FROM REITHIAN ETHIC TO MANAGERIAL DISCOURSE
ACCOUNTABILITY AND AUDIT AT THE BBC

GEORGINA BORN

Abstract

This paper outlines the rise during the 1990s of numerous audit and accountability processes within the BBC. It draws on an ethnographic study of the BBC carried out in the later 1990s, which generated an analysis of the internal impact of these changes on the corporation. The paper frames this development within the larger political and governmental contexts to which it was a response. At the same time it notes the absence in this period of significant progress on the part of the BBC in reforming its governance arrangements, a source of continuing criticism of the corporation, and one cause of the voracious growth of auditing. The analysis stresses the visible performance of accountability as an attempted means of strengthening the BBC's legitimation. It is argued that the processes brought a kind of institutionalised reflexivity to the corporation. At the same time audit and accountability had certain deleterious effects, stoking the growth of tiers of new management, which became an onerous burden on the production arms of the BBC and eroded their creative capacities. The paper therefore questions the utility of the kind and the degree of accountability and audit processes to which the BBC has been subject. It points to an irony: while the implementation of these policies responded to governmental pressures, the BBC's elaborate performance of accountability and audit has done little to defend it against further encroachment by government in the form of accelerating reviews of its services and delivery.

Georgina Born lectures in the sociology of media and culture in the Faculty of Social and Political Sciences, University of Cambridge, e-mail: gemb2@cam.ac.uk.

This paper charts the rise during the 1990s of numerous audit and accountability processes within the BBC and outlines their substance. It draws on an ethnographic study of the BBC carried out in the later nineties, which generated an analysis of the internal impact of these changes in the corporation. The paper frames this development within the larger political and governmental contexts to which it was a response. At the same time the paper notes the absence during this period of significant progress on the part of the BBC in reforming its governance arrangements, a source of continuing criticism of the corporation, and one cause of the voracious growth of auditing. As McQuail (2000, 183) states when discussing accountability in relation to media organisations, "accountability processes will ... be multiple and diverse, in order to fit the variety of interests, situations and possible claims." McQuail's account is a normatively directed one which, describing the variety of potential addressees and modes of accountability, adopts a largely neutral tone. This paper, however, both analyses the form taken by accountability and audit within the BBC, and it critically assesses their efficacy and effects.

I treat audit as a sub-category of the demand for accountability, and the analysis stresses the importance of the visible performance of accountability as an attempted means of strengthening the BBC's legitimation. The processes undoubtedly brought greater self-examination and a stronger form of what I shall term *institutionalised reflexivity* to the corporation. However, at the same time the audit and accountability practices had certain deleterious effects on core aspects of the BBC's functioning. Along with other new managerial initiatives they caused the growth of tiers of new management, which became an onerous burden on the creative and production arms of the BBC. In turn these and other developments led to a creative deficit and risked the BBC's programming output becoming excessively close to its commercial rivals. In short, the paper questions the utility of the kind and the degree of accountability and audit processes to which the BBC has been subject. It highlights an irony: while the implementation of these policies responded to direct governmental pressures, the BBC's elaborate performance of accountability and audit has done little to defend the institution against encroachment by government in the form of accelerating reviews of its services and delivery.

Origins: Political Hostility, Public Sector Reform and the New Managerialism

Throughout the BBC's history there is evidence of the uneasy dialogue with government that inevitably characterises a national institution dealing in the mediation of information, collective imaginaries and identities, an institution inhabiting that critical liminal space between public and private powers, state and people, propaganda and knowledge. Combining since its inception the ethical and cultural project of modern government, the BBC has seen as its task the construction of a national culture. It is an institution shot through with contradictions: between centralism and decentralization, authority and fragility, durability and vulnerability, arrogance and a sense of inadequacy. The BBC's first Director General, John Reith, institutionalised a vision of the BBC as an instrument for social integration, for enhancing democratic functioning and raising cultural and educational standards through the trinity of information, education and entertainment. From its earliest years there has existed an internal public sphere of professional reflection

and debate concerned with discerning the proper cultural, journalistic and ethical stance to inform the BBC's broadcasting practices. The Reithian ethic was a continuous thread informing these reflexivities, evolving and modernising through the decades; it was espoused by producers to highly productive effect, as shown by the variety of cultural ambitions and successes of the BBC, as well as its characteristic blind spots and weaknesses. In this light it makes sociological sense to speak of the BBC for much of its history as an *ethical organisation*. The Reithian ethic was also drawn on publicly by management for routine practices of legitimation, through rhetorical displays of a sanctimonious soft nationalism, a nationalism that, in times of national crisis and celebration, the BBC claimed as its special territory.[1]

The BBC has always been self-regulated. It was founded in 1927 by a Royal Charter as a Corporation of twelve Governors, trustees of the public interest, appointed by the Queen. The Board of Governors monitors the corporation's commitment to the obligations contained in its Charter and any additional ministerial agreements. Everyday executive and managerial functioning are entrusted to the BBC's Director General (DG) working with a Board of Management (BoM). The Board of Governors remains the BBC's self-regulatory instrument, with an oversight of the DG and the BoM. Formally politically neutral and independent of government, the BBC has nonetheless been subject throughout its history to varying degrees of political pressure. Government has had three ways of exerting influence: by its powers of reviewing and setting the BBC's level of public funding via the licence fee; by its 10-yearly review of the BBC's Charter; and by its potentially considerable influence over the appointment of the Governors and their Chairman, and thence over the Director General. The BBC's governance has, then, an archaic and peculiarly British form in which accountability is in the hands of twelve members of the "great and the good," representatives of the British social, professional and business elites.

The rise of accountability and audit in the BBC over the 1990s formed part of a new managerial regime implemented by John Birt, Director General from 1993-2000. This in turn was the result of a converging set of forces, some specific to the BBC, others linked to the wave of public sector reforms initiated by the Thatcher governments and the parallel ascendance of neo-liberal values in British public life. The new managerialism followed in the wake of a series of forces which, in the 1980s and early 1990s, together caused a crisis in the legitimation and the funding of the corporation. They include the extreme hostility of the Conservative governments to the BBC, as well as intensifying competition following the commercialization and globalization of broadcasting with the growth of satellite, cable and digital technologies.[2] For almost two decades the value of the licence fee, and thus the BBC's funding, was held level or fell in real terms.

There were other causes of an ebbing of the BBC's legitimacy in this period. Like all public sector organisations, the BBC became subject to a catalogue of criticisms. Public sector organisations were seen as unaccountable, inefficient, incompetent, self-serving and secretive. They were charged with being unresponsive to consumers and clients, of failing to offer consumer choice and – given the neo-liberal equation of markets with democracy – of being undemocratic.

Such criticisms fell on fertile ground in relation to the BBC for two reasons. Firstly, its governance arrangements had come to seem questionable and outdated. During the Thatcher years the nakedly political nature of appointments to the

Governors, and the lack of effective and demonstrable separation between the Governors and senior management and the dangers of collusion to which this gave rise, both seriously discredited the BBC's structure of self-regulation. Such criticisms could have been made of previous eras, and it is striking that earlier scholars of the BBC failed to acknowledge these problems of governance (cf Burns 1977; Briggs 1979) – a sign of the way the BBC's governance, and its invulnerability, symbolise an earlier, more complacent era in public life. In view of these problems, during the 1990s, both Conservative and New Labour governments felt increasingly justified in intervening directly to monitor the BBC's operations. Secondly, throughout its existence the BBC has been charged with being excessively elitist and centralist, and in the populist nineties this criticism reached a new intensity. In this context a discourse of consumer sovereignty and increasing consumer choice in broadcasting was deployed by analysts and commentators to powerful effect. "Consumer sovereignty" formed the central discursive term in the 1986 Report of the Peacock Committee set up by Prime Minister Thatcher to consider the financing of the BBC with a view to ending the licence fee. The phrase played a key role also in legitimising the rise of the new commercial broadcasters and multichannel platforms.

One consequence of such criticisms was the call that the BBC should be more publicly "accountable" regarding its output. During the nineties both arguments were taken up by the parliamentary Select Committee for Culture, Media and Sport which, under its Labour chairman, became an additional source of sharp criticism of the BBC. By the late nineties the broadcasting industry, with the exception of the BBC, had reached a consensus: to achieve greater accountability there must be significant separation between the BBC's regulator and its executive. This issue remains a central bone of contention between the BBC and its critics; yet the corporation has failed to meet the challenge by volunteering serious governance reforms. For all the criticisms, at present the political balance remains suspended. The current Labour government's new Communications Bill (DCMS 2002), despite setting up a single media regulator, Ofcom, with limited powers over the BBC, leaves the BBC's structure of self-regulation largely intact.

Further difficulties beset the BBC in the nineties, in the form of a curious set of recursive forces. In 1994 the Conservative government published a White Paper, *The Future of the BBC*, which urged the BBC to expand into new media and to become more commercial, in order both to make up its financial shortfalls and to forge a bridgehead for British media into global markets. The BBC had already begun to move in this direction. The BBC's commercial expansion generated a furious reaction from its competitors who, citing competition law and fair-trading rules, criticised the corporation for abusing its privileged position and distorting the markets in which it operates. Henceforth a discourse of unfair trading became focal for those attacking the legitimacy of the BBC, prominent among them representatives of Rupert Murdoch's British-based satellite television and newspaper interests, but also the increasingly beleaguered advertising-funded commercial broadcasters. BBC Online, BBC News 24, the move of the main BBC1 evening news from 9pm to 10pm, the BBC's new digital television channels: all became the target of accusations by the BBC's rivals of unfair trading, or of the BBC pursuing excessively competitive strategies. Some of the complaints were pursued legally through the British and European courts. In turn, these conflicts caused the Labour governments to engage in an escalating series of interventions that required

the BBC to justify its commercial and public service expansions. The interventions included calls for repeated public consultations, external auditing arrangements and assessments of the BBC's compliance with competition rules. In sum, political instructions dictated institutional policies, which provoked competitors' hostility, which in turn elicited political sanctions – a telling cycle that points to the contradictions of neo-liberal government in this sector.

A final contextual pressure on the BBC came from the 1990 Broadcasting Act which, in an attempt to nurture Britain's maturing audio-visual production sector and to stimulate diversity in the output, required the BBC and ITV henceforth to buy 25 percent of their programming from independent production companies. In 1993 the BBC followed with an internal policy decreeing that 33 percent of network programming should be sourced from the regional BBC production centres. Quotas such as these, highly complex to manage in production and commissioning, reinforced the need for internal and external auditing, while the BBC's growing commercial activities led the corporation to develop its own strenuous fair trading guidelines and, increasingly, to audit the boundary between its public service and commercial activities.[3]

An Armoury of Audits

John Birt's reign as DG took the full weight of these various pressures. In response, encouraged by wider management trends and government directives, Birt championed policies focused on accountability and auditing, as well as marketisation, efficiency drives and the stoking of competition. Internally, the latter took the shape of Birt's well-known policy of Producer Choice. Marketisation and competition, both internal and external, were intensified by a restructuring in 1996 – the largest ever restructuring of the corporation – which divorced BBC Broadcast, the channel management, from BBC Production, the production departments, creating quasi-market transactions between them. The operations of BBC Worldwide, the BBC's commercial wing, at "arms-length" from the public service parts of the BBC was also reinforced by the restructuring.

At one level the BBC's embrace of auditing and accountability responded to the increasingly global concern in both public and private management with implementing such practices. In Britain the rising discourse of accountability was part of a general shift in government away from central state controls to indirect controls exercised through a variety of regulatory and self-regulatory techniques. From the late 1980s government demands for accountability became a central plank of public sector reform, and auditing a core means of delivering it. The idea of auditing grew from its origins in financial management to become a term subsuming a range of monitoring and assessment practices or, as Michael Power (1997) terms them, "rituals of verification." Analysing these changes, Power argues that an "audit explosion" made these practices ubiquitous in public and private organisations. He notes that "audits become needed when accountability can no longer be sustained by informal relations of trust alone but must be formalised" (Power 1997, 11). The new public management, of which Birt's BBC became exemplary, borrowed the conceptual framework and the language of business administration. As Power puts it, notions of cost control, financial transparency, performance measurement and value for money coalesced into a "vague normative space." Citizens were recast as consumers empowered to demand that public services achieve defined standards

and operate economically, efficiently and effectively – the "three Es." Auditing was the instrument for checking that such requirements were actually met.[4]

In Britain the broader focus on auditing and accountability was fuelled by the Major government's "Citizen's Charter" initiative, with its particular conception of public sector accountability. The 1994 White Paper *The Future of the BBC*, the culmination of debates leading up to the BBC's 1996 Charter renewal, made the influence explicit: "The BBC should operate its public services according to the principles of the Citizen's Charter. It should make clear the standards to which it will aspire in a new statement of promises to its audiences."[5] The exhortation stood in for any more strenuous intervention, and the specified mechanism for delivering accountability – a "statement of promises" – was a relatively trivial one. Notably, the White Paper ignored the central problem of accountability that had been identified in the Charter renewal debates: the inadequacy of the BBC's governance arrangements. From the mid 1990s Birt responded to the White Paper and the spirit of the new public management by implementing a host of managerial reforms centred on accountability and auditing. Tighter financial probity was posited as the cutting edge of a broader cultural change within the organisation, one that would install greater discipline in relation to the BBC's obligations to its licence fee payers. Financial discipline took on the cast of a new corporate morality. Yet paradoxically, as the BBC embraced the new managerialism, spending on Corporate Centre management climbed, approaching £90 million a year[6] – a figure that excludes the additional accountancy, planning and strategy functions that grew in each BBC directorate.

Birt's policies proved successful in mitigating government hostility, and it is arguable that he saved the BBC from the threat of privatization. Over the nineties the political climate thawed, and in 1996 the BBC began the process of sensitising public opinion to the need for a rise in the licence fee, a process that culminated in 2000 in the award of an extra £200 million per year over 7 years to fund the corporation's new digital services.[7] Yet the *quid pro quo* for these settlements is a continuing defensiveness on accountability. The current BBC Chairman took office in September 2001 announcing that he would maintain the BBC's structure of self-regulation while making it "more directly accountable to the public than ever before."[8]

Substance: The Form of Accountability and Auditing in the BBC

The accountability and audit processes introduced across the BBC during the Birt era as a means of visibly buttressing the corporation's self-regulation had a remarkable scale and complexity.[9] They built on long-standing internal mechanisms: on the one hand, the measurement of audience satisfaction via audience research, embodied in ratings, audience share and reach, and appreciation indices (AIs); and on the other, the BBC's Producer Guidelines, which set out the corporation's professional journalistic, editorial and production codes.[10] As Birt's new managerial initiatives took hold, they circulated both externally and internally. They were beamed outwards in public statements, a kind of political marketing aimed at convincing government and the public of radical changes within the BBC. Thus, from 1994 on, the BBC repeatedly published corporate papers on accountability.[11] Internally, they circulated via workshops and documents and became dispersed

among the micro-practices of managers, accountants, strategists and consultants. The accountability practices can be grouped under three headings: 1) external regulation, 2) externally-oriented self-regulation, and 3) internally-oriented self-regulation.[12]

External regulatory processes take in the various governmental, parliamentary and legal powers that oversee the BBC's operations beyond the Board of Governors. These are extensive, and they have mushroomed in recent years. In addition to the earlier governmental powers – ministerial appointment of the Governors, the setting of the level of the licence fee, and the Charter renewal process – they now include presentation of the BBC's Annual Reports and Accounts to ministers and parliament; regular scrutiny of the BBC Chairman and senior executives on compliance with the BBC's Charter and any current agreement by the Culture Select Committee and by ministers; review of the BBC by the National and Regional Broadcasting and Advisory Councils; scrutiny of output and handling of complaints by the Broadcasting Standards Commission; annual auditing of the corporation by an external auditor (currently KPMG); and potential appeal by competitors to the Office of Fair Trading and to European law on competition issues. Such external processes continue to grow. Coming into view are additional forces including tighter scrutiny of public appointments after the Nolan Committee on Standards in Public Life,[13] post-devolutionary interests arising from the Scottish parliament and its equivalents in Wales and Northern Ireland, and the impact of the 2000 Human Rights Act. Nor must it be forgotten that European Community law may require further scrutiny by the European Commission. Thus funding from the licence fee of both the BBC News 24 channel and of the BBC's new digital services were examined in detail as potentially infringing competition and state aids rules. In both cases clearance was granted by the Commission, but other investigations are likely in future, especially as they may be initiated by complaints from the BBC's competitors (the first of the cases was undertaken after a complaint by BSkyB)[14]

Externally-oriented self-regulation processes, most of them dating from the mid-nineties, also form a complex and layered texture gathered under the rubric "Listening to the Public." In addition to the BBC Programme Complaints Unit, which investigates audience queries and regularly publishes its judgements, they include "The BBC Listens," a Governors' initiative which reviews, "from the point of view of the audience," all services on a rolling basis every four years, using research and advice from specialist advice panels. The process, it is claimed, "ensures that the Governors are fully aware of public opinions and concerns."[15] Specific public consultations are staged in relation to all major changes to programmes or services. As required, the BBC publishes an annual Statement of Promises, posted to all licence fee payers, which "challenges the BBC to do better." In hyperbolic language it lists a number of strategic promises to the audience and reports back on last year's performance; examples are shown in the box below. BBC Online offers information and elicits public comments in relation to the Annual Report and other statements. The internal Audit Committee monitors the BBC's operations with respect to maintaining an appropriate distance between its public service and commercial activities and accounts. Finally, several Governors' Seminars are held each year, consultations on topical issues such as The Digital Future, Taste and Decency, and The BBC and Children. The audience for the seminars "is chosen to best represent

the interests of the public" and has representatives from lobbying organisations, educational bodies and NGOs such as the Consumers Association and the Royal National Institute for the Blind. In reality the seminars are select affairs peopled by invitees conforming to the reigning corporate concept of opinion formers.

BBC: Twelve Promises

…We promise to refine the mainstream music policy on Radio 1 to ensure it appeals as strongly to young women as to young men…

We promise to devise programmes which respond to devolution and political change in Scotland, Wales and Northern Ireland…

We promise to focus on our obligation to represent all groups in society accurately and to avoid reinforcing prejudice in our programmes…

We promise to report our performance against all the specific promises, continuing commitments and standards set out in the BBC's Statements of Promises.

BBC Statement of Promises to Listeners and Viewers 1998-1999 (BBC 1998).

…

Our Performance Against Promises for 1998-99

Standards were high overall, and the BBC met its specific promise to:

- Represent all groups in society accurately and avoid reinforcing prejudice in our programmes. Positive action to broaden the range of programme contributors included the introduction of the BBC's Diversity Database, giving programmes access to over 2,000 individuals and organisations representing minority interests and backgrounds.

BBC Statement of Promises to Listeners and Viewers 1999-2000 (BBC 1999).

It was the internally oriented practices of self-regulation, particularly the new auditing and audience research activities, that impacted most on the BBC's creative staff. By the late nineties there was a dense, continuous, overlapping and cyclical series of auditing processes operating at every level of the corporation. They included periodic Programme Strategy Reviews (PSRs) throughout the corporation lasting a year or more and sometimes involving workshops for all staff; Annual Performance Reviews (APRs) for all departments which took several months and required the production of exhaustive documentation, which was then progressively reduced and passed up the hierarchy, culminating in a meeting with the Director General; monthly and quarterly statements of purpose and account by each programme editor; millions of pounds a year spent on external management consultants from several companies, with an office for the leading firm McKinsey inside Broadcasting House, and the hiring of a new internal layer of consultants as BBC employees; and ever tighter financial management, in the hands of the new tiers of accountants, business analysts and strategists. In the case of the

largest and most costly production department, the BBC Drama Group, for a period in the mid nineties this involved the superimposition of an entire new accounting system and a new slate of accountancy personnel on top of the existing system and staff.

The example of Drama Group's APR will illustrate the character of the annual self-auditing, an internal process ostensibly aimed only at senior management. APR required the preparation of a highly detailed self-assessment of the past year's activities. Drama's APR for 1996-97 was handled by two managers who, with secretarial help, worked almost full-time on the process for four months. The resulting document provided statements on the entire range of issues and activities pertaining to Drama Group: editorial matters (including producer guidelines, schedule needs, discipline in development, script-writing and –editing, representation of ethnic minorities and the disabled, impartiality, taste and decency, and quality controls), finance matters (including pricing, income sources, budgeting, efficiency, expenditure and overheads), regional, independent and co-production, business affairs, legislation, compliance and rights issues, organisational and employment matters, talent management, equal opportunities, safety, training and skills, adoption of new technologies, audience research data on ratings, share and AIs, competition, publicity, promotion, press and public relations, awards won, attendance at public events and audience contacts, complaints and litigation, pledges and promises to the audience, and other accountability issues. Many of these matters overlapped in complex ways, making simple reporting difficult. Most of the discussions were accompanied by exhaustive numerical data organised into charts. The smoothly presented document contained glimpses into less-than-smooth internal relations with other parts of the BBC. In the section on Accountability, which centred on "Ten Key Promises for BBC Production," it was remarked that "The Drama Editorial Board expressed concern at the time that these promises had been launched by the BBC to the public without the Editorial Heads being given any pre-press launch briefing. As a result, they found themselves the slightly uncomfortable target for calls from the press and from writers having seen the text."[16] Accountability by BBC Corporate Centre to the public, it seems, before any accountability from Corporate Centre to Drama Group's Editorial Heads.

Drama's APR offers a microcosm of the workings of the BBC's audit culture. The resulting several-hundred page dossier was an uneasy amalgam of routine attempts to meet the demands of the audit genre – with its bullet-point layout borrowed from management consultancy, assertive style and language of "objectives," "aims" and "achievements" – and a set of brief but frank reflections on the difficulties and knots faced by the Drama departments over that challenging year. The dossier combined the reductive yet hyperbolic statements characteristic of audit as a kind of internal PR with potentially valuable self-reflections and revelations. The BBC's external accountability statements, by contrast, were more purely hyperbolic, as shown in the quotations taken from two Statements of Promises, which include several promises and claims that are impossible to verify. As Drama's APR was subsumed into the larger process of review, the APR of Network Television, critical messages to management tended to be squeezed out. The result was a set of self-evident statements denuded of critical edge, rendering the exercise effectively meaningless for the Drama staff. The generic won out over the specific, form over substance. The very serious concerns of Drama Group in this period were

folded into "due process"; to Drama staff it seemed that the APR substituted for any effective response to their difficulties on the part of senior management.

Measuring Performance: Discursive Displacement

The installation of accountability and auditing at the core of BBC management was also manifest in the grip of a new managerial language in the Birt years. Documents from the later nineties attest to the adoption by senior executives of the lexicon and conceptual framework of business management. In these documents, the term "business" becomes a standard term for the corporation. An illustrative paper by the leading BBC strategist, written to explain the BBC's processes to others in the strategy field, centres on "Measuring the BBC's Performance" through identifying three overall Objectives – "Managing the Business, Driving Strategy, and Accountability" – which are assessed against Key Performance Indicators (KPIs). The language is indistinguishable from commercial management, and there is pride in this accomplishment:

> *There's a real need for KPIs or performance measurement statistics, and the real test for most managers is, does this help you in running the business? Across the BBC there is a huge amount of interest in very detailed performance indicators collected quite often on a daily basis. For instance ... the overnight ratings which are sent round electronically every morning ... tell us how well the previous evening's television schedule has done, how we've done in audience share terms compared with our main competitors, and increasingly we're looking at particular target audience groups as well as the total audience. We also have some continuing financial performance indicators and some operational indicators which managers need just to run the business.*[17]

This document, dwelling on the challenge of identifying performance measures for an organisation such as the BBC, eventually alights on four sets of KPIs which are treated to the "balanced scorecard approach." They are: Customer/Audience Relations, Business Effectiveness, Learning and Growth, and Finance. Just one of these KPIs, Learning and Growth, refers in passing to issues of "innovative programming, cultural patronage and so on," and later again to "innovation, creativity, distinctiveness, and [the BBC's] educational role." No expansion is given on these issues, and over 32 pages the document's persistent focus is the challenge of developing robust and measurable indicators. The effect is to render conceptually residual the questions of innovation, creativity, distinctiveness and quality that form the core of the BBC's public cultural remit. In this way they are emptied of substance, and of managerial attention. Documents such as these, written by the new layer of strategists, consultants and business analysts, show how a concern with the quality of output and related questions such as the conditions for creativity have been marginalised. They reveal, in short, how a discursive displacement has taken place in which the BBC's cultural and public service purposes are placed beyond the frame.

The difficulty of configuring the BBC to fit the concepts of contemporary business management is revealed in the retrospective reflections of BBC strategists and consultants. They spoke of what they saw as the ill fit between the "intangible," nebulous nature of the BBC's public service purposes and the standard terms used to identify strategic targets and assess outcomes in business. In their account

the BBC is conceived negatively: it is *not* an "ordinary business:

> *As a public service organisation, the goals the BBC is attempting to achieve are more complex; they're not as easy to measure as profit… The BBC, like all public service organisations, has a difficult job trying to deliver things that are slightly intangible. Some of them you can measure, some of them you can't, and there is a very large number of objectives to juggle and it's difficult to make priorities between them, so it's a difficult management task.*
>
> *The performance review process never worked. It never got embedded in the business. It was clearly painful ... just an onerous thing you did at the end of the year, rather than being part of a business cycle… The reason I think it foundered was ... because of the difficulty ... of defining objectives and measuring performance, because of the BBC's nature as a PSB rather than a profit-maximising entity.*

(Both interviews with BBC strategists, spring 2001)

Micro-Management, Prosthetic Ethics, and Disenchantment

In its audit and accountability practices, the BBC self-consciously constructs itself as a showcase of excellence in managerial and business practice. Auditing is not just performed; it is continually experimented with, enhanced and expanded. As a form of managerial discipline, auditing is supposed to be progressively internalised and "owned" by the auditees. No sooner had one audit process been completed than, eliciting feedback from auditees, another cycle began, as shown by this exchange with a senior BBC auditor:

> GB You mentioned the aim of making the Annual Performance Review process come closer to the needs of each particular department. How are you going to find out how to design [the APR] differently?
>
> *Well, at the moment we're information gathering, having a post-mortem stroke ideas session with each of the directorates to say, "What do you think are the problems with Annual Performance Review? How would you like it to be different?" Or, "Tell us what you're doing to redesign it yourself?"… The idea is to work closely with each department to get them thinking, if they're not already, about what strategic objectives they want to map out, and to use Anderson on designing the templates.*
>
> GB Getting them to set their own forms and goals for Performance Review...?
>
> *That's right, but then commenting on it and checking that it fits the BBC's needs… At the same time we're developing with Anderson's help a corporate framework where we're saying, "What are the BBC's aims, and how do they break down?" We're at the stage of thinking how we might measure them. This is about things like: we must protect the brand, we must serve all licence payers, we must make sure we're balanced regionally, all those things.*
>
> (Interview with senior internal BBC auditor, summer 1997)

As Power argues, auditing embraces a number of paradoxes, well illustrated by the BBC. Auditing requires a second-order professionalism: a parallel hierarchy of managers whose function is to monitor the activities of the broadcast professionals and to fulfil the substantial documentary and accounting demands of audit. The logic of audit means that auditing itself comes to be audited; the phenomenon is recursive and self-reinforcing. The only thing that cannot be queried is the rationality of audit itself. Auditing claims to deliver an ideal of transparency in organisations; yet the audit process itself has often been closed to scrutiny. While auditing promises particular solutions to particular organisational and sectoral problems, it deals in standardised methods and the reduction of complexity and specificity. Internal BBC auditors themselves complained of a paradox in relation to an international management consultancy brought in to create a computerised audit system for BBC Broadcast: that the consultants were completely unaccountable. They neither worked to a fixed contract and budget, nor were their objectives set out in advance so that the results could be evaluated. Rather than a transfer of skills, they argued, an open-ended dependence on consultancy had developed.

The accountability and audit practices have both external and internal functions for the BBC. Externally, in the face of continuing questioning of the BBC's self-regulation, they are intended to pre-empt further government intervention by depicting the BBC as an irreproachable organisation, one engaged in doing the utmost to submit itself to continuous monitoring of its efficiency and rectitude. The accountability and audit processes amount to a defensive bulwark against critics that charge the BBC with being inefficient, poorly managed, unresponsive to audiences, or illegitimate in its trading. They operate publicly as a sign of corporate morality and as a powerful means of legitimation. While internally, the substance of audit provides the legitimation for painful managerial decisions: job losses, departmental cuts and closures.

But accountability and audit aim also to change the culture of the organisation. They attempt to cultivate in individuals a new disciplinary reflexivity concerned with transparency, calculability and targets – values that, like good *Foucaultian subjects*, BBC staff are expected to become "subjectified" by and to internalise. This is a new form of corporate ethics, one that is *additional to* the neo-Reithian ethical engagement immanent in the professional values and practices of BBC staff – what we might term a *prosthetic ethics*. And the corporate attempts to multiply the ethical engagement of BBC staff, beyond the immediate commitments to good programme-making and services, beyond Birtist values of efficiency and value for money, continues apace. In 2000-01, for instance, Corporate Centre published for the first time an annual Environment Report, a self-assessment of the BBC's environmental performance, following guidelines from government and the Global Reporting Initiative. The report claims to tell "how BBC staff are working to minimise their environmental impacts, [w]hether that means using energy efficient lighting or finding the best ways to recycle old broadcast tapes." It goes on to exemplify audit's prosthetic ethics: "Managing the BBC's environmental impacts means much more than simply having a policy. For this year's report we decided to *show how we have been challenging ourselves to do more*, as well as providing the numbers that chart our progress. We developed new performance indicators and challenging targets to help structure our efforts… We are running an internal environmental communications programme to raise the profile of environmental is-

sues and provide practical advice to staff. Environment challenge online (eco) is the first step in this *ongoing programme of engaging staff to action*."[18]

But the practice of audit failed to carry its intended subjects with it. For many staff the "morality" of audit was a managerial discourse that rationalised cuts in production departments while bloating unproductive and non-essential management. Audit and accountability amounted to a form of *institutionalised reflexivity*,[19] a reflexivity experienced by programme-makers and some executives as unproductive and disciplinary, as a managerial discourse that constructed a false shell of consensus and in the process displaced attention from more urgent internal problems that did not fit the audit template. It was a reflexivity that was complied with cynically and antagonistically rather than being felt to respond to the real values and interests of BBC staff. Moreover, audit operated at bewildering distance from the texture of collective experience; it wrought a dislocation between experience and its managerial representation. From this vantage point audit was palpably political, an extravagant performance for legitimation purposes. This bred collective resistance; audit was complied with, but with little commitment, as shown by the following extract from a Drama Group meeting focused on implementing a new financial audit:

> MN [Head of BBC Drama Group, calling the Drama Editorial Board meeting, consisting of senior drama executives, to order] *OK, let's discuss RAP* [a new financial audit]*: how many people are aware of the detail of all this? Could any regional Drama Head say how they think their region intends to take submissions to RAP?… Or have you no idea how the bloody thing works?*
>
> BB [A regional BBC Drama Head] *I think that's a fairly fair assessment.*
>
> - Laughter in the room – throughout this discussion, a crazed hilarity prevails.
>
> XZ *I see, you have no idea and don't want to know. Has* anybody *heard of RAP?*
>
> CC *A large bunch of papers arrived on my desk on Monday, but I haven't read it yet.*
>
> DD *We had that presentation, didn't we?*
>
> MN *We did.* [Patiently, starting from scratch] *RAP is "Recourse Analysis Project"; the idea is that in future we will be expected to offer for our projects electronically against a matrix of in-house cost drivers.*
>
> - More helpless laughter.
>
> DD *I've heard it so many times before…*
>
> EE *What the hell does it mean?*
>
> MN *The idea is that we, at the point of delivery, record the actuals against those drivers…*
>
> EE *Isn't this basically what we normally do with cost reports, except we'll have to do it electronically?*
>
> DD *…And it will go direct to Finance Planning…*
>
> MN *…And Finance Planning will get inside the whole process and try to*

become pseudo-producers themselves…

MN [With understated irony] *Yes, there's going to be a huge increase in work!*

FF *…And they're trying to make it ... homogenized. Because every time you bring in a freelance producer or production manager.., you get confused because they're used to keeping track of their own costs on their own system. If you then have to translate it either they lose track of the real costs ... or you have to employ a third person to type all this stuff in.*

MN *All that is true and we're going to do that.*

CC *We're going to employ third people? It's a job creation scheme!*

BB *This is a parallel system to what already exists…*

DD *The idea is they'll have this mass of data; they will then be able to tell you what an average cost is of a type of programme… All '97, '98 offers have to be submitted in the RAP form, otherwise they're not, they're not…* [speechless]

FF [Defiantly] *Well, we won't submit* EastEnders *in the RAP form.*

CC *Couldn't we all just work on Movie Magic?*

DD *…It's loony, it's loony…*

MN *OK, we're the first production area testing this out. I was on the Steering Group and argued against it passionately, and I ended up with another of those corporate reports saying "We have consulted widely, people are generally in agreement," and here we go.* [Resigned laughter].

(Edited discussion from BBC Drama Editorial Board, spring 1996)

The BBC: From an Ethical Organisation to an Accountable Organisation?

The institutionalised reflexivity, and the prosthetic corporate ethics, ushered in by the intensification of accountability and audit processes existed in parallel and in tension with earlier forms of professional ethics and voluntary forms of reflexivity within the BBC. In particular, the audit culture coexisted with contemporary, still vital enunciations of the Reithian discourse of serving the public, universality, justifying the licence fee, and quality and integrity of output. This neo-Reithian discourse continued to express for many staff the core of the BBC's public service ethos, its sense of its distinctive and sacred duty. But it now had a subordinate place in the discursive hierarchy of the BBC. The cynicism and anger felt by some staff was therefore proportional to their sense that, in the service of legitimation and appeasing political critics, these more substantial and productive professional ethics, a neo-Reithianism linked directly to creative programme-making, were being displaced by the pressure for a continuous and visible *performance* of accountability on a series of less important aspects of the BBC's functioning. This in turn compounded several other forces that, in the Birt era, were eroding the fund of internal trust, cohesion and unity of purpose within the corporation.

The neo-Reithian morality in fact had two articulations. It circulated still as an official managerial rhetoric in internal and external documents.[20] But it was also

spoken informally, with commitment and emotion, by many individuals at all levels of the corporation, and often in the context of their denunciations of Birtist senior management – for destructive cuts and casualisation, excessive bureaucracy, undermining the BBC's creative base, failing to deliver on cultural diversity, or indeed for failing effectively to reform the BBC's finances. In this critical counter-discourse, it was management and its proselytising initiatives that were perceived as having undermined the BBC's capacity to fulfil its central cultural democratic purposes. Reithianism thus bore both *official* and *informal, oppositional* inflection. For proponents of the neo-Reithian counter-discourse, the proper hierarchy of BBC values had been upturned.

This history shows, then, a shift in the prevailing managerial discourse of the BBC. We might characterise this shift as one from the old model of an ethical organisation, centred on an internalised professional ethics, to a new model in which the procedural and prosthetic corporate ethics of accountability and audit are added, as layers of managerial accretion, on to existing institutional practices, which they continuously and iteratively monitor. It is perhaps a predictable observation that such an externalised ethics might have the effect of undermining the internalized values of earlier times. But the observation is no less serious for that.

For during the nineties, the new managerial policies – the introduction of, on the one hand, quasi-markets and a new entrepreneurialism, and on the other, systematic auditing and accountability processes – had enormous repercussions for those engaged in the BBC's core activity, programme-making. While both sets of policies purported to be concerned with improving the conditions for the BBC to fulfil its central aims – the provision of high quality programmes and services – in different ways they significantly worsened those conditions. Throughout the nineties there appeared to be a recognition among senior executives of a need to reconceive the character of BBC programming for contemporary conditions, and a series of high-level visions was published.[21] But in reality, inside the BBC such thinking was marginalised in favour of the overwhelming attention given by senior management, under the relentless external political pressures described earlier, to the nexus of new managerial imperatives. The BBC Governors and management became preoccupied with implementing these policies and with high-level strategic matters, foremost among them the BBC's move into digital media, while the equally critical tasks of renewing the BBC's cultural remit, improving the conditions for creativity, increasing the cultural diversity of the BBC as an organization, and thereby enhancing the quality of the output were displaced from their thinking. The net effect of this displacement and of the working through of the new policies was an erosion of the creative capacity and well being of the production departments of the BBC.

A first paradox of the BBC today is that this recent history, which purports to demonstrate the adoption of ever-more exhaustive and self-critical forms of accountability on the part of management, has risked eroding the BBC's core creative purposes: making good programmes and developing good services. What was lacking in this period was a proper balance of organisational objectives and a grasp of priorities on the part of management. A second and controversial paradox follows. It is that this history demonstrates also the ineffectual nature of the BBC's governance arrangements. That such deleterious managerial changes could be

made without reaction on the part of the BBC Governors to stem their corrosive threat to production suggests that the current regulatory oversight exercised by the Governors is ill informed and insufficient. The history reveals, then, the central weakness of the corporation: a lack of effective regulatory controls, pointing to the need for substantial governance reforms so as to bring about real and effective separation between executive and regulator.

However, this is *not* to argue that the BBC should be brought fully under the regulatory controls of Ofcom, the new super regulator. A more appropriate arrangement, and one the BBC could itself offer up to government, is for the Governors to be given an independent, substantial and full-time status, with a separate institutional framework and research powers. This would enhance regulatory effectiveness as well as maintain the UK's structure of regulatory pluralism (Born and Prosser 2001). As importantly in the present political climate, establishing proper regulatory independence for the Governors would be likely to bring the twin benefits of augmenting the public authority and legitimacy of the BBC's self-regulation, while increasing the corporation's actual independence from government. Both are critically important and urgent. In this way the BBC may be able to break out of the escalating series of direct interventions by government, stoked by the criticisms of its rivals and antagonists.

At the same time, there is a need for reform of the audit and accountability practices, with priority given to the creative well-being of the corporation, and for a reduction in micro-management, which renders the BBC over-introspective and slows down its capacity to respond to a changing competitive context in a period when, more than ever before, the need to be fleet of foot and creatively powerful is essential for the BBC's survival. To end on a positive note, the current DG, Greg Dyke, appears to understand these needs well and to be committed to reasserting creative vitality as the core of the BBC. As yet, however, and despite gestures,[22] he and his Chairman have resisted the substantial governance changes that would complete the necessary circle of interrelated reforms.

Notes:

1. On the history and sociology of the BBC, see Briggs 1961-95, Briggs 1979, Briggs 1985, Burns 1977, Scannell 1989, and Scannell and Cardiff 1991.

2. For an acute analysis of British broadcasting under the Conservative governments of 1979-1997, and of the policies brought in during this period including those affecting the BBC, see Goodwin 1998.

3. For a critical account of these processes, see Born and Prosser 2001. The BBC's Commercial Policy Guidelines are summarized at http://www.bbc.co.uk/info/commercial/index.shtml.

4. For an analysis of these developments see Power 1997, especially Chapter 3.

5. Department of National Heritage, quoted in Goodwin 1998, 133.

6. *Broadcast*, 8 June 2001, 13. See also the BBC Annual Report 1998-99, which confirms for that year a spend of £60m on Corporate Centre and £31m on restructuring, a total of £91m; and the BBC Annual Report 1999-2000 which cites for the same functions £57m and £25m, or £82m in total.

7. The settlement followed the report of the government-appointed Davies Committee, July 2000; and in September 2001 the Culture Minister announced the government's approval of the bulk of the BBC's digital plans, including three new digital television and five digital radio networks.

8. Interview with Gavyn Davies, BBC Chairman, *Broadcast*, 28 September 2001, 15.

9. For an account of the BBC under Birt until 1994, see Barnett and Curry; on the BBC in the later 1990s, see Born, forthcoming.

10. The BBC's Producer Guidelines are summarized at http://www.bbc.co.uk/info/editorial/prodgl.

11. See from the Birt era *An Accountable BBC* (1994); *Governing Today's BBC* (1997); *The BBC Beyond 2000* (1998); and for the latest statement, under the current DG Greg Dyke and Chairman Gavyn Davies, *BBC Governance in the Ofcom Age* (2002), summarized at http://www.bbc.co.uk/info/news/news385.shtml.

12. An overview of the BBC's Accountability procedures is at http://www.bbc.co.uk/info/bbc/acc_index.shtml.

13. The Nolan Committee's first Report on Standards in Public Life recommended major changes to public appointments to improve transparency. For details see http://www.ocpa.gov.uk/index.htm.

14. European Commission, cases NN 88/98, N 631/2001.

15. From BBC Press Service statement "Listening to the Public" (1998).

16. *Performance Review 1996-7, Drama Group's Phase One Report*, Section 5, 13.

17. From Measuring the BBC's Performance, by R. Foster, Director, Strategy and Channel Management, 1998, 3.

18. From a summary of the BBC's 2001-02 Environmental Report (emphases added) given at http://www.bbc.co.uk/info/environment/2002/index.shtml.

19. This concept of *institutionalised reflexivity* must be differentiated from the normative term "institutional reflexivity" discussed by Giddens and Lash (1994). Giddens (1994, 193) takes it to refer to the potential "replacing of bureaucratic hierarchies by more flexible and decentralized systems of authority" through democratizing processes. For Lash it concerns "the way in which institutions reflect upon, contest and construct the very 'semantic horizon' on which they are based" (1994, 208). Both accounts are idealized and speculative; they fail to probe the realities of expert and managerial discourses such as audit, and how they can operate as forms of anti-democratic discipline and as means of systematic discursive displacement within institutional contexts, as shown by the BBC.

20. See, for an example of neo-Reithian management discourse in this period.

21. See, *inter alia*, BBC 1992, BBC 1995 and BBC 1996.

22. See the 2002 governance reforms offered in the wake of the draft Communications Bill, which fail to implement full separation between executive and Governors: BBC 2002 and at http://www.bbc.co.uk/info/news/news385.shtml.

References:

Barnett, Steven and Andrew Curry. 1994. *The Battle for the BBC*. London: Aurum.

Barry, Andrew. 2002. The Anti-Political Economy. *Economy and Society* 31, 2, 268-284.

BBC. 1992. *Extending Choice*. London: BBC.

BBC. 1994. *An Accountable BBC*. London: BBC.

BBC. 1995. *People and Programmes*. London: BBC.

BBC. 1996. *Extending Choice in the Digital Age*. London: BBC.

BBC. 1997. *Governing Today's BBC*. London: BBC.

BBC. 1998. *Statement of Promises to Listeners and Viewers, 1998-1999.* London: BBC.

BBC. 1999. *Statement of Promises to Listeners and Viewers 1999-2000*. London: BBC.

BBC. 2002. *BBC Governance in the Ofcom Age*. London: BBC.

Beck, Ulrich. 1992. *Risk Society: Towards a New Modernity*. London: Sage.

Beck, Ulrich, Anthony Giddens, and Scott Lash. 1994. *Reflexive Modernization*. Cambridge: Polity.

Birt, John. 1999. The Prize and the Price: The Social, Political and Cultural Consequences of the Digital Age. New Statesman Media Lecture. London: BBC, July 6.

Born, Georgina. 1993. Afterword: Music Policy, Aesthetic and Social Difference. In T. Bennett et al. (eds.), *Rock and Popular Music: Politics, Policies, Institutions*, 266-293. London: Routledge.

Born, Georgina. 1995. *Rationalizing Culture: IRCAM, Boulez and the Institutionalization of the Musical Avant-Garde*. Berkeley: University of California Press.

Born, Georgina and Tony Prosser. 2001. Culture, Citizenship and Consumerism: The BBC's Fair Trading Obligations and Public Service Broadcasting. *The Modern Law Review* 64, 5, 657-87.

Born, Georgina. Forthcoming 2004. *Uncertain Vision: Birt's BBC and the Erosion of Creativity*. London: Secker and Warburg.

Briggs, Asa. 1961-95. *The History of Broadcasting in the United Kingdom vols. I-V*. Oxford: Oxford University Press.

Briggs, Asa. 1979. *Governing the BBC*. London: BBC.

Briggs, Asa. 1985. *The BBC: The First Fifty Years*. Oxford: Oxford University Press.

Burns, Tom. 1977. *The BBC: Public Institution and Private World*. London: Macmillan.

Callon, Michel. 1998. An Essay on Framing and Overflowing: Economic Externalities Revisited by Sociology. In M. Callon (ed.), *The Laws of the Market*, 244-269. Oxford: Blackwell.

Department of Culture, Media and Sport. 2000. A New Future for Communications: the Communications White Paper. London: DCMS. Available via the index at http://www.dcms.gov.uk/creative/index.html.

Department of Culture, Media and Sport. 2002. The Communications Bill. London: DCMS. Available at http://www.communicationsbill.gov.uk.

Giddens, Anthony. 1991. *Modernity and Self-Identity*. Cambridge: Polity.

Giddens, Anthony. 1994. Replies and Critiques: Risk, Trust, Reflexivity. In U. Beck, A. Giddens and S. Lash, *Reflexive Modernization*, 184-197. Cambridge: Polity.

Goodwin, Peter. 1998. *Television Under the Tories*. London: BFI.

Hendry, David. 2000. Pop Music in the Public Service: BBC Radio 1 and New Music in the 1990s. *Media, Culture and Society* 22, 6, 743-761.

Lash, Scott. 1994. Replies and Critiques: Expert Systems or Situated Interpretation? Culture and Institutions in Disorganized Capitalism. In U. Beck, A. Giddens and S. Lash, *Reflexive Modernization*, 198-215. Cambridge: Polity.

Lash, Scott and John Urry. 1994. *Economies of Signs and Space*. London: Sage.

McQuail, Denis. 2000. *McQuail's Mass Communication Theory*. (4th Edition.) London: Sage.

Power, Michael. 1994. *The Audit Explosion*. London: Demos.

Power, Michael. 1997. *The Audit Society: Rituals of Verification*. Oxford: Oxford University Press.

Reith, John. 1949. *Into the Wind*. London: Hodder and Stoughton.

Scannell, Paddy and David Cardiff. 1991. *A Social History of British Broadcasting, 1922-1939*. Oxford: Blackwell.

Scannell, Paddy. 1989. Public Service Broadcasting and Modern Public Life. *Media, Culture and Society* 11, 135-166.

Shore, Cris and Susan Wright. 2000. Coercive Accountability: The Rise of Audit Culture in Higher Education. In M. Strathern (ed.), *Audit Cultures*, 57-89. London: Routledge.