

# The Cost of Control: Speculation on the Impact of Management consultants on Creativity in the BBC

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**ABSTRACT** *It is often claimed that the British Broadcasting Corporation (BBC) is no longer as creative as it once was. Management consultants and the management methods they encourage are usually held to blame. While managerialism has certainly been rampant in the BBC over the last decade, it is not clear that creativity has suffered in consequence. The paper compares current concerns about the BBC with very similar concerns voiced by Tom Burns some forty years ago. The comparison allows the tentative conclusion that management consultants and their methods are a symptom rather than a cause. What threatens creativity, and has always threatened creativity, is managerial control. Heavy reliance on management consultants seems to indicate a determination to control that is likely to be inimical to creativity. With sufficient managerial control, trust becomes superfluous and professionalism is judged in terms of loyalty to the organisation – the difference, as Tom Burns noted long ago, between working for the BBC and working in the BBC.*

**Keywords:** management consultants, creativity, BBC, manager, management method, professional.

## Introduction

*The BBC: Public Institution and Private World* by Tom Burns is a classic work on the British Broadcasting Corporation. Burns had agreed to submit his manuscript to the BBC for its approval before publication and did so in 1963. To his mystification, approval was denied and publication was delayed for more than ten years.<sup>1</sup> The

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<sup>1</sup> John Eldridge, 'Obituary: Professor Tom Burns', *Independent*, 20 August 2001, p.6.

present author's own experience of the BBC's refusal to sanction even a workshop presentation of his research on the Corporation to a commune of Swedes prompts the observation not that the BBC has something to hide, but that its senior managers feel that they should decide what will be revealed.<sup>2</sup>

The factual information given by MacDonald about Enterprises has no obvious errors .... MacDonald liberally laces the document with quotations, many of which are injurious, many of which are unattributed. A continually damaging theme is thereby built.  
BBC manager 1993 <sup>3</sup>

Control is fundamental to modern management, but it may not be conducive to the creativity that justifies the peculiar existence of the BBC. Neither may management consultants. Burns thought he would have aroused much less suspicion and antipathy as a management consultant rather than an academic,<sup>4</sup> and speculated that it would be some time before the BBC became accustomed to academic research.<sup>5</sup> Since then, the BBC has become very much more accustomed to management consultants.

To his surprise, Tom Burns not only received eventual permission from the BBC to publish, but was invited back to re-explore. Re-interviewing after a decade is not a recommended methodology, but it provided Burns with unanticipated insight into the change that had taken place in the BBC. Interviewing again in the BBC, a decade after expulsion, the present author was also struck by the amount and nature of the change that had taken place. The old creativity, it was claimed, had been lost, crushed under the weight of management consultants and management method.

### **Creative Tension – Efficiency vs. Creativity in the BBC**

The great advantage of the organisation is that it can do what individuals cannot. In particular, the organisation can achieve levels of efficiency far beyond those of which the individual is capable. Within the organisation, there are pressures, including reward systems, to increase efficiency so that it tends to become better at what is

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<sup>2</sup> See Michael Leapman, *The Last Days of the Beeb*, Allen & Unwin, London, 1986, pp.8-9.

<sup>3</sup> Letter to author, 5 February 1993.

<sup>4</sup> Tom Burns, *The BBC. Public Institution and Private World*, Macmillan, London, 1977, p.xvi.

<sup>5</sup> *ibid.*, pp.ix-xviii.

already being done. These same pressures militate against the organisation doing anything new in that the new, at least initially, can rarely be done as well as the old.<sup>6</sup>

There is, then, tension between the pressure to be efficient and the need to change. Clearly, the organisation must be efficient if it is to survive in a competitive environment. Equally clearly, the same competitive environment demands that the organisation must change, that it must innovate, if it is to survive. In an ideal world, this tension aids activity at both poles with innovation tested by the discipline of efficiency, and efficiency exposed to the imagination of innovation. But the world is seldom ideal, and even creative tension can be more tense than creative. In particular, pressures for greater efficiency in the modern organisation may have tipped the balance against creativity.<sup>7</sup> Part of the problem is that not all organisational change is equally attractive to the modern manager; most welcome is change that is measurable, attributable and sufficiently rapid to contribute to career progression. Least welcome is change that is extraneous and unanticipated.<sup>8</sup> This is not to say that the modern manager is opposed to change; much modern management *credo* is redolent with change, but this is the measured change of management theory; it poses no threat to order, structure and – above all – control. This is change authorised and implemented from above, change that can be justified. This is the change of management method approved by management consultant.

Heretics and mavericks may be creative, but they do not fit easily within the organisation and do not contribute to its efficiency. To the modern manager, for whom management is both science and process, they are especially loathsome. They undermine authority and threaten the cohesion of the organisation. And thus it is that anything smacking of individuality or originality can easily become an indicator of dissent, actively discouraged by organisational systems and cultures that require employees to pull together, sing from the same hymnsheet, march to the same drumbeat. Creativity itself may be in peril. The tension between change and efficiency in the organisation is exemplified in the archetypal struggle between creative people

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<sup>6</sup> See Ernst Braun and Stuart Macdonald, *Revolution in Miniature. The History and Impact of Semiconductor Electronics*, Cambridge University Press, Cambridge, 1982, pp.160-1.

<sup>7</sup> R.A. Joseph, 'Universal service in Australian telecommunications: Exploring the fetish for efficiency', paper presented to the XIX Pacific Science Conference, Sydney, July 1999.

<sup>8</sup> Stuart Macdonald, 'Learning to change: an information perspective on learning in the organisation', *Organization Science*, 6, 2, 1995, pp.557-68.

and administrators, between those who want things done differently and those who insist that the organisation's procedures are followed. In folklore, including BBC folklore, creative sorts get their way by bending the rules so that imagination and inspiration eventually triumph over stolid responsibility.

As far as I'm concerned, this is a funny mixture of authoritarianism and non-authoritarianism .... And what I always say to producers about their programme ideas is, 'If I don't like your idea, I shall say so. If you persist in a rotten idea, I shall refuse it and I'll refuse it again. But if, in the end, you go on making the case for an idea that I'm just not convinced about, in the end, if you persist long enough, I will give in. Because, in the end, producers are the people who make programmes, not Controllers. I shall just let you have your head and then we'll see what comes of it and we'll criticise it afterwards.'

BBC manager c.1973<sup>9</sup>

I don't think it's unkind to say they can see as far ahead as the transmission schedule .... On an individual level, the people who make programmes, every project they work on is the best one they have ever worked on, the one they really have to do, and the one they need a lot of money for. And that's what they are interested in doing – they are interested in getting it made.

BBC manager 1992

The producers make the programmes they like or want to make regardless of what the audiences, the governors or even the Director-General might think.

BBC manager 1980s<sup>10</sup>

It wouldn't even matter if only five people watched. It's a symbol to the country that the BBC considers the subject we're covering important.

BBC editor, 1992<sup>11</sup>

It would be wrong to assume simply that more freedom yields more innovation. Order and control are required to direct creativity to useful ends and to make use of creativity in innovative product and process. The Eldorado episode provides an excellent example of just how little control senior management could have over what the BBC did in the early 1990s. Eldorado was a serial based on the adventures of ex-patriates in Spain, and requiring the construction there of an entire new village. The government was threatening to break up the BBC,<sup>12</sup> the Corporation had overspent its budget,<sup>13</sup> senior managers were desperate to demonstrate that the BBC gave value for money<sup>14</sup> - and the BBC's creative staff was providing a perfect

<sup>9</sup> Quoted in Burns, *op.cit.*, p.244.

<sup>10</sup> Quoted in Marmaduke Hussey, *Chance Governs All*, Macmillan, London, 2001, p.207.

<sup>11</sup> Quoted in Michael Leapman, 'A tough issue for 'Panorama'', *Independent*, 25 November 1992, p.17.

<sup>12</sup> Colin Brown and John Pienaar, 'Tories consider splitting the BBC', *Independent*, 18 October 1991, p.1.

<sup>13</sup> Maggie Brown, 'Birt promises sweeping modernisation of BBC', *Independent*, 12 January 1993, p.3.

<sup>14</sup> *ibid*, 'BBC to rely on market in drive for efficiency', *Independent*, 30 October 1991, p.3.

example of just how profligate and incompetent it could be.<sup>15</sup> *Eldorado* was a glorious, £10 million flop; more pertinently, it had been launched without even the knowledge, much less the approval, of senior management, including John Birt, the director-general of the BBC from 1992 until 2000.

One of the problems was that it was such a secret. I don't know why it was such a secret anyway. This is something that slightly confuses me. We weren't even told the name until the night before the press release.

BBC manager 1992

*Eldorado!* It's the tackiest thing we've got. Have you seen it? It's gratuitous sexual innuendo throughout. .... It was a state secret mainly because ITV didn't know anything about it. If we had all known about it, then ITV would have found out about it.

BBC manager 1992

Defined as "the production of new ideas that are useful and appropriate to the situation",<sup>16</sup> creativity is but one contribution to innovation, though a contribution that may easily be extinguished by some of the others, especially the control required by management. A balance must be struck between control and creativity and finding this balance is a basic test of good management.<sup>17</sup> When managers are too heavy-handed, control benefits but creativity suffers: too light a touch profits creativity at the expense of control.<sup>18</sup>

A creative enterprise as large and structurally rigid as the BBC, run without market disciplines, will naturally tend either to be under insufficient managerial and financial control, or to be so checked by managerial system and restraints that its creative edge is blunted.<sup>19</sup>

Creativity is not the same as quality, and it is quality that dominates discussion of broadcasting (especially public service broadcasting).<sup>20</sup> Everyone is in favour of 'quality' programmes, a unanimity that would not withstand precise definition of the term.<sup>21</sup> Consequently, the term is not particularly meaningful in the broadcasting context (or the management context, for that matter). Creativity is. Creativity is the capacity to devise something new. It is an essential component of innovation, and

<sup>15</sup> Alice Thomson, 'Fighting for the honour of Auntie', *Times*, 30 October 1992, p.14.

<sup>16</sup> Kerrie Unsworth, 'Unpacking creativity', *Academy of Management Review*, 26, 2, 2001, pp.289-97.

<sup>17</sup> Gunnar Eliasson, 'Communication, information technology and firm performance' in S. Macdonald and J. Nightingale (eds), *Information and Organisation*, North Holland, Amsterdam, 1999, pp.285-304.

<sup>18</sup> David Puttnam, 'Saving its soul', *Guardian*, 26 October 1998.

<sup>19</sup> Ian Hargreaves, *Sharper Vision: The BBC and the Communications Revolution*, Demos, London, 1993, p.31.

<sup>20</sup> Alan Yentob, 'The view from the BBC' in Cristina Murroni and Nick Irvine (eds), *Quality in Broadcasting*, Institute for Public Policy Research, London, 1997, pp.29-31.

<sup>21</sup> John Corner, Sylvia Harvey and Karen Lury, 'Culture, quality and choice: The re-regulation of TV in 1989-91' in Stuart Hood (ed.), *Behind the Screens. The Structure of British Broadcasting in the 1990s*, Lawrence and Wishart, London, 1994, pp. 1-19; Michael Leapman, *op.cit.*, p.276.

hence of the competitiveness that springs from innovation. In public service broadcasting, programmes of quality are necessarily creative.<sup>22</sup>

The BBC provides a splendid example of this fundamental conflict between creativity and control in the organisation. The Corporation makes and broadcasts radio and television programmes, supported in the UK by an annual licence fee. Each household with a television set is required to purchase a licence, currently priced at £109. In recent years, the BBC has developed various commercial activities that yield income to supplement its licence revenue. These include selling its programmes overseas, licensing its formats, publishing, and marketing merchandise derived from its programmes. Co-producing programmes with other organisations shares production costs. More recently still, the BBC has been expanding its broadcasting overseas, delivering its programmes by satellite, launching subscription channels, and developing its Internet activities. World Service Radio is not part of these developments: it is funded by the Foreign Office and has been contracting of late.

### **Public Service Broadcasting and BBC Managers**

The BBC was the world's first public service broadcaster and is still its best known.<sup>23</sup> From being the only system of broadcasting, the relative importance of public service broadcasting has contracted sharply with the growth of commercial broadcasting, a reversal that now helps justify its preservation. The more dominant commercial broadcasting, the more necessary an alternative not governed by commercial incentives. Public service broadcasting, it is argued, will supply quality programmes while commercial broadcasting responds to mass demand.<sup>24</sup> There are problems with this argument. The assumption that quality is something that only a minority has been brought up to value is one with which Lord Reith, the first director-general of the BBC, would have been comfortable. But he would have made the further assertion that the BBC, as public service broadcaster, has a responsibility to educate the masses

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<sup>22</sup> Willard Rowland and Michael Tracey, 'Worldwide challenges to public service broadcasting', *Journal of Communication*, 40, 2, 1990, pp.8-27 (pp.12-13).

<sup>23</sup> Tracey, *op.cit.*, p.149

<sup>24</sup> John Gray, 'Cultural diversity, national identity and the case for public service broadcasting in Britain' in Will Stevenson (ed.), *All Our Futures*, British Film Institute, London, 1993, pp.14-22.

so that, “the supply of good things creates the demand for more.”<sup>25</sup> Quality was to be used to convert the English working class into the English middle class, with decent, middle class, family values.<sup>26</sup>

American commercial broadcasting of the 1950s helped set more objective standards for the BBC. As long as the former produced television programmes that the busy housewife could enjoy without having to watch,<sup>27</sup> the BBC could have a mission to produce whatever commercial television, and especially American commercial television, did not. The BBC even launched a gentle offensive by planning to sell British heritage programmes to the Americans to help counter American domination of world television.<sup>28</sup> So important was the mission to civilise that, even as late as the 1960s, the BBC measured its overseas programme sales not in money, but in terms of the number of countries buying and feet of film sold.<sup>29</sup> Two decades later, the mission was to give the public what it wanted, but this was a demand to which commercial broadcasting was also responding. The distinction would be that the BBC would offer a better product than commercial broadcasting, ‘better’ being measured simply in terms of distance from the profit motive. Hugh Greene, director-general of the BBC from 1960 to 1969, found profit particularly distasteful.

It would be a sad thing for mankind if the music of the spheres turned out to be no more than the jangling of cash registers.<sup>30</sup>

The argument that public service broadcasting should be commercial broadcasting with quality – that there must be a “proper relationship between popularity and quality”<sup>31</sup> – has been superseded by the notion that the public service product should actually be very similar to the commercial product, demonstrating thereby that public service broadcasting is responsive to public demand. The BBC is

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<sup>25</sup> Quoted in Simon Frith, ‘The pleasures of the hearth: The making of BBC light entertainment’ in T. Bennett *et al.* (eds.), *Formations of Pleasure*, Routledge & Kegan Paul, London, 1983, p. 108.

<sup>26</sup> *ibid.*; David Cardiff, ‘Mass middlebrow laughter: The origins of BBC comedy’, *Media, Culture and Society*, 10, 1, 1988, pp.41-60.

<sup>27</sup> Michael Tracey, *A Variety of Lives. A Biography of Sir Hugh Greene*, Bodley Head, London, 1983, p.142.

<sup>28</sup> *ibid.*, pp.139-43.

<sup>29</sup> E.g., *BBC Handbook 1964*, p.27; *BBC Handbook 1965*, p.41.

<sup>30</sup> Hugh Greene quoted in Tracey, *op.cit.*, p.194.

<sup>31</sup> *ibid.*, p.145.

quite content to exploit ratings statistics, the dominant indicator of commercial success, to demonstrate the popularity, and hence the value, of its programmes.

If you look at the schedules of BBC1 on a Saturday night, there is nothing there that a commercial broadcaster couldn't be providing just as well, probably better.

Independent producer 1992

Measuring the success of public service broadcasting in terms of market demand seems a little strange, but no stranger than commercial broadcasters justifying their role in terms of their non-market performance. In short, the distinction between public service broadcasting and commercial broadcasting has become blurred, commercial stations – at least in the UK – anxious to please the regulator with quality programmes, especially when licences are being auctioned.<sup>32</sup> Commercialism, then, is not necessarily the enemy or even the antithesis of creativity in broadcasting. Indeed, it is argued, commercialism produces the vast resources that permit the luxury of creativity and allow it to be implemented.<sup>33</sup> Access to such resources is made difficult for the BBC by the stipulation that licence fee income benefit only that part of the world's population with a UK television licence.<sup>34</sup> The BBC's efforts to reduce the financial burden on the licence-payer by making money in the media industry are severely constrained by the perpetual accusation that licence money is being diverted to purposes for which it was never intended.<sup>35</sup> BBC Enterprises (now Worldwide), the commercial arm of the Corporation, has long laboured logic to defend its earnings for the BBC.

All the costs of running BBC Enterprises are paid for from the funds generated by the company's commercial activities – no licence-payer's money is involved. But by helping to supplement the BBC's licence-fee income, Enterprises' activities benefit the viewing public, since the extra revenue generated helps to pay for programmes which otherwise might never be made.<sup>36</sup>

We have to be very careful that the product (I hate calling it 'product', they do here and I have tried to wean them off that) that the programmes that we produce are primarily designed for the people that pay our bills – the licence-payers, the British licence-payers. If they also happen to have international appeal and saleability, that's a bonus. We have to be very careful not to let the commercial tail wag the production dog.

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<sup>32</sup> A.S.C. Ehrenberg, 'What is the BBC worth?', *New Society*, 14 February 1985, pp.248-50; Colin Sparks, 'The future of public service broadcasting in Britain', *Critical Studies in Mass Communication*, 12, 3, 1995, pp.325-41; Richard Collins, 'Supper with the devil – a case study in private/public collaboration in broadcasting: The genesis of Eurosport', *Media, Culture & Society*, 20, 4, 1998, pp.653-63.

<sup>33</sup> Kathy Walker, 'Public service broadcasting and new distribution technologies' in Sally Wyatt *et al.* (eds), *Technology and In/Equality. Questioning the Information Society*, Routledge, London, 2000, pp.61-85.

<sup>34</sup> 'Britain's media giants', *Economist*, 12 December 1998.

<sup>35</sup> See Terri Judd, 'BBC World faces losses of £15m', *Independent*, 20 May 1999, p.7.

<sup>36</sup> *BBC Handbook 1987-88*, p.44.



It may be that the years of breast-beating about what is legitimate use of licence-payers' money are over and that other priorities now prevail. In an attempt to match the coverage of CNN, the BBC has recently merged its international operations.<sup>37</sup> The new organisation combines BBC World (commercially-funded and so prohibited from broadcasting in the UK) with BBC Online (funded by the UK licence-payer, but available wherever the Internet reaches) with the BBC World Service (funded by the British Foreign Office). New technology may also be helping to resolve the old dispute. Digital technology allows the BBC to provide other channels, such as BBC Knowledge, for specialist audiences. These might well satisfy the public service obligation for quality, leaving the BBC terrestrial channels to purvey more competitive material.<sup>38</sup> Now, whether CNN is an appropriate model for the BBC is a moot point; both John Birt and the BBC's management consultants seemed to think it is.<sup>39</sup>

In our experience, John Birt's goals are, among other things, to reduce the cost of programme making to the BBC while preserving its quality. He clearly wants to reduce revenue while building a world television service that competes with CNN. He intends to trade under the BBC's name and to sell programme 'products' to the proliferating number of broadcasters and cable channels around the world. Clearly, John Birt has a vision of the BBC in today's world.<sup>40</sup>

The licence fee puts the BBC in a peculiarly weak position to resist the imposition of what others consider to be good management. The licence fee provides most of the BBC's income, an arrangement described by Margaret Thatcher, a prime minister who insisted there was no such thing as society,<sup>41</sup> as a compulsory levy enforced by criminal sanctions.<sup>42</sup> Consequently, it is politically expedient that the BBC be encouraged, and be seen, to provide value for money. In its most evident form, this is the efficiency sought for all organisations.

Hussey has explained his strategy as chairman (of the BBC from 1986 to 1996) as strengthening the BBC's ability to survive a threatening political and commercial environment

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<sup>37</sup> Ashling O'Conner, 'Loss-making BBC World is saved by director-general', *Financial Times*, 4 November 2001, p.3.

<sup>38</sup> D. J. Taylor, 'Auntie and the yahoos', *Times*, 13 November 2001, Section 2, p.15; John Hambley, 'Will the BBC become the M&S of British broadcasting?', *Guardian*, 25 August 2001.

<sup>39</sup> Anne French, 'Creating heretical companies: An interview with Gary Hamel', *New Zealand Strategic Management Society Inc. Journal*, 1, 3, 1995.

<sup>40</sup> George Litwin, John Bray and Kathleen Lusk Brooke, *Mobilizing the Organization*, Prentice Hall, London, 1996, p.153.

<sup>41</sup> Rowland and Tracey, *op.cit.*, p.14.

<sup>42</sup> Hussey, *op.cit.*, p.200.

.... This is the outlook and idiom of a business man concerned to 'turn-around' a company in difficulties.<sup>43</sup>

When John Birt arrived as deputy director-general in 1987, "the BBC was egregiously wasteful, overstaffed, undermanaged and prone to editorial gaffes."<sup>44</sup> According to Marmaduke Hussey, BBC chairman from 1986 until 1996, "a failing management culture .... was leading the BBC to disaster."<sup>45</sup> Stories abound of the unchecked profligacy of BBC staff. Many concern automobiles, and especially the prodigious use of taxi cabs. Almost gleefully, Hussey recounts the £50 spent on a cab sent to purchase a black tie, and how taxis waited outside restaurants while BBC staff fed themselves inside. But, once again, as Burns noted, stories of wastefulness have long been common currency in the BBC, and have frequently involved black ties and motor cars.<sup>46</sup>

One of the things that struck me most when I joined the BBC was the amazingly cavalier attitude to money. Staff flew to America by Concorde and back [sic]. Our resources department, I discovered, was so well equipped with outside broadcasting units that if the entire royal family died, a third world war broke out and England won the Ashes, all on the same day, we could handle it quite easily.<sup>47</sup>

The BBC was ill-equipped to defend itself against a right-wing government convinced that the BBC was irretrievably socialist. The Corporation's charter was scheduled for renewal in 1996 and for the first time ever the renewal was not a foregone conclusion.<sup>48</sup> The Peacock inquiry of 1986 had concluded that the BBC should move towards a market system based on consumer sovereignty.<sup>49</sup> The White Paper of 1988, *Broadcasting in the 90's: Competition, Choice and Quality*, confirmed the Tory government's determination that this should happen. In 1992, the government published its Green Paper, *The Future of the BBC*, to which the BBC published its response, *Extending Choice*, within a week. Both are redolent with the notion that the BBC must deliver value for money.<sup>50</sup> The BBC had to change, it had to exploit new technology, to adapt to new structures in the media industries, to operate internationally: to change, the BBC needed managers.

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<sup>43</sup> Peter Walters, 'The crisis of 'responsible' broadcasting: Mrs Thatcher and the BBC', *Parliamentary Affairs*, 42, 3, 1989, pp.380-98 (p.396).

<sup>44</sup> *Economist*, 'A very Birtish coup', 30 August 1997.

<sup>45</sup> Hussey, *op.cit.*, p.213.

<sup>46</sup> E.g., Burns, *op.cit.*, p.271; John Birt, *The Harder Path*, Timewarner, London, 2002. p.395.

<sup>47</sup> Hussey, *op.cit.*, p.205.

<sup>48</sup> *ibid.*, p.200.

<sup>49</sup> Rowland and Tracey, *op.cit.*

<sup>50</sup> Peter Goodwin, 'The future of the BBC', *Media, Culture and Society*, 15, 3, 1993, pp.497-502.

Many BBC managers were still more administrator than manager. They might have known the BBC well, but they were ill prepared to manage radical change.

I think this is the most difficult area – how to get organised. That was the area I would be interested to talk to you about.

BBC manager 1991

I have not heard that term before – ‘matrix management’? There is not much cross fertilisation.

BBC manager 1991

I have the impression that the BBC feels – quite rightly – that it has to manage change, it has to become much more cost effective and the senior management – many of whom I know, we go back a long way – who are doing this are people who have never in their lives so much as run a corner shop.

Independent producer 1992

BBC management probably was slack; as Dennis Potter so trenchantly put it: “there have long been people at the BBC ready to spout about their dedication to public service broadcasting, who think it is an absolute impertinence if they are asked to get out of their beds of a morning.”<sup>51</sup> Whether BBC management was competent is quite another matter. If it is the case that creative endeavour cannot be managed in any conventional sense, then the wise manager must sometimes back off if creativity is to flourish. This is actually rather hard to do: knowing when not to interfere – and then not interfering – is one of the rarer management skills. Its importance in innovation is widely acknowledged, though management texts and management schools have little to say about the passive manager. Their managers tend to be active; indeed, proactive. If there is to be change in the organisation, then it is to be management-inspired and management-led change. Among those who really know about managing, there is little patience with the argument that creativity requires organisational slack, even the cultivation of organisational fat.

But these developments have been gradual and should not be attributed to a particular regime. The BBC has never had enough money to do as much as it might,<sup>52</sup> and the BBC has always been threatened by government, whatever the political hue. What was different in the 1990s was that BBC managers chose to see government opposition not as a problem, but as an opportunity.<sup>53</sup>

<sup>51</sup> Quoted in David Lister, ‘Dramatist sounds on Birt regime’, *Independent*, 28 August 1993, p.3.

<sup>52</sup> David Cardiff, ‘Time, money and culture: BBC programme finances’, *Media, Culture and Society*, 5, 1983, pp.373-93.

<sup>53</sup> Rhys Williams, ‘Birt weathers the long winter of discontent’, *Independent*, 5 July 1995, p.8.

Birt grasped the nettle. Leaving to others the time-honoured task of extolling the virtues of the BBC, he concentrated on what was wrong, on what had to change, and change significantly, if the BBC were to survive as it was, funded, for the most part, as it was.<sup>54</sup>

The BBC had long employed management consultants and been guided by the latest thinking in the management schools.

The McKinsey inspired creation of output directorates in 1969 followed closely the Chandler (1962) multi-divisional structure; these 'M-form' multi-divisions became corrupted in the manner diagnosed by Williamson (1975), whose advocacy of market transactions to show transparency of costs heavily influenced the BBC's decision to move to an internal market; and the early 1990s fashion for 'business process re-engineering' (Hammer and Champy, 1995) could be cited to explain Birt's faith in organizational reinvention.<sup>55</sup>

What is different between now and then is not the obstacles with which the BBC is faced, but rather the opportunity these obstacles offered to a managerial class empowered by all the weapons in the managerial armoury, not least management consultants. Despite all the sabre-rattling, the circumstances in which the BBC found itself had changed much less than the circumstances in which managers found themselves.

The changes noted by Burns in the decade after 1963 included an increase in the tendency of staff to think of the BBC as an industry rather than an institution,<sup>56</sup> and in concern that the BBC please government by being seen to be managed efficiently.<sup>57</sup> Most marked, though, was the transmutation of administrators into managers,<sup>58</sup> and the concomitant evaporation of the old-fashioned notion that it is incumbent on the administrator to relieve creative staff of administrative burdens so that they can concentrate on being inspired.<sup>59</sup>

When I came to interview people lower down the organisational hierarchy, the question of who was 'on top' – in the sense of ideological dominance – was soon answered. It was management .... By 1973 the lines of confrontation seemed to be horizontal – between the 'professionals' and the 'managers', who were no less the agents of the new managerialism for being ex-professionals.<sup>60</sup>

What was yet to occur in the BBC was the transmutation of managers into professionals of a new sort. The BBC's growing dependence over many years on management methods and management consultants meant that the professionalism of

<sup>54</sup> Litwin, Bray and Brooke, *op.cit.*, p.145.

<sup>55</sup> Victoria Wegg-Prosser, 'Thirty years of managerial change at the BBC', *Public Money and Management*, 21, 1, 2001, pp.9-14 (p.11).

<sup>56</sup> Burns, *op.cit.*, pp.212, 237.

<sup>57</sup> *ibid.*, p.212.

<sup>58</sup> *ibid.*, pp.14-17.

<sup>59</sup> Burns, *op.cit.*, pp.211, 217.

<sup>60</sup> *ibid.*, p.253.

those who create would inevitably be pitted against the professionalism of those who control.

### **Management Consultants in the BBC**

Burns asserts that McKinsey and Company was the first management consultant to be hired by the BBC. That was for the great reorganisation carried out in the late 1960s. Interestingly, he notes that McKinsey contributed nothing to the changes themselves, but that they would not have occurred without the McKinsey *imprimatur*. McKinsey acted not only as a catalyst, but also as a “popular managerial detergent”, an essential part of a public relations exercise to demonstrate that the BBC was becoming even more efficient.<sup>61</sup> McKinsey, one of the world’s largest consultancies, continued to be the BBC’s house consultant, with its own office in Broadcasting House,<sup>62</sup> though Coopers and Lybrand was rumoured to have an office adjacent to Birt’s in the early 1990s.<sup>63</sup>

What was new under Birt was not the presence of management consultants in the BBC, but the scale on which they came to be employed. The Corporation spent £6 million on management consultants in the eight months to July 1994,<sup>64</sup> and is said to have been paying something like £22 million a year for management consultants in the 1990s.<sup>65</sup> In the 1997-98 financial year alone, the BBC paid £28 million to external advisors, of which £4 million went to McKinsey, £3 million to PA Consulting, and £1.8 million apiece to Ernst & Young and KPMG Management.<sup>66</sup> By the late 1990s, even the management consultants employed by the BBC were advising that the BBC employed too many management consultants.<sup>67</sup> BBC senior managers disagreed, pointing out that the Corporation’s expenditure on management consultants was not out of keeping with what other organisations of similar size were spending.

We’re not at all embarrassed about using consultants. All good companies that I’m aware of use consultants. I insist we shouldn’t be apologetic about this.

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<sup>61</sup> Burns, *op.cit.*, pp.230-1, 255.

<sup>62</sup> Georgina Born, ‘Reflexivity and ambivalence: Culture, creativity and government in the BBC’, *Cultural Values*, forthcoming (p.12).

<sup>63</sup> Steven Barnett and Andrew Curry, *The Battle for the BBC*, Aurum, London, 1994, p.209.

<sup>64</sup> *ibid*, p. 209.

<sup>65</sup> Ben Potter and Rebecca Barrow, ‘Protests as BBC spends £22m on advisors’, *Daily Telegraph*, 7 August 1999, p.1.

<sup>66</sup> Jason Deans, ‘BBC consultancy spend tops £28m’, *Broadcast*, 10 September 1999, p.1.

<sup>67</sup> *Economist*, ‘A very British coup’, 30 August 1997.

Similarly, managerial performance in the BBC was to be measured in terms of managerial performance in other organisations, by “the standards of major change elsewhere in British institutions and industry.”<sup>69</sup> Parity with big business justified the 3.4 per cent of expenditure devoted to the BBC’s central management team. It justified even the new managerial language of BBC managers, much-mocked and known as ‘Birt speak’: “that’s the way they talk in business schools and board rooms”.<sup>70</sup>

Under Birt, staff complained of being suffocated – by geek speak, by initiative after initiative, by men and women in suits with clipboards checking on what they were doing.<sup>71</sup>

This view of the BBC is revealing in that the explanation for the BBC’s creativity, and often the justification for the BBC’s very existence, tend to be firmly rooted in the notion that the BBC is not like other organisations, that it is fundamentally different from other organisations.<sup>72</sup> Broadcasting is also different from other industries.

.... If you take the methods of the plastics extrusion industry and apply them to broadcasting you should not be too surprised if the programmes begin to lose their individuality and all elements of surprise.<sup>73</sup>

But again, the change is neither new nor sudden: even in 1986 senior managers in the BBC were accused of treating the BBC as a large organisation rather than a public service broadcaster.

Top management talk money too much and policy too little. .... Its top communicators are too obsessed with a mistaken notion of neutrality in current affairs and features. They don’t think out new and challenging points of view. Producers too often fall back on fashionable stereotypes.<sup>74</sup>

One of the first targets of the management consultants hired to seek greater efficiency and value for money in the BBC was what was always termed ‘bloated bureaucracy.’ John Harvey-Jones had recommended in the early 1990s that the BBC

<sup>68</sup> Quoted in Chris Blackhurst, ‘Whitehall prepares for quiet technocrat who sent fear through BBC’ *Independent*, 10 August 2001, p.3.

<sup>69</sup> Michael Starks, ‘Producer choice in the BBC’ in Anthony Harrison (ed.), *From Hierarchy to Contract*, Transaction Books, New Brunswick NJ, 1993, p.174. See also Janine Gibson, ‘BBC chairman on the attack after Hussey criticism’, *Guardian*, 5 March 1999, p.9.

<sup>70</sup> Ian Hargreaves, ‘The reviled revolutionary’, *Independent*, 9 March 1999, Review p.12.

<sup>71</sup> Blackhurst, *op.cit.*

<sup>72</sup> ‘Last of the Birtists’, *Guardian*, 28 January 2000; ‘BBC revisionism’, *Guardian*, 5 March 1999, p.23.

<sup>73</sup> Christopher Dunkley, ‘Too serious to be really funny’, *Financial Times*, 29 July 1998.

<sup>74</sup> Noel Annan, ‘To BBC or not to BBC?’, *New Society*, 31 January 1986, pp.195-6.

dispense with a third of its managers.<sup>75</sup> The old bureaucracy was slimmed down, only to be replaced with new managers, but managers of a different stripe altogether.<sup>76</sup> The BBC of John Birt was, above all else, to be a managed BBC.

Did our managers have the skills and competencies? Manifestly not: most BBC department heads regarded themselves as team leaders, not managers. Many behaved like shop stewards representing the interests of their people, not the wider BBC. At best, they were administrators.<sup>77</sup>

It was left to Greg Dyke to announce on his accession as chief executive in 2000 that many management posts would have to go, and that administration costs would be reduced from 24% of revenue to 15% over the next five years.<sup>78</sup>

Unfortunately John [Birt] is someone who has the highest ideals but sometimes failed to see that in implementing them a different kind of bureaucracy would result. In trying to create logical directorates he brought in endless think tanks, flow charts and consultants.<sup>79</sup>

Birt constantly talked of greater efficiency. And yet, during his time at the helm, things became increasingly inefficient and top-heavy, like some Communist bureaucracy gone mad.<sup>80</sup>

The management consultants who worked alongside this new breed of manager may have known management well, but not the BBC, and often not even the media industry.<sup>81</sup> This did not necessarily make them unwelcome to BBC staff.

McKinsey were the greatest luxury I have ever known. We were all working terribly hard and this gang of intelligent people came in who saw both the wood and the trees. They picked on all sorts of things which needed urgent attention, things which were obvious to all. The downside was that their remedies were of buggar all use because McKinsey knew nothing about the industry.

BBC manager 1998

Even the new breed of BBC manager tended to be more conversant with management method than with the BBC. Management consultant looked to manager for guidance, and manager looked to management consultant.

[The McKinsey consultants] all went back to the States for Christmas leave and came back full of ideas. They had phoned up everyone they knew in the media industry.

BBC manager 1991

Consultants are often badly briefed by the people at the top. They do not understand the business and the danger is that they will come in, never see you, and then make recommendations that will seriously impact on your business.

BBC manager 1999

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<sup>75</sup> Hussey, *op.cit.*, p.252.

<sup>76</sup> Tom O'Malley, *Closedown?*, Pluto, London, 1994, pp.158-9.

<sup>77</sup> Birt, *op.cit.*, p.323.

<sup>78</sup> Tom Leonard, 'Dyke takes axe to Birt bureaucracy', *Daily Telegraph*, 4 April 2000, p.1.

<sup>79</sup> Janet Street-Porter, 'Purge the BBC with its obsession with youth and ratings', *Independent*, 1 November 1999, Review p.5.

<sup>80</sup> Editorial, 'Mr Dyke must perform a difficult balancing act', *Independent*, 4 April 2000, Review p.3.

<sup>81</sup> Tim Madge, *Beyond the BBC*, Macmillan, Basingstoke, 1989, pp.153-4.

Consultants should be experts in the field. That is where you put your trust, your knowledge, in the hope that it will not be mis-used. I feel conned.

BBC manager 1999

Many BBC staff did not welcome the influx of management consultants. Hired by senior managers, management consultants represented the authority BBC staff loved to hate.

Despite being a very senior correspondent, I never once had an exchange of views with a BBC Director General during my 20 years on the staff. Occasionally I would get advance notice that a McKinsey person would be calling to interview me, and I would then make a point of being out of the country.

BBC correspondent 1999

Always reluctant to be administered, BBC staff were determined not to be managed, and management consultants became the focus of their discontent.

In the BBC, for example, when the notion of performance goals was introduced, there was an enormous and violent reaction by almost all of the production and broadcast units. How could one quantify the subtleties involved in producing costume dramas or news? Would these people who had fought so long for a high quality BBC lie down before modern management techniques which emphasised quantitative success over qualitative value? The story, in short, is that the BBC production and management cultures substantially resisted the introduction of performance goals.<sup>82</sup>

The management consultants who generated this discontent also offered the means by which it could be quelled. The management methods designed to increase efficiency depended on managers being able to control. Those who control can come to be feared. Some would argue that without fear there is no control.<sup>83</sup>

Bear in mind that anyone who didn't agree with John Birt tended not to last long at the BBC. These are the ones that survived and prospered.

BBC manager 2000<sup>84</sup>

Anyone [critical] .... Was given short shrift by the BBC's famously prickly bosses. They never argued their case, but merely asked allcomers: 'Why do you so hate the BBC?' They had ceased to be broadcasters and had become pre-Reformation cardinals.<sup>85</sup>

When you think of the careers [John Birt has] smashed up, all the talented and intelligent people whose lives have been just wrecked and made a misery, the people who have been neutralised or are now burnt-out cases, it's like the Soviet Union under Stalin. He has absolute control, and he's feared.

BBC manager 2001<sup>86</sup>

<sup>82</sup> Litwin, Bray and Brooke, *op.cit.*, p.136.

<sup>83</sup> See Jane Robins, 'Dyke's epilogue for a BBC where even trailers had to be approved by 17 people', *Independent*, 1 April 2000, p.7.

<sup>84</sup> Quoted in Tom Leonard, 'Dyke sows the seeds for a caring BBC', *Daily Telegraph*, 4 April 2000, p.4.

<sup>85</sup> Simon Jenkins, 'Does the BBC need the Microsoft cure?', *Times*, 5 April 2000, p.2.

<sup>86</sup> Quoted in Blackhurst, *op.cit.*



John Birt recollects a Christmas dinner cooked for his ‘top team’ by the Two Fat Ladies, who were allowed to harangue the gathering “without fear”.<sup>87</sup> It would seem that such liberties were not normally taken. According to one former BBC governor, “Creativity in sound and vision doesn’t flourish in an atmosphere of despotism, coercion and fear.”<sup>88</sup>

Fear is more constricting than any BBC bureaucracy has ever been. In a large and complicated organisation, it puts a high premium on sycophancy and virtually rules out healthy criticism of the management .... The present management places no premium on genuine loyalty, only on the sort of loyalty which does not rock the boat.<sup>89</sup>

Management consultants were used, quite deliberately, to terrorise BBC staff. Consultants would often swoop without notice. The following e-mail message was sent to staff at BBC Worldwide at 9.57 am on Monday, 9 November 1998.

On Monday, 9<sup>th</sup> November, a team from AT Kearney will begin work on site at Woodlands. Their initial brief is to spend the next two to three week’s [sic] talking to selected people in the business to form an overall assessment of your problems and the barriers to Worldwide being more effective, growing more quickly and being more profitable.<sup>90</sup>

The cultural clash between management consultants and BBC staff was almost palpable. Here, almost in limerick form, a management consultant unwittingly discloses the culture gap between consultant and BBC staff:

An adventurous young personnel officer from the Midlands raised his voice in the midst of a de Bono brainstorming session on the nature of the BBC in its 1989 form. As his colleagues called out various analogies, the BBC having been likened to a medieval fair, an octopus, a pond, [a BBC manager] suggested: ‘The BBC is like a string vest. It appears to have a formal connective structure, but what really makes it work is what goes on between the lines.’<sup>91</sup>

BBC staff tend to be educated in the Arts; they take pride in their power of logic, and – perhaps above all – in their command of the language. Cynics insist they can identify BBC managers who have attended management courses by the language they learn there.<sup>92</sup>

I remember going on one course where the subject was ‘excellence’ and the chap held up a chart with the word ‘separate’ misspelt.<sup>93</sup>

BBC manager c.2000

Literacy and eloquence were insufficient for communication with management consultants, who had their own logic and who seemed to speak their own language.

<sup>87</sup> Birt, *op.cit.*, p380.

<sup>88</sup> Baroness James, *House of Lords Hansard*, 3 March 1999, column 1680.

<sup>89</sup> Mark Tully as quoted in Michael Leapman, ‘Fear rules under Birt’s revolution, Tully says’, *Independent*, 14 July 1993, p.3.

<sup>90</sup> Internal BBC e-mail.

<sup>91</sup> Litwin, Bray and Brooke, *op.cit.*, p.198.

<sup>92</sup> Barnett and Curry, *op.cit.*, p.190.

They were, however, perfect for protesting in the media, with which BBC staff tended to have close connections.<sup>94</sup> A BBC advertisement for a head of knowledge management was quite enough to prompt cynical comment in the press.<sup>95</sup> Newspaper articles declared that the BBC was less creative now than it has been: that it had lost its edge in the Arts,<sup>96</sup> that its comedy was no longer funny.<sup>97</sup> The BBC was accused of dumbing down to the level of its commercial rivals,<sup>98</sup> of slithering into “mindless, pasteurised programming.”<sup>99</sup> And while the public continued to think highly of the BBC’s thoroughness and reliability, its originality was less impressive.<sup>100</sup> The trouble was – as one senior BBC journalist put it in 1999 – “The BBC never was what it was.”

Like other organisations of its size, the BBC sent its managers on training courses, sometimes to the most prestigious business schools. For example, the controller of BBC2 attended a six-week course at Wharton on “how to communicate with one’s staff” at a cost of \$36,000 in 2001.<sup>101</sup> BBC sources insist that only 36 managers have attended the advanced executive programmes of the major business schools since 1994, though 700 have been to the Bradford Management Centre, of whom 70 have completed the MBA there.<sup>102</sup>

The BBC offers its own MBA supported by Bradford University, under which management high-flyers are encouraged to develop marketing, business strategy and information technology skills essential to the demands of running a modern business.<sup>103</sup>

The University of Bradford Management Centre has indeed run a dedicated MBA for the BBC since 1993, intended, according to Birt, to “enhance management skill within a creative institution.”<sup>104</sup> The University claims that 400 BBC managers

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<sup>93</sup> Jane Robins, ‘How to get educated at the BBC’s expense’, *Independent*, 22 February 2000, Review p.8.

<sup>94</sup> Steven Barnett, ‘Bashing the Beeb’, *Guardian*, 23 August 1999.

<sup>95</sup> *Evening Standard*, 4 March 1999, p.4.

<sup>96</sup> Fiachra Gibbons, ‘Bragg accuses BBC of deserting arts duty’, *Guardian*, 13 September 2001, p.19; Dennis Marks, ‘Why the BBC needs a little more art and soul’, *Independent*, 7 June 2000, p.9.

<sup>97</sup> Jade Garrett, ‘The bottom line just isn’t funny’, *Independent*, 23 October 2001, Review p.8; Dalya Alberge, ‘Writer laments BBC’s lost comic touch’, *Times*, 7 August 2000, p.5.

<sup>98</sup> Martin Dickson, ‘Auntie with attitude: Privatisation’s last frontier’, *Financial Times*, 1-2 September 2001, p.11.

<sup>99</sup> Polly Toynbee, ‘Shocks on the box’, *Guardian*, 21 September 2001, p.21.

<sup>100</sup> Hargreaves, *op.cit.*

<sup>101</sup> ‘Word on the Street’, *Independent*, 30 January 2001, p.9.

<sup>102</sup> Bob Nelson, ‘Managing the BBC’, letter to *Independent*, 8 March 2000, Review p.2.

<sup>103</sup> [www.lineone.net/clubs/business/top\\_jobs/cad/carch03-d.html](http://www.lineone.net/clubs/business/top_jobs/cad/carch03-d.html) (accessed 9 August 2001).

<sup>104</sup> Quoted in Maggie Brown, ‘Corporate culture faces re-education’, *Independent*, 12 January 1993, p.3.

have now passed through either this or Bradford's Diploma in Business Administration course.<sup>105</sup> Some 700 have been awarded the Executive MBA.<sup>106</sup>

Birt believed. He had complete faith in what he saw as 'management science'.

.... Britain was just catching up on a set of ideas – management science – that had emerged since the war, chiefly from the US business schools. Britain's failure to apply these notions in earlier decades was one factor behind our relative decline.... Bringing greater discipline to the anarchic BBC had demonstrably improved the scale and intensity of our creativity. But there was no persuading the average arts critic, front-line journalist or newsroom inhabitant .... of the virtues of modern management.<sup>107</sup>

Birt embraced the whole paraphernalia of management science: he mixed with enlightened business school professors, joined retreats with deep-thinking business gurus, identified leading management thinkers, surrounded himself with hand-picked teams ('senior management', 'core' and 'top') of indebted lieutenants, sought 'best practice' with the leaders of British industry, and, of course, he adopted the language of management with its 'brainstorming', 'world class' and 'can-do' clichés that proved such "an easy target for lazy, closed minds."<sup>108</sup>

On one occasion, guided by *Black's Flawless Consulting*, "Elton Mayo's classic advice" and the science of system dynamics, "founded by Jay Forrester, inventor of the memory for the digital computer", management consultants took BBC staff to 'an inn' and blindfolded one of each pair before leading them into dinner "under the stunned gaze of the genteel older couples enjoying claret."<sup>109</sup> Such merry japes were intended to teach the importance of partnership. One BBC employee recalls the quiz held at 8.30 every Monday morning in the early 1990s to test familiarity with the BBC catalogue (£5 for ordinary customers, £30 in leather for special ones). There were also communal events, such as skiing trips and visits to health farms, to encourage 'team playing'. These and the vocabulary of the management consultants – 'blue skies', 'green field', 'level playing field' – left her bemused and estranged: "They talked about multi-tasking – whatever the hell that might mean." Even consultants' own accounts of their activities can be confusing.

Oakland undertook a rigorous analysis of key drivers and levers for cost and performance. Core processes were identified and mapped. An innovative and creative approach to

<sup>105</sup> [www.brad.ac.uk/acad/mamangement/corpmba/](http://www.brad.ac.uk/acad/mamangement/corpmba/) (accessed 9 August 2001).

<sup>106</sup> [www.careerworld.net/universities/Business%20Schools/Bradford.htm](http://www.careerworld.net/universities/Business%20Schools/Bradford.htm) (accessed 9 August 2001).

<sup>107</sup> Birt, *op.cit.*, p.443.

<sup>108</sup> Birt, *op.cit.*, pp.260, 263, 265, 356-8, 397, 443.

<sup>109</sup> Litwin, Bray and Brooke, *op.cit.*, pp.207-10.

improvement was adopted, bringing together changes in people, technology and processes. Delivery and support processes were appraised and simplified, current rules and assumptions governing these processes were challenged and opportunities for radical re-engineering highlighted.<sup>110</sup>

New managers, those not steeped in the BBC ethos, were less puzzled than established staff by the consultants' message. The BBC's head of corporate management development in the 1990s pleased consultants with his recognition that change occurred in precisely twelve steps, each one starting with the letter 'C'.<sup>111</sup> Thus inspired, he determined to jerk BBC staff out of their complacency towards change.

Once again, [the consultants] found themselves in [the head of corporate management development's] garden, this time looking at an industry competitive map and a pair of mountaineering boots. Pointing to the chart, [he] commented, 'The BBC experience used to be like an elegant dinner party, but looking at our present situation, something quite different is required.' Accordingly, [he] wanted to train for combat. Abseiling was to be the means of increasing the capacity for risk.<sup>112</sup>

Almost miraculously, the consultants seemed to take the uncertainty out of managing. The Burke-Litwin model, for example, revealed not only the impact of change, but also what had to change before other change could occur.

The ability to predict what will be affected by change in any one box is a very important aspect of the Burke-Litwin model. It certainly gives you an advantage in planning and managing change .... Interestingly, that was confirmed for me last week at a seminar at the London Business School.

BBC manager c.1995<sup>113</sup>

The previous DG [director-general] was very involved in the operating climate of the various production units of the BBC. He did not have an overview, and trusted day-to-day management to his key subordinates. In contrast, I am suggesting that our present executive team focus on the upper-level boxes – the strategy, the culture and the leadership necessary to actually change the ongoing day-to-day practice, the management practices that are characteristic of the organization.

BBC manager c.1995<sup>114</sup>

Producer Choice, devised with the assistance of Coopers and Lybrand, Price Waterhouse, Ernst and Young, and Kinsley Lord, and implemented by a steering group chaired by John Birt, is the most notorious example of management method in

<sup>110</sup> Advertisement, 'Business transformation for BBC', *Independent*, 1 February 2001, Feature p.17.

<sup>111</sup> The connoisseur will want to know that these are Clarity, Consistency, Context, Colleagues, Champions, Communication, Commitment, Celebration, Coalitions, Consequences, Cement and Courage. Litwin, Bray and Brooke, *op.cit.*, p.199.

<sup>112</sup> *ibid.*, p.211.

<sup>113</sup> Quoted in *ibid.*, p.259.

<sup>114</sup> Quoted in *ibid.*, pp.255-7.

the BBC.<sup>115</sup> At LWT, whence Birt had come, the internal market notion was taken seriously enough for each manager to pay for office space out of budget.<sup>116</sup> In the BBC, according to Ernst and Young, it was not possible to determine even what a programme cost to make.<sup>117</sup> Burns had regarded McKinsey's system of delegated financial responsibility a quarter century earlier as radical,<sup>118</sup> but Producer Choice gave producers the freedom to spend their programme budgets wherever they could get best value, and threatened to swamp the organisation in transactions costs. Some 481 business units (and therefore 481 cost centres) in 1993 had to be reduced to fewer than 200 the following year,<sup>119</sup> and to fewer than 50 when Dyke took over in 2000.<sup>120</sup> Under Producer Choice, according to BBC-watchers in the media, buying a music recording became cheaper than borrowing it from the BBC Library,<sup>121</sup> staying at the Waldorf cheaper for BBC night staff than using the Corporation's own bed and breakfast lodgings, and the BBC wardrobe department had to sell some of its costumes only to buy them back again.<sup>122</sup> Mocking staff created a Producer Choice mythology; a Sunday newspaper even offered a bottle of champagne for the most ludicrous example of how Producer Choice was giving value for money.<sup>123</sup>

The suffocating market bureaucracy of 'Producer Choice' has meant that the BBC's radio drama directors/producers have to show due consideration for paying for the cost of even one editing razor blade. The same amount of paper work is expended in the ordering of an item of equipment costing one pound as commissioning an established writer to produce a script for five thousand pounds.<sup>124</sup>

Producer Choice allowed some huge savings to be made, but often by those outside the BBC as the Corporation sought to realise some value for its underused assets on the open market. When the Meteorological Office beat the BBC to the World Service TV contract for weather reports, it sub-contracted to the BBC to produce them at marginal rather than actual cost – a 90% saving for WSTV. Even so, Producer Choice was to be the foundation for a new, efficient BBC.

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<sup>115</sup> Oonagh McDonald, 'Producer choice in the BBC', *Public Money and Management*, 15, 1, 1995, pp.47-51; Burrell and Curry, *op.cit.*, p.185.

<sup>116</sup> Maggie Brown, 'BBC to introduce 'internal market'', *Independent*, 28 August 1991, p.5.

<sup>117</sup> Hamish McRae, 'A bad business at the Beeb', *Independent*, 24 July 1991, p.19; 'Tuning in to the future', *Economist*, 5 September 1992, p.27.

<sup>118</sup> Burns, *op.cit.*, p.234.

<sup>119</sup> McDonald, *op.cit.*

<sup>120</sup> 'Petal power', *Economist*, 8 April 2001.

<sup>121</sup> Helen Gibson, 'Remaking Auntie', *Time Europe*, 17 April 2000.

<sup>122</sup> See 'Costume drama', *Independent*, 23 June 1992, p.3.

<sup>123</sup> Burrell and Curry, *op.cit.*, pp.187-8.

<sup>124</sup> Tim Crook, 'International radio drama – Social, economic and literary contexts', p.14, [www.irdp.co.uk/radiodrama.htm](http://www.irdp.co.uk/radiodrama.htm) (accessed 2 August 2001).

.... the licence fee payer wants assurance of value for money. The purpose of Producer Choice is to provide that assurance.....The viewer or listener wants quality without extravagance: not expensive perfectionism which is on the screen so fleetingly in the background that the audience cannot detect it; but rather the tradition of craft excellence which BBC production resource departments have built up through a combination of training, peer group professionalism, and producer expectation.<sup>125</sup>

Such curious reasoning, blending as it does notions of value for money with professionalism and craftsmanship, allowed the BBC to claim that management consultants had saved the Corporation £590 million annually since 1993,<sup>126</sup> that efficiency had increased without loss of quality, and that creativity had not been curbed.<sup>127</sup> Not everyone agreed. Dismissing ‘quality’ as a weasel word, Nicholas Garnham explored the damage that Producer Choice had inflicted on creativity.

Whatever the financial saving, the cost of such a move has already produced a serious erosion of morale among the very creative talent needed to fulfil the BBC’s bright new purposes, coupled with a shift of decision-making power, in a very un-public service direction away from creative programme-makers and towards commissioning editors and cost accountants.<sup>128</sup>

Ironically, morale was particularly undermined in Enterprises, the BBC’s commercial arm, charged with making money for the BBC by selling its product. This entailed funding the most commercially-promising ventures. Producers had often been tempted to bypass Enterprises in their desperation for funding: now they were positively encouraged to sell BBC resources cheaply in the open market.

It’s just possible because at the end of the day the boys down the road don’t give a monkey’s – the producers, they want to make their programme and they will get their money by hook or by crook. And they will do what I call short-term funding. So, if they have got a shortfall of £10,000, they will give benefits of maybe £50,000 just to make the £10,000.

BBC manager 1992

But internal market failure was not to be allowed to spoil the elemental purity of Producer Choice. In Birt’s mind, Producer Choice would quite obviously let producers be more creative by taking resources from bureaucrats.

Producer choice will encourage rather than stifle creativity. The BBC has been a bureaucratic organisation where resources have been apportioned by administrators. Producer choice gives more power to programme makers.<sup>129</sup>

Producer Choice succeeded where it was always meant to succeed, in showing the government that the BBC was reducing its costs. In fact, the BBC’s internal

<sup>125</sup> Starks, *op.cit.*, pp. 166-76.

<sup>126</sup> Ben Potter and Rebecca Barrow, ‘Protests as BBC spends £22m on advisors’, *Daily Telegraph*, 7 August 1999, p.1.

<sup>127</sup> McDonald, *op.cit.*

<sup>128</sup> Nicholas Garnham, ‘The future of the BBC’, *Sight and Sound*, 3, 2, 1993, pp.26-28 (p.28).

<sup>129</sup> John Birt as quoted in Jonathan Miller, ‘Birt set to axe thousands in BBC revolution’, *Sunday Times*, 6 September 1992, pp. 1, 16 (p.16).

production costs had already been significantly lower than external production costs.<sup>130</sup>

In the context of the harsh managerialism within the BBC, the logic of Producer Choice was not only that producers could fund creative talent in the outside world, but also that the outside world was the place where the BBC's creative talent should be.<sup>131</sup> Among those most comfortable with the consultants were the many professional managers who joined the BBC in the 1990s, often from industries outside broadcasting: among the least comfortable were BBC old hands, many of whom left.

Duke Hussey rang me last night to say he was sorry I was going, and could I tell him anything about why? And I said one of the major reasons is that I'm fed up to the back teeth with the constant streams of visions and initiatives and restructurings and performance reviews which come out of the BBC's Corporate Centre and are imposed from it in a centralist way .... It feels regularly like we are living in a ludicrous crucible of management theory here, as kind of specimens. Someone will come up with another management theory which will be the BBC favourite in three months' time, and lo and behold a whole set of rules will be passed down to implement it.

BBC manager 1996<sup>132</sup>

The BBC's new managers, many appointed personally by Birt, were eager to welcome the change initiatives being launched, and reluctant to acknowledge the virtues of established systems, even when these were in tune with the latest management thinking. For example, they talked about the need to 'get close to the customer' even though the BBC has long been a determinedly customer-centred organisation. Change allowed new managers to undermine the experience base of old managers.

The power the creative staff once had has been usurped by legions of lawyers, accountants, business affairs executives, and policy unit apparatchiks. They are now the gate keepers of the BBC.... Most of these new gate keepers have no particular interest in the programmes. They apply to the production of television the same discipline they would apply to the production of biscuits. Most of them have taken up their posts in the last decade. Like the Hitler Youth they know of no other system. One day they may have to be de-Birtified.<sup>133</sup>

But it had all happened before: Burns talks about the consensus of Reith's day being replaced first by an accommodation between staff and management, and then

<sup>130</sup> Dan Coffey, Peter Nolan, Richard Saundry and Malcolm Sawyer, 'Regulatory change in the British television industry: Effects on productivity and competition' in Simon Deakin and Jonathan Michie (eds), *Contracts, Co-operation and Competition*, OUP, Oxford, 1997, pp.85-104.

<sup>131</sup> Born, *op.cit.*

<sup>132</sup> Quoted in *ibid.*, p.7.

<sup>133</sup> Laurence Marks and Maurice Gran, *The James MacTaggart Memorial Lecture*, Edinburgh, 22 August 1997.

by McKinsey's intrusion of management structure into the subtle network of relationships and alliances that allowed the organisation to function.<sup>134</sup> The social contract between producers and the Corporation, he declared, had been broken.<sup>135</sup>

Much the same observation was made by BBC staff during the Birt years.

Before we were organised functionally – people had jobs and they contacted people on the basis of that knowledge. Now, we've set up customer groups. We've divided our service into five major customer groups and within each group we've set up an overall account team, with an account director to basically manage that relationship. And within that account team we've got project or task groups whose main job it is to deliver some of the function activities.

BBC manager c.1995<sup>136</sup>

When you have layers and layers of managers who are feeling threatened, one never knows quite what the message is that gets to the top. That's the problem.

BBC manager 1992

### **How Management Consultants Work**

The management consultant is not simply an adviser, perhaps not an adviser at all. Because the client cannot know what it is he does not know and should know, he is ill-equipped to find and hire the consultant who does know what the client should know. And because the management consultant cannot know what it is the client does not know (because the client himself does not know), the consultant is unable to enlighten the client. This *impasse* makes the management consultant an inefficient adviser, and suggests the wisdom of offering the manager other services. While the organisation pays both manager and management consultant, and may benefit indirectly and eventually from the efforts of the consultant, it is the manager hiring the consultant who expects to benefit directly and immediately, and whom the management consultant seeks to please.<sup>137</sup> This alternative to the conventional understanding of the management consultant's role may throw some light on the impact of management consultants on creativity in the BBC.

In the years since Hugh Greene, the importance of management as an activity has grown enormously, and with it the importance of those who manage. The amateur

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<sup>134</sup> Burns, *op.cit.*, p.277.

<sup>135</sup> *ibid.*, p.290.

<sup>136</sup> Promotional material from the Opus management consultancy, n.d.

<sup>137</sup> A. Huczynski, 'Explaining the succession of management fads', *International Journal of Human Resource Management*, 4, 2, 1993, pp.443-63; T. Clark and A. Salaman, 'The management guru as organizational witchdoctor', *Organization*, 3, 1, 1996, pp.85-107.



manager, guided by no more than years of experience in a single business, has been replaced by the professional, trained manager.<sup>138</sup> The retreat of the administrator before this managerial onslaught was accompanied by growing expectations of what these managers could do, and where they could do it. No longer were managers and their methods confined to large firms in the private sector; they were expected to be effective in organisations everywhere. With greater expectation came more and more management schools and management texts and management gurus and management consultants, all offering to ease the manager's burden by telling the manager what to do. Fundamental to their endeavours is the notion that management is a generic activity that can be governed by certain procedures and practices. Perhaps understandably, the prevailing management model is that espoused by American management schools, a model that dominates UK business schools. Minor schools, such as the Scandinavian, have made no headway against the US model, and even Japanese models have been absorbed. The more global management has become, the more the model has predominated, and dominated management consultancy. To question whether a model overwhelmingly geared to American commercial values was totally appropriate for the BBC is to miss the point; the model was totally appropriate for the BBC's managers.

The manager, and especially the new manager, is expected to make an impact, to change something. There is no interest in continuity, there are no courses on continuity management, there are no continuity theories and no continuity consultants. Where continuity threatens, managers appreciate that 'disruptive intervention' is required.

I think you need to be a bit like Trotsky. There has to be a permanent revolution. I mean, funnily enough, the revolutionaries of yesterday inevitably have turned into the conservatives of today.

BBC manager c.2000<sup>139</sup>

The change that is of interest to the modern manager is change attributable to the manager and demonstrable within the manager's tenure. This tenure is often brief, a brevity enabled by the manager's ability to apply managerial skills to any business. The manager's need to change goes some way towards explaining the wholesale

<sup>138</sup> R.T. Pascale, *Managing on the Edge*, Simon and Schuster, New York, 1990.

<sup>139</sup> Quoted in John Storey, 'The management of innovation problem', *International Journal of Innovation Management*, 4, 3, 2000, pp.347-69 (p.361).

churn in management methods. The demand for something different is every bit as great as the supply of new methods.<sup>140</sup> In these circumstances, the relationship between the management consultant and the manager who hires the consultant is critical. The pressure on the manager to perform better than other managers encourages him to see the consultant as a friend in a hostile world.<sup>141</sup> The same pressures also encourage the manager to seek help to increase the chances of things going right, and to blame if things go wrong. The more managers hire consultants, the more other managers have to hire consultants if they are to win support for their changes, and to protect themselves against the consultants of other managers. But the more managers resort to management consultants, the more dependent they become on their services, perhaps until they are quite incapable of managing for themselves.<sup>142</sup> Aspects of this syndrome seem to be evident in the recent history of the BBC. Just before his resignation, one of the most senior of BBC managers looked back on this remorseless growth in dependency.

There was a school of thought that the BBC should just be a creative organisation, but it also has to be managed. We have been trying to turn the place into an organised business..... You had an organisation where there was very little culture of management at all. Very few people came in from the outside. There was no cadre of experienced management at all. The BBC had to become much more efficient and it inevitably turned to management consultants for help and advice..... We became highly dependent on management consultants and tended to do it in a textbook way.

BBC manager 1999

If ever a manager seemed to rely on the reassuring company of management consultants, John Birt did.<sup>143</sup> When Birt took on the director-generalship, his consultants were in attendance: “.... John [Birt] came to discuss his future plans. It was all drawn up on a chart, I suspected by McKinsey.”<sup>144</sup> Senior managers described his relationship with individual McKinsey consultants – not with McKinsey and Company – as “very close and trusting”.<sup>145</sup> Birt’s autobiography refers not just to McKinsey, but to a “close bond” with individual McKinsey consultants and to “a

<sup>140</sup> E. Abrahamson, ‘Management fashion’, *Academy of Management Review*, 21, 1, 1996, pp.254-85.

<sup>141</sup> B. Jackson, ‘Re-engineering the sense of self: The manager and the management guru’, *Journal of Management Studies*, 33, 5, 1996, pp.571-90.

<sup>142</sup> A. Sturdy, ‘The consultancy process – An insecure business?’, *Journal of Management Studies*, 34, 3, 1997, pp.389-413; *idem*, ‘The dialectics of consultancy’, *Critical Perspectives on Accounting*, 8, 1997, pp.511-35.

<sup>143</sup> Barnett and Curry, *op.cit.*, pp.242-3.

<sup>144</sup> Marmaduke Hussey, ‘The truth about the Beeb’, *Sunday Times*, 4 November 2001, *News Review*, p.2.

<sup>145</sup> Interview with senior BBC manager, September 1999.

group of BBC expats and malcontents [that] met regularly to plot against me.”<sup>146</sup>

Even the consultants Birt hired perceived his isolation:

In the case of John Birt, there was little enrolment into the purpose and direction the BBC would take. A small group of executives and consultants met with Birt to formulate these plans, and while this group was talented, it was certainly not representative of all the constituencies that existed within the BBC.<sup>147</sup>

According to the BBC’s chairman, who appointed him, Birt was difficult, dogmatic, tactless, unpopular within the BBC,<sup>148</sup> and “utterly unable to relate to his colleagues and take any criticism”<sup>149</sup> Predictably, the more Birt’s ability to manage was questioned,<sup>150</sup> the more dependent on management consultants he seems to have become.

To a large section of the population, Birt has come to represent much of what is wrong with British management. They see him as a robot (he can’t help being tall and thin and grey with glasses), as a stifler of enterprise, a technocrat, not a creator.<sup>151</sup>

While the traditional struggle between creative staff and the administration could pass for creative tension, the struggle between creative staff and the new guard of managers, reinforced by inexhaustible battalions of management consultants, could not. The fear and mistrust which separated middle managers from senior managers rapidly developed into a loathing of those who were powerful enough to hire their own management consultants by those who were not. The distinction was critical; a manager’s very survival could depend on the support of his management consultant.<sup>152</sup>

.... [as consultants] we talked to .... the managing director of the Resources Directorate at the BBC, and he said to us in confidence, ‘What I really want you to do is help me create a system that looks enough like that thing that was submitted to the board of management so I won’t be caught for being deviant, but that can really work for me’.<sup>153</sup>

The more desperate the competition among managers became, the more vital it was that management consultants served the interests of the managers who hired them. Consultants assured one BBC manager that reliance on the Burke-Litwin model<sup>154</sup> would make him “confidante of the CEO or business leader”<sup>155</sup> Those with

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<sup>146</sup> Birt, *op.cit.*, pp.341, 345, 372.

<sup>147</sup> Litwin, Bray and Brooke, *op.cit.*, p.146.

<sup>148</sup> Hussey, ‘The truth about the Beeb’, *op.cit.*, pp.1-2.

<sup>149</sup> Terri Judd, ‘I should have sacked John Birt for his failure at the BBC, admits Hussey’, *Independent*, 29 October 2001, p.13.

<sup>150</sup> See *Economist*, 30 August 1997.

<sup>151</sup> Blackhurst, *op.cit.*

<sup>152</sup> ‘Petal power’, *Economist*, 8 April 2000; A. Sturdy, ‘The consultancy process – An insecure business?’, *Journal of Management Studies*, 34, 3, 1997, pp.389-413.

<sup>153</sup> Litwin, Bray and Brooke, *op.cit.*, p.142.

<sup>154</sup> *ibid.*, p.264.

their own management consultants flaunted their superiority and invulnerability by making their consultants and the methods they advocated as prominent as possible.

The first time we saw [the new head of marketing] was six weeks after he arrived and he produced a flipchart explaining the whole organisation, the whole new shebang .... Quite honestly, I did not know what [his consultants] were talking about .... I asked why we needed consultants and remember three or four people staring at me as if I had two heads.

BBC manager 1992

Because consultants must always have less experience of an organisation than its employees and must move on to jobs in other organisations, they cannot, any more than the modern mobile manager, perceive change as specific to any one organisation. They must purvey change as process capable of being mastered by system. They then provide the system.

In an era where there is too little professional attention to the processes of managing change, one should give credit to those like [a specific BBC manager] who bring a rational set of tools to the table, and apply those tools in diagnosis, planning and in taking appropriate action .... Managers of change should be educated in thoroughly scientific processes. That is, people being trained for such rules would learn to gather and analyse data for trends and patterns. They would learn to interpret current theories and postulates regarding the management of change, and be capable of putting these theories and postulates to work in any given situation.<sup>156</sup>

It is the supremacy of system that will allow John Birt to apply his years of management experience at the BBC to the writing of a management manual to guide other managers in other organisations.<sup>157</sup> He has also become an adviser to McKinsey.<sup>158</sup>

The most memorable accounts of management consultants in the BBC are those that portray them as idiots and charlatans. But an idiot makes an unimpressive charlatan. Many management consultants are not feeble-minded, and are certainly intelligent enough to realise that much, though not all, of what they do and say is just plain silly.

We do have a model. I tend to steer away from it. Other consultants use their models as hatstands. A lot of them are just bollocks.

Management consultant 1998

I wonder if [other consultants] believe it – what is said about organisational change.

Management consultant 1998

It's all emperor's new clothes. It's a con trick.

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<sup>155</sup> *ibid.*, pp.199, 264.

<sup>156</sup> *ibid.*, p.265.

<sup>157</sup> Jojo Moyes, 'Sergeant to 'spill the beans' in memoir of BBC years', *Independent*, 25 March 2000, p.8; 'Last of the Birtists', *Guardian*, 28 January 2000.

<sup>158</sup> Birt, *op.cit.*, p.508.

It is not just that management consultants can get away with supplying nonsense; there is actually a positive demand for nonsense from managers caught up in the cycle of dependency and desperation that describes the relationship between the management consultant and the hiring manager. Take something as basic as the mission statement: the BBC's mission statement was criticised for being vacuous.

The front of the document *The BBC Beyond 2000* contains a mission statement which is an example to everybody of what a mission statement should not be. It is a lot of guff, motherhood and apple pie.<sup>159</sup>

This is altogether to miss the point: a vacuous mission statement fulfils the requirements of the hiring manager perfectly. The value to a manager of a mission statement (or a management consultant, for that matter) lies in having it rather than in what it says. This the able consultant understands full well.

They're all interchangeable. I've done it many times – I put up the competitor's mission statement on an overhead and get everyone to agree that it's theirs. I can always get them to adopt pretty much whatever I put up there. They're all so anodyne. I think the same consultant writes all of them.<sup>160</sup>

BBC staff, and many outside the Corporation, often accused the BBC's consultants of simply regurgitating what they had been told, of recommending what managers wanted them to recommend.<sup>161</sup> This is also to miss the point: for the hiring manager, what the consultant recommends is really not important; that he recommends is. The consultant lends authority, and with it – as Burns noted in 1973 in relation to McKinsey – the nerve to be ruthless.<sup>162</sup> Thus it has been in the BBC for decades.

Alisdair Milne always used to ask if people had 'bottom'. I was never thought to have 'bottom' .... They push one another .... They were all at Cambridge together and they push each other along. They push each other to the top and then get schizophrenia. They think they know what they are doing and then call in McKinsey. They indicate to McKinsey what they want to do and then look to McKinsey to endorse it.

BBC correspondent 1999<sup>163</sup>

The BBC now sails in calmer waters under a new director-general, one who, on his very first day in office, slashed the consultancy budget by £10 million a year<sup>164</sup> (in fact, this decision had been taken politically while Birt was still director-

<sup>159</sup> Lord Lucas, *House of Lords Hansard*, 3 March 1999, col.1703.

<sup>160</sup> Gary Hamel as quoted in Anne French, 'Creating heretical companies: An interview with Gary Hamel', *New Zealand Strategic Management Society Inc. Journal*, 1, 3, 1995.

<sup>161</sup> E.g., 'Media news', *Private Eye*, 16 June 1995, p.11.

<sup>162</sup> Burns, *op.cit.*, p.255.

<sup>163</sup> See Michael Leapman, *The Last Days of the Beeb*, Allen & Unwin, London, 1986, p.84.

<sup>164</sup> Tim Dams, 'BBC producers to get output quotas', *Broadcast*, 4 February 2000, p.5.

general<sup>165</sup>), and issued an edict against his own set of managerial ‘C’s – cars, consultants and croissants.<sup>166</sup> Cutting out cabs and croissants apparently saved £4-£5 million, consultants some £16-£17 million.<sup>167</sup> But how interesting that the self-indulgence that had for so long typified the inefficiency of the BBC, that had been so vilified in the quest for value for money, seems to have survived and prospered in the upper echelons of the efficient, managed BBC.<sup>168</sup> Senior managers must be rewarded for their performance or (so the argument goes) they will take their talents elsewhere. The more they are seen to be rewarded, the more it can be assumed that their performance is worthy of the reward.

That’s incredibly sad about the BBC now: the fact that everything has become completely ‘expense account’ .... We could never take people out to lunch unless we’d cleared it for more than five pounds. So you could buy a writer a sandwich and a beer in the Bush and that was it. And suddenly, in the last three years, the spend has rocketed on non-programme stuff. It’s absolutely shameful, the level of expense accounts, taxis ... I had a day trip to Cannes.

BBC manager 1996<sup>169</sup>

This does not mean that the BBC has seen the last of management consultants. Even Greg Dyke has his personal guru, plucked from Henley Management College to become the BBC’s director of human resources and legal affairs.<sup>170</sup> And Dyke himself attended a Harvard course on leadership at a cost of £3,500 before taking on the director-general job.<sup>171</sup>

### **Control and Creativity**

Control is fundamental to the manager. There is no point making decisions if there is no assurance that the decisions will be carried out. But the control of the dictator is clearly inimical to the freedom of expression fundamental to creativity, a point that Greg Dyke seems eager to make.<sup>172</sup> There is, then, another trade-off, analogous and complementary to that between efficiency and flexibility, this one between control

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<sup>165</sup> Interview with senior BBC manager, September 1999.

<sup>166</sup> Blackhurst, *op.cit.*

<sup>167</sup> Adam Sherwin, ‘Dyke to axe 750 more jobs at BBC’, *Times*, 5 February 2001.

<sup>168</sup> See the description of John Birt’s leaving party in *House of Commons Hansard*, 29 October 1999, col.1238.

<sup>169</sup> Quoted in Born, *op.cit.*, p.17.

<sup>170</sup> Jane Robins, ‘Dyke attacks culture of ‘overmanaged, underled’ BBC’, *Independent*, 1 April 2000, p.7.

<sup>171</sup> Jane Robins, ‘How to get educated at the BBC’s expense’, *op.cit.*, p.8.

<sup>172</sup> Louise Jury, ‘Dyke vision’, *Independent*, 8 February 2002, Review p.1.

and freedom. The further the manager veers towards freedom, the more the manager must trust employees to act as he would want them to act. But why should the manager want employees to be creative if the manager reaps no reward for their creativity? And why should employees be creative if they are not to be rewarded for their creativity? In both cases, creativity requires ‘intrinsic motivation’.<sup>173</sup> This is professionalism, by which is meant the proclivity to act towards a greater good, a proclivity that should be inherent in public service broadcasting.<sup>174</sup> A degree of professionalism in the BBC survived the changes Burns noted between 1963 and the mid-‘seventies’.<sup>175</sup> It continues to struggle against the more recent onslaught of management consultants.

Modern managers have their own understanding of professionalism. To act professionally (always the adverb, never the noun) is to act responsibly, to fulfil obligations to the organisation. The organisational tradition that once tolerated some freedom of action in BBC employees, granted parole to their entrepreneurial spirit, has been superseded by a new sort of loyalty to the organisation, a professionalism that allows control. In 1977, Burns noted that “Keeping a watchful eye for extravagance and waste is not a significant item in the code of professionalism; it is for management.”<sup>176</sup> These days, many BBC managers would see guarding the Corporation’s purse as a responsibility worthy of a true professional.

Birt had castigated the BBC as a Byzantine court in which no one knew or cared about costs.<sup>177</sup> The over-riding aim was to increase efficiency by reducing costs. Yet, it may be that organisations have to sacrifice some efficiency in order to be creative.

Successful bureaucracies .... Provide skills training and socialization into craft or professional standards. Professionals within a bureaucratic setting will combine a primary duty to their professional body with a career path, which serves to increase the sense of affiliation with the organisation and to further limit opportunistic behaviour.<sup>178</sup>

<sup>173</sup> Teresa Amabile, ‘How to kill creativity’, *Harvard Business Review*, September-October 1998, pp.77-87.

<sup>174</sup> See T.J. Nossiter, ‘British television: A mixed economy’ in Home Office, *Research on the Range and Quality of Broadcasting Services*, HMSO, January 1986, pp.1-71.

<sup>175</sup> Tom Burns, *Description, Explanation and Understanding*, Edinburgh University Press, Edinburgh, 1995, pp.232-3.

<sup>176</sup> Burns, *The BBC. Public Institution and Private World*, *op.cit.*, p.271.

<sup>177</sup> Wegg-Prosser, *op.cit.*

<sup>178</sup> Chris Burke and Andrew Goddard, ‘Internal markets – The road to inefficiency?’ *Public Administration*, 68, 1990, pp.389-96 (p.394).

Indeed, the principle of allowing staff space, time and even budget to do what they, rather than their organisations, think is important is well established in the management of innovation. For instance, some 15% or so of the research budget of Europe's largest pharmaceutical firms is given over to such uncontrolled activity.<sup>179</sup>

Tom Burns declared that one of the greatest changes to have occurred in the BBC between 1963 and 1977 was the decline in the personal involvement of BBC staff, of trust and shared ethic, and tacit understanding. In 1963, staff had spoken of working *in* the BBC: in 1977, people spoke of working *for* the BBC.<sup>180</sup> John Birt recently confessed his admiration for the work of Tom Burns on the BBC, seemingly unaware that the BBC had done everything possible to prevent its publication.<sup>181</sup> Burns was not to be trusted. By the 1990s, the breakdown in trust evident in the proliferation of performance measures and indicators, and perhaps in Producer Choice itself, had necessitated an audit explosion with all its associated expenses in terms of staff time and effort.<sup>182</sup> In the opportunity the BBC gave Burns for reflection, he concluded that one of the most valuable of his interviews from the 1960s had been that of a senior official in the personnel side of administration.

'My job is to encourage attitudes which will pull out of the staff more than you could justify by any criteria which exist, say, in the business world .... What you have in mind .... Is to get the best out of people. This is an increment you don't pay for' (later on he went so far as to say that it was 'something management isn't entitled to') 'and because of that, it is invaluable.'

BBC manager c.1963<sup>183</sup>

And perhaps this explains rather nicely the impact of management consultants on creativity in the BBC. Their influence has been felt in the BBC for many years; the excesses of the Birt years simply made it more apparent. They have exploited management method, and have been exploited by the BBC's senior managers, to ensure that the BBC gets everything from its staff to which it is entitled – and absolutely nothing more.

<sup>179</sup> Peter Augsdorfer, *Forbidden Fruit. An Analysis of Bootlegging, Uncertainty and Learning in Corporate R&D*, Avebury, Aldershot, 1996.

<sup>180</sup> Burns, *Description, Explanation and Understanding*, *op.cit.*, p.15.

<sup>181</sup> Birt, *op.cit.*, p.355.

<sup>182</sup> See Michael Power, *The Audit Explosion*, Demos, London, 1994.

<sup>183</sup> Quoted in Burns, *Description, Explanation and Understanding*, *op.cit.*, p.19.