped through the change and an listening ear is kept to the ground to understand new and evolving needs the new merged company can meet its first-year strategic goals.

It is important to note, An organization's culture realizes four purposes: (1) Gives members an organizational identity, (2) facilitates collective commitment, (3) Promotes social system stability, and (4) Shapes behavior by helping members make sense of their surroundings (Kreitner). A culture that does not accomplish the above purposes is failing.

## **Audience Strategy**

Ewer's objective in addressing her audience is twofold: 1. Instill confidence in her audience for the future of Utah Symphony and Opera and 2. Outline some changes that will be made and how these changes will be successfully implemented.

To achieve this twofold objective, Anne should employ a mixture of the tell/sell and consult/join communication styles. As all members of the symphony and opera are affected by the merger, all should be included in the audience. Because Anne is dealing with a mixed audience, she needs to consider the reaction that the two sides of said audience will react to her and her leadership. Anne has credibility with her ability to fundraise and manage the business aspects of opera organizations. However, ticket sales

have dropped due to lower quality performances turned out by the opera. Because the symphony is so driven by quality, this fact combined with her unfamiliarity with symphony operations will lessen her initial credibility with this half of her audience. With this in mind, Anne can tell/sell financial plans and goals to her audience. However, when it comes to planning for future programming and meeting goals of quality performance, she should employ the consult/join style to get input from the group. By approaching the issues in different ways, she gains acquired credibility as a leader and communicates that she doesn't claim to be all-knowing, but that she will utilize her expertise to improve operations and that she expects positive change to be made in other areas, but will need help to make the changes successful. She also avoids overstepping the bounds of her understanding and helps keep symphony employees from becoming defensive and resistant to change.

Key influencers such as Leslie Peterson and Keith Lockhart should be utilized in communicating future plans and goals to communicate that Ewers will be managing things generally, but will be relying on the experience and expertise of other leaders to help make the merger a success. This is a volatile time for the audience, where members of the symphony and opera are concerned about the future of their careers, their program, and their community. Interest in this initial message from their new leader will be high.

The merger will be difficult for the audience, so Anne needs to be certain to reassure her audience that many things will remain the same, but that some changes will be made to ensure the success of the new company. In order to persuade her audience, Anne can employ techniques of audience benefit and credibility. For example, the merger is an opportunity for the opera to utilize the skills and knowledge base of the symphony

to increase its performance quality. This benefits the careers of opera contractors by creating opportunity to attract more talent and improve their own talents through involvement with a higher-quality company. The symphony needs to control expenses and balance their budget. By controlling their finances, the merger gives the symphony the chance to expand programming and keep their 52-week performance schedule. Both of these examples play to audience benefit. Shared values credibility could be utilized to help convince the opera and symphony of their common ground. Both companies have great desire to serve the community with high-quality and well-priced productions. This gives the merged companies common goals and ties them together in purpose.

## **Message Strategy**

Direct approach should be utilized as Anne crafts her message. The audience already knows that changes are coming, and they want to know what will happen. Whether people are in favor of or opposed to the merger, everyone knows it is coming and will not want a lengthy speech that beats around the bush before getting to the point.

Anne can utilize Leslie Peterson and Keith Lockhart in the beginning of presentation in presenting how changes will affect the individual programs and how each program will function in the newly merged organization. By initially presenting information through the leaders of respective programs rather than taking the reins herself right away, she communicates that she intends to utilize the leadership and expertise already in place in the opera and symphony. Because she has worked with some people

before and hasn't worked with others, communicating through their direct leaders is more comfortable for the audience. Involving the managers over whom she will work also communicates to them loud and clear that they are valued and will be involved in the decision making process.

Symphony and opera are both fairly formal areas within the arts. To communicate effectively with a prestigious group, it would be wise to use more formal means of communication. The message should be formally presented to the group, after which a formal printed document highlighting the main points of the message can be distributed to symphony musicians and opera contractors.

The first part of the messages should follow this more formal outline, after which a less formal question and answer session can take place. This gives members of the symphony and opera the opportunity to have questions answered in a group setting and also gives Ewers, Peterson, and Lockhart the opportunity to solicit ideas from the whole on how to proceed with some aspects of the merger. A scribe should be assigned to take notes during the Q&A, and notes taken can be made available to the audience through email by request. Ewers, Peterson, and Lockhart should also make themselves available through email, office hours, or both for further questions or clarification.

Because the changes and how they affect the organizations is one of the most important parts of the message, they are placed at the beginning of the message. The Q&A should fall in the middle, giving people a chance to break from the formal structure and process information as they choose. The end of the message should be dedicated to communicating enthusiasm, optimism, and sharing specific examples of how the merger will be successful. By organizing the message in this way, important changes will be

remembered and emphasis will be placed on positivity and the expected success of the merger.

## **Technology Tools**

### ***Tech Tool #1 - Scheduling Software***

Scheduling software will aid the success of the merger with two main competencies: scheduling people and scheduling events and venues. Combining the Utah Symphony and Utah Opera takes two entities that individually involve many people and requiring that these people all work together under one organizational umbrella. The administrative needs of the new organization will be increased as Anne Ewers, Leslie Peterson, Keith Lockhart and others work together to make the new company successful. Meetings for company management, the opera, the symphony, the entire merged company, potential donors, etc. need to be regularly scheduled, tracked, and action items followed up on.

New scheduling software will enable the company to send meeting reminders and invitations, update calendars to include meetings and schedule deadlines for completion of action items. Follow through and organization will be crucial to the success of the merger and the logistical difficulty of keeping individuals on task, administrative or otherwise, will be lessened by utilizing the same scheduling software across the company.



The symphony and opera also have many events that must be scheduled at different times in different venues throughout the area. Because neither side of the management team is familiar with the comings and goings of the other, it is important that events be calendared and schedules available for everyone to view. For Ewers, this is especially crucial, as she will need to be available to assist both symphony and opera and keep track of times when important events are coming up. Scheduling software can make it possible for anyone in the organization to update calendars and view event dates, times, locations, and other details at any time. The software can also be programmed to remind individuals of upcoming events in advance. This will help Ewers and the management team to keep track of what is going on in areas of the company schedule with which they are less familiar. As soon as the merger is complete, all schedules for the symphony and opera should be transferred over to the company's new main scheduling software. Management, board members, employees, and contractors will be informed that the new system is in place and should be utilized to simplify the scheduling efforts of the newly merged company and its individual programs, performances, and people.

### ***Tech Tool #2 - Fundraising & Accounting Software***

One of the most important things to manage as the two organizations combine is financial interests. Fundraising and managing revenues and expenses will be pivotal in reducing expenses and increasing overall profitability.

Fundraising software gives companies tools they need to cultivate relationships with donors, streamline processes, increase accountability, and diversify fundraising management. Software companies have developed mobile apps that allow fundraising

professionals to keep in contact with donors to show the results of organizational efforts. Segmenting tools score potential donors based on their likelihood and capacity to give, making it possible for organizations seeking donations to focus their efforts on the individuals or organizations that are most likely to create return for the Utah Symphony and Opera. By utilizing fundraising software, the company can track and streamline fundraising efforts and keep in contact with donors to update them on how the organization is using their contributions. Because two separate programs with separate fundraising efforts will be combined, Ewers and her management team can implement this new fundraising software shortly after the merger is finalized. This gives Ewers a way to track what is going on in the two separate programs as well as developing the fundraising effort for the current programs and the newly developed combination of the Utah Symphony and Opera.

Accounting software makes it possible to centralize the financial processes of the merged organizations. The latest accounting software let companies create reports, track receivables and payables, track vendors, manage inventory, and other tasks necessary in managing finances. With the specific goal of decreasing expenses in mind, accounting software centralizing expenses so the newly merged company can quickly see where expenses are too high, where they can be lowered, and where more revenue needs to be distributed to cover costs. Without a good system for tracking financials, expenses will continue to be out of control and profit percentages will continue to be negligible as a result. Because budgets will be combining, the new Utah Symphony and Opera will need to get all of the numbers together to be analyzed. Accounting software will make it

possible to put the expenses, revenues, donations, etc. of both the opera and symphony programs next to each other. This will enable Ewers and her management team to look at reports, identify strengths and weaknesses, and move forward in setting appropriate goals to improve procedures to ensure the success of the merger. At the finalization of the merger, Ewers should enlist the help of the respective directors of finance and their teams for the opera and symphony to update existing information and processes into software that is compatible for both programs. This enables all of the new company's financial needs to be handled within one program, streamlines accounting procedures, and will make it possible to decrease expenses in coming years.

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