The Factors in the Artist-Label Relationship That Influence Creative and Commercial Success: An Initial Exploration

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Abstract
Since the dawn of the recorded music industry, the nature and quality of the relationship between record labels and the artists they sign has been of huge significance. These relationships set the foundation for the successful discovery and development of new artists, and directly influence the conditions for these artists to successfully build global careers and bring enduring music to the world. However, these relationships have also been a frequent point of contention and controversy, and many a career has been derailed, compromised (creatively or commercially) or cut short by a problematic relationship between label and artist.

Some of the catalysts for relationship-breakdown, such as tensions around financial and contractual arrangements, are well-documented. But the specific nuances, dynamics, and patterns of interaction between label and artist that have a bearing on these outcomes are rarely discussed or explored in detail.

This paper begins to explore the behaviors and dynamics that actively provide the basis for an enduring and successful relationship between artist and label. It reviews the literature that discusses the artist-label relationship, as well as pertinent literature from other fields that deals with the relationship between organization and creative practitioner. In doing so, it suggests a need for further research to bring greater clarity to this picture. By investigating the artist-label relationship in greater depth, and by examining the dynamics of the parties’ ongoing interaction, it may be possible to draw further conclusions on the specific processes, patterns, and behaviors, that may have a positive or negative influence on the duration, quality, and outcomes—both creative and commercial—of the relationship.

Keywords: artist, record label, recording industry, conflict, organizational culture, artist-label relationship

Introduction
In 2016, hip-hop artist Frank Ocean used significant deception to terminate his record contract with Def Jam Recordings. It wasn’t the first time an artist had gone to war with his label (Halperin 2010), and it certainly wouldn’t be the last, as recent legal battles between Donald Glover (a.k.a. rapper Childish Gambino) and Glassnote Records, or between superstar artist Kanye West and Universal Music Group/EMI Music Publishing clearly demonstrate (Gee 2019; Halperin 2018). For much of the previous four years, Ocean had been in an ongoing dispute with the label and his career had ground to a halt. In 2016, he emerged from this self-imposed four-year hiatus to release a conceptual visual album, Endless (Ocean 2016b), and in doing so he had finally fulfilled his contractual obligations to the label. He immediately severed ties with them…and then released a seventeen-track album of new music, Blonde (Ocean 2016a), on his own record label the very next day (Rys 2016, para. 2). This latter album promptly debuted at number one on the Billboard 200 albums chart (Associated Press 2016), much to the chagrin of his former team at Def Jam (Variety 2019).

When it happened, it became yet another example of label and artist falling out spectacularly. Neither party has spoken in detail about what happened. But it wasn’t for a lack of commercial success—a common catalyst for relationship dissolution—as Ocean’s previous album Channel Orange (Ocean 2012) had performed well. Instead, the blame appears to lie with the fractious dynamics of the relationship between artist and label. One anonymous label insider described it as being like a “bad marriage” (Associated Press 2016, para. 2). Although the details of what happened may never be publicly known, the incident acts as a cautionary tale for both artists and record labels as they enter into contractually-bound business relationships for the purposes of recording and releasing music. As such, it may well be worth considering how such an outcome might be avoided.

Since the dawn of the recording industry, the nature and
quality of relationship between record labels and the artists they sign have been of huge significance. These relationships set the foundation for the discovery and development of new artists, and directly influence the conditions for those artists to successfully build global careers and bring enduring music to the world (Negus 2011).

However, these relationships have also been a frequent point of contention and controversy, and many a career—from George Michael to Michael Jackson to Prince—has been derailed, compromised (creatively or commercially) or cut short by a problematic relationship between label and artist (Bernbaum 2002; Kreps 2015; Soocher 1998; Stahl 2002).

Indeed, Prince—who had engaged in a high-profile dispute with his own record label, Warner Bros., over ownership of his recordings (Coleman 2016, para. 7)—expressed a forthright opinion about deals with record labels, saying, “Record contracts are just like—I’m gonna say the word—slavery. I would tell any young artist…don’t sign” (Kreps 2015, para. 1).

This theme was echoed by the rapper Nas in a dispute with his label Island Def Jam over the release of one of his recordings. He sent an open letter to Island Def Jam executives, including chairman Antonio “L.A.” Reid, that began, “With all do [sic] respect to you all, Nas is NOBODY’s slave. This is not the 1800’s, respect me and I will respect you” (Halperin 2010, para. 11).

Some of the general catalysts for relationship-breakdown are well-documented: for example, the ongoing and frequently irreconcilable tension between the creative urges of the autonomous artist and the commerce-driven imperative of the label (Marshall 2013), or the tensions around financial and contractual arrangements, as well as abuses of those arrangements by both sides (McLane and Wong 1998; Stahl 2010). And much is made in the music media of these fractious relationships between labels and artists, frequently painting a less-than-complimentary picture of labels (Halperin 2010)—broad accusations include racism, theft, egotism, neglect, cultural insensitivity, and putting profit above the best interests of artists. But there is often much more than this going on behind the scenes, and the specific nuances, dynamics, and patterns of interaction between label and artist that have a bearing on these outcomes are rarely discussed or explored in detail. In the case of rock band Thirty Seconds To Mars and their fight with their record label EMI in 2008, for example, the initial focus of debate—and much of the resulting media coverage—concerned the terms of their contract, notably royalty payments and ownership of their music (Kreps 2008, para. 2). Yet it was the blunt and heavy-handed manner in which these discussions were handled, particularly after EMI was bought out by private equity company Terra Firma, that had such a negative impact on the relationship and led to a lawsuit (Cubbins 2012).

By contrast, there are also many artists—usually less vocal in the media about the fact—who have enjoyed a successful ongoing relationship with their label, and critical and commercial success within this relationship. Neil Young commented:

What I like about record companies is that they present and nurture artists. That doesn’t exist on iTunes, it doesn’t exist on Amazon. That’s what a record company does, and that’s why I like my record company. People look at record companies like they’re obsolete, but there’s a lot of soul in there—a lot of people who care about music, and that’s very important. (Paczkowski 2012, para. 16)

Artists such as Alicia Keys and Barry Manilow have spoken of the strength of their relationships with label president Clive Davis and have enjoyed successful careers signed to labels Davis has headed (Perkel 2017). Australian rock group AC/DC have remained with their label Alberts for over forty years, a relationship that has seen the release of over twenty albums with record sales of more than 200 million units worldwide (Elliott 2018). And songwriter, musician, and journalist Helienne Lindvall (2012a, para. 1, 6) interviewed Jake Gosling, Ed Sheeran’s producer, and other members of the singer-songwriter’s team, for a piece in the Guardian newspaper on the modern-day role of record labels, and surmised:

For all the cynicism about money-grabbing majors, labels still offer artists the security they need to produce their best work […] It’s also simplistic to say majors are evil while indies are good. What is important is to be on a label that ‘gets you.’

Evidently the relationships between artists and labels are varied in their quality, success, and longevity. However, underneath the creative or contractual frameworks and resulting tensions, the specific factors and dynamics that have an impact on the quality and duration of the relationship, as well as on the artistic and commercial success that results from it, do not appear to be clearly understood.

And if labels and artists were to better understand these factors, they might more successfully navigate these relationships for the long-term, facilitating an ever-growing body of successful creative output.

Literature Review and Discussion

As Zwaan and Ter Bogt (2009, 90) note, many of the studies that examine the popular music industry focus on the “organization of the record industry”—that is, what frameworks exist for how the various parties within the industry interact, how the music is made and distributed, how
the money flows through the system, and where the copy-
rights reside (Frith 1996, 2001; Graham et al. 2004; Lesser
2018; Negus 1999, 2011; Peterson and Ryan 1983; Toyn-
bee 2000). They also focus on the changing forces—usually
brought about by recent technological advances—in the
marketing and distribution practices of the industry, and the
financial and contractual arrangements within it (Galuszka
and Bystrov 2014; Lesser 2018; Marshall 2013).

There are, however, a number of studies that do examine
the relationships between the different parties involved in
the music industry, and discuss the frameworks that affect
these relationships. In doing so, they begin to explore some
of the factors that may influence the success and outcomes
of the artist-label relationship.

Some commentators, such as Stahl (2010), provide a
deeper examination of the artist-label relationship from a
contractual perspective, discussing a range of scenarios,
including 360-degree deals in particular. Stahl discusses
some of the important factors that are present in the rela-
tionship between artist and label, touching on the balance
of power, control, autonomy, and authenticity in each of
these contractual arrangements, but doesn’t then explore
how these dynamics can result in the positive and negative outcomes discussed so widely in the press.

Keith Negus (1999, 2011) conducted several studies into
the workings of record labels, exploring how they operate
internally, as well as how they interact with the music indus-
try and the artists that are signed to them, and how they
set conditions to shape the creative output of these artists. In
Producing Pop (2011), for example, Negus discusses how
tensions within a label necessarily impact the artists signed
to that label, and shape the music being created and cham-
pioned, according to the individuals and departments within
the label that have influence and authority at various points.
However, the focus is on “personnel within the music busi-
ness, rather than the artists or audiences” (2011, iii).

In examining the experience of working in three cultural
industries (including the music industry), Hesmondhalgh
and Baker (2011) discuss the dynamic between the com-
mercial and creative aspects of the music industry (wheth-
er between artist and label, or between divisions within the
label), and the issues of creative control and autonomy that
arise from it. They cite the example of an artist manager
whom they interviewed, who spoke positively of the advice
given by one affiliated A&R person on song-choice and
other creative decisions, but then also spoke negatively of
too much contact on the part of another A&R person. The
authors acknowledge the nuanced balance in these relations
and conclude with the general summation:

A&R personnel, the key creative managers in
the recording industry, then, can achieve success
through a very ‘hands-on’ attitude, but taken too
far, this can alienate musicians and their artist man-
gers. (Hesmondhalgh and Baker 2011, 93)

Yet a more detailed examination of the artist-label inter-
action, shedding light on the more specific elements that
might influence the nature of the relationship and the out-
comes from it, is absent.

In recognizing that tensions are frequently present be-
tween artist and label, Daniel De Orchis (2015) suggested
the introduction of an internal dispute arbitration system
within labels. However, this approach focuses on addressing
disputes after the fact rather than examining the interactions
that may or may not lead to such disputes. One could also
argue that the eruption of a dispute that requires a specific
mediation system signals a breakdown in the relationship
and a loss of trust that may already be beyond repair. There-
fore, an awareness of the elements that influence the nature
of the relationship might be more pertinent to an ongoing
productive relationship than a dispute mediation system.

Other commentators discuss the challenges to the con-
tractual and financial relationship between artists and labels
brought about by online distribution, direct artist interaction
with audiences, crowdfunding, and so on (for example Ga-
luszka and Bystrov 2014; Marshall 2013).

In addition to these studies, the music industry press has
published much anecdotal commentary from artists and la-
bel executives discussing the artist-label relationships they
have experienced individually, from the positive (Benedikt
1997; Lindvall 2012b) to the negative (Halperin 2010). In
particular, Soocher (1998) describes a number of high-pro-
file disputes between artists and labels, and the anecdotal
commentary in autobiographies by executives like former
major label presidents Walter Yetnikoff (2004) and Clive
Davis (2012), or artists such as Red Hot Chili Peppers (Kie-
dis 2005) or Beastie Boys (Diamond and Horovitz 2018),
discuss many instances of interaction between artists and
their labels. The importance of trust in shared goals, autono-
my in creative choices, and appropriate communication are
recurring themes.

These studies and commentaries provide plentiful dis-
cussion on the complex and sometimes contentious frame-
works within which artist-label relationships operate, as
well as touching on some of the themes that are of signifi-
cance in the ongoing relationship between an artist and their
label. There is, however, a general dearth of analysis of the
specific factors and dynamics in the ongoing interaction be-
tween artists and labels that actually influence the quality
and outcomes of these relationships, and the way in which
these influences unfold. What are the specific aspects of
the relationship that, for example, build appropriate trust,
grant appropriate autonomy while mediating the creativ-
ty-commerce tensions between artist and label, and in doing so lead to high quality, long-lasting relationships that yield positive creative and commercial outcomes?

The broader business literature highlights many factors and dynamics as being integral to the success of business relationships within and between organizations and individuals, as well as to the successful creative output of organizations and individuals. These factors include the impact of modes of communication, interaction, and feedback; organizational culture and dynamics; managerial and leadership styles; autonomy and control; negotiating practices, and team dynamics (Amabile 1998; Harvard Business School Publishing 2011; Schein 2016).

Saintilan and Schreiber (2018) explore these organizational behavioral concepts within the arts and entertainment industries. They examine a number of key organizational themes and dynamics, such as theories of personality and motivation, conflict and negotiation, decision-making, culture and ethics, and consider them in the context of the creative industries and the cultural sector. While the themes touch on specific examples of artist-organization relationship, such as the conflict between Metropolitan Opera General Manager Joe Volpe and star soprano Kathleen Battle, these discussions pertain for the most part to the dynamics within the organization—that is among the organization’s employees, rather than between an organization and an external creative practitioner or partner, such as an artist, who is linked to the organization.

In the creative industries, the relationship between the organization and the creative practitioner has its idiosyncrasies, and Amy Wallace and Edwin Catmull—the latter the co-founder and CEO of animated movie studio Pixar, whose movies include Toy Story, Monsters, Inc., and Finding Nemo—explore some of these dynamics in the animation movie business. Their book Creativity, Inc. (2014) analyses the management techniques and organizational factors present at Pixar animation studios that have an impact on the creative practitioners within Pixar (for example, the directors of their movies), and influence the successful outcomes of the company’s movies as a result. In dissecting some of the ingredients in the company’s significant commercial and critical success, they address such topics as candor of feedback and self-assessment; fear of conflict, failure, uncertainty; successful team dynamics; risk-taking and error-prevention; communication and responsibility; and challenging thinking for fresh perspectives.

However, the employment relationship in the music industry between artists and labels differs from that examined in Creativity, Inc. or those relationships examined by Amabile (1998) in that the recording artist is not directly employed by the record label, and is not beholden to managerial and organizational factors as an employee might be. Instead, an artist remains external to the label, but is usually exclusively contracted to provide creative services for the label alone (Passman 2015, ch. 7-14; Stahl 2010). Indeed, the relative autonomy of the artist must in many cases be visible in order to establish creative authenticity and value in the marketplace, and this dynamic frequently introduces tension and struggle for control to the artist-label relationship (Hesmondhalgh and Baker 2011; Negus and Pickering 2004; Stahl 2010). Furthermore, as Negus notes (2011, iii), “The music industry is an untidy place where working practices frequently do not fit easily into the sharp distinctions and clear-cut boundaries of organizational theory and systems analysis.”

Conclusions

What emerges from this review of literature that examines the music industry, the cultural industries, and also the broader business field, is a variety of themes that may have a bearing on the relationship between artist and label. Some of those themes pertain to the structure of the music business, arising from the contractual arrangements and industry frameworks that are established. Others are interactive, embodied in styles of communication, attitudes to trust, and power balances.

However, further research may be required to bring greater clarity to this picture. By investigating the artist-label relationship in greater depth from both sides of the relationship, and by examining the dynamics of the parties’ ongoing interaction throughout the duration of the relationship, it may be possible to draw further conclusions on the specific processes, patterns, and behaviors, that may have a positive or negative influence on the duration, quality and outcomes—both creative and commercial—of the relationship.

In doing so, artists and labels may arrive at a better understanding of how best to navigate their relationship for the long-term and set the conditions for an ever-growing body of successful creative output as a result.
Endnotes
1. Island Def Jam Music Group was a group of record labels that included Def Jam Recordings, Island Records, and Mercury Records. The group was created in 1999 and disbanded in 2014, with its operations split up between the individual labels (Sisario 2014).
2. J Records and Arista Records respectively, both now part of RCA Records.
3. A 360 deal (or 360-degree deal), also known as a multiple rights deal, is a contractual agreement between a record label and a recording artist, in which the record label takes a financial share of some or all of the artist’s activities and revenue streams (for example, touring and live performance revenues), not just from their musical recordings (Stahl 2010).

References
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Rob Cannon is a teacher, coach, facilitator, and educator specializing in the arts and entertainment industry. He draws upon two decades of experience at the front line of the music industry in his work with the organizations and practitioners at the forefront of the arts and entertainment industry, as well as with the students who are its future. He has worked in the U.K., U.S.A., Australia, and throughout Europe.

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Cannon has spent twenty years working in music. His first brush with the music industry was as a guitarist and pianist in several rock and jazz bands in the U.K., before he started his career on the business side of the industry at Clive Davis’ J Records in New York. He subsequently worked in A&R and marketing for several Sony and BMG labels in New York, London, and Sydney, working with artists ranging from Rod Stewart to Alicia Keys to Maroon 5.

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