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Chapter 5: Organisational Culture inside the BBC and CNN

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This chapter provides a glimpse inside two of the world’s leading media organisations during a period of turbulent environmental change. The BBC and CNN have very different histories, remits and identities, but both must now compete to provide news in a media environment shaped by increasing competition, globalisation, digitalisation and convergence. The focus of this chapter is corporate culture, and the unique role this plays in media organisations. Culture is a potent influence in any organisation, but particularly so in media ones. It can act as a powerful constraint, limiting acceptance of new products and processes, but it can also be a motivator, an enabler, a liberator of organisational energy. For both the BBC and CNN, their core capabilities and competitive strengths are deeply rooted in their cultures; in some senses they could be said to spring from their cultures. Their cultures are the emotional engines of their strategic successes. CNN would not be the world’s best-known news organisation without a culture dedicated to producing the best news programming; nor would the BBC have maintained its exceptional programme quality during a decade of organisational turmoil were there not a deep cultural commitment to its professional standards and public service ethos, whatever disruption the environment (or management) might throw up.

But corporate culture, although a frequently used term, can also be a rather fuzzy and ill-defined concept. Within this context, Edgar Schein, Professor Emeritus at the Sloan School of Management at MIT, offers a definition that is both comprehensive and concise, and this was used as the basis for the empirical research described here. Schein defines culture as:
a pattern of shared basic assumptions that a group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid, and therefore is taught to new members of the group as the correct way to perceive, think and feel in relation to those problems. (Schein 1992: 12)

This chapter therefore presents the cultures of the BBC and CNN in terms of a paradigm of interrelated assumptions, or unconscious beliefs, about the meaning, function and purpose of their professional activities shared by those working in these organisations. The style of presentation is as follows: in each case the paradigm is presented in its entirety, followed by discussion of the four individual assumptions that make up each paradigm. Assumptions are, according to Schein’s definition, unconscious, and those presented here therefore represent an amalgamation and synthesis of interviewees’ underlying sentiments, not actual, overt comments. However a selection of direct quotes taken from the interviews have been included after each assumption to provide readers with a sense of the sentiments abroad in these companies and of their strength.

The in-company research underpinning this analysis was conducted between 1994 and 1995. The primary research tool was issue-focused long interviews conducted with senior managers in each company (twenty-five at the BBC and thirteen at CNN), the majority of whom were interviewed twice, one for data-gathering and a second time for feedback.

The BBC's Culture in its Own Words

Figure 5.1 The BBC’s cultural paradigm
BBC Assumption 1: ‘Public Funding Makes Us Different’

- The BBC is special, different and important because of its public service status.
- It’s in the public good that we exist, it’s good for the nation.
- This means we are not ‘just’ broadcasters, and our public service goals must be viewed as superior to financial or commercial priorities.
- This marks us out from our commercial peers – and makes us a special case.

This assumption derived from the public service ethos that has been present in the organisation since its earliest days (Burns 1977). It concerned a definition of broadcasting conceived in terms of the public good, of public betterment and had a number of consequences. The first is a sense of higher purpose, a profound conviction that the BBC makes an important contribution to the nation; that its programming does not just fill empty hours in the audience’s evening, but, to echo Lord Reith’s views, enriches the viewer’s life. As one BBC manager expressed it in an interview:

 Our aim is to provide entertainment that is morally sound and has a bit of the Reithian extra about it. Television producers are like
doctors, good producers make good moral judgements as well as good programmes, I think it's as important as in medicine.

The commitment to serving the public good, of bettering the lives of the public, embodied in this assumption, acted as a powerful intrinsic motivator:

It's in the public good that the BBC exists culturally, politically; it's good for the fabric of the nation. … I get fantastically frustrated … and say ‘Let's go back to basic principles' and ‘Why am I here?' And it's because I believe in public broadcasting. … That's the thing about this organisation; it's got that capacity in the end to motivate you because you believe in this great good that you're contributing to.

**BBC Assumption 2: ‘The Best in the Business’**

- The BBC sets the standards. Our journalistic, artistic and technical skills are second to none. Given the scope, we produce the best broadcasting in the world.
- We can do this because we are licence-fee funded: this protects us from commercial pressures and gives us the space to be creative and produce original, high-quality programming.
- We are broadcasters, not businesspeople, and our focus should be on the skills of broadcasting, not of business.

This assumption related to an ethos of professionalism, a striving to offer broadcasting of the highest possible quality. This strand of BBC culture was the ‘motor’ behind the organisation’s tradition of excellence in programme-making:

We’ve been a Rolls-Royce organisation, everything has been done very well. I would argue, if you were looking for best practice in broadcasting around the world, you’d probably find quite a lot of it here, in terms of product, in terms of the level of service that has sustained that product.
However, a more complex aspect of this assumption is that many saw its programme-making excellence as being inextricably linked to licence-fee funding. Certainly many within the organisation believed that the two elements combined to create a ‘virtuous circle’ whereby guaranteed funding from the licence fee has enabled creativity and professionalism to flourish, and a critical creative mass to develop, which enabled the BBC to raise public service broadcasting to the highest standards possible, which in turn created a discerning and demanding viewing public, which is then prepared to finance the organisation on an ongoing basis. Threats to the licence fee, or proposals to alter the organisation's financial basis, were construed as threats to the organisation's fundamental activities and, as such, highly emotive:

I think … in a way the corporate culture is driven by the guarantee of income, because in terms of taking risk and thinking for tomorrow rather than just for today, you create a kind of creative culture, in which people thrive, and have energy and so forth. And that is the corporate culture if you like, the two things sort of come together. And I think it is crucially this issue of funding.

The organisation displayed great belief in its creative and professional skills. Some, however, were concerned that pride, taken to an extreme, could mutate into arrogance and complacency:

Certainly it's one of great self-belief, enormous pride … the downside of that is smugness and arrogance, but the upside is a real self-driven belief, even when you might be irritated, cross, angry you're still doing everything possible to produce the best possible programme … but you'll also not like anyone else to disagree.

And just as employees worried that pride could turn to arrogance, so too were some concerned that elitism could lead to insularity: that because the BBC has set the standards for worldwide television for so long, its employees would see little reason to look outside, to consider what others in the field might be doing:
I believe the organisation is at almost all levels deeply introspective, and I think there's a certain culture of, and attitude 'we're just better than the other guys, always have been and always will be'.

Ironically, however, the downside of the profound commitment to broadcasting excellence was a certain disdain for non-broadcasting activities. BBC employees prized broadcasting rather than business skills, and status accrued with creativity, with programme-making prowess. Senior management positions often went to those who had won their spurs in creative areas, from production to scheduling. Some felt that this impoverished standards of management:

Essentially, the BBC is an organisation in which people care passionately about output and genuinely debate and think through in a very rigorous way how to make that output the best it can possibly be. … Where they are poor is in using traditional management tools to increase the effectiveness of their activity.

**BBC Assumption 3: ‘Part of the British Way of Life’**

- We serve a unique national role, we are part of the fabric of Britain.
- Our primary duty is to service the British public – this is the trade-off for receiving the licence fee.
- This means giving them the very best programming we can (and as experts we probably know better than they do what is best).

This third assumption concerned the BBC’s view of its national role. BBC conceived of its role as being far, far, more than simply supplying television and radio programmes. It was not simply in service of the nation but a fundamental part of the nation:

As everything else fragments around you and becomes multinational, international, satellite and all the rest of it, the BBC remains a sort of touchstone for the identity of the nation.
The cultural conviction about the importance of the national role played by the BBC had deep roots, extending back to Reith’s view of public service broadcasting, and generated a strong sense of responsibility:

This is the great thing with the BBC … the sense of acting on behalf of the nation, the BBC as a unifying culture – I’m sorry these are grandiose words but these are really what, if you talk to people in some areas of the BBC … they believe in.

But the BBC’s sense of fulfilling a unique national role also had negative connotations. Like the pride associated with Assumption 2, there was concern that a sense of responsibility could easily mutate into self-importance, and then into arrogance:

[p. 82 ↓] There’s a sort of ‘Auntie knows best’, condescending, patriarchal, matriarchal: ‘We'll look after you’ old-fashioned welfare state public service and a more sophisticated, ‘We're aware of your needs’, ‘We're in tune with the nation’, ‘We're part of the nation and we can enrich it’.

BBC Assumption 4: ‘Defending a Great Heritage’

- We are custodians of a unique and important broadcasting heritage.
- It is everybody’s personal duty to protect that heritage.
- This obligation must be weighed against urgent management imperatives.

Just as children of famous parents have difficulty shrugging off the expectations of their heritage, so too is the current-day BBC to some extent weighed down by the organisation’s extraordinary track record of power, influence and broadcasting success. For many, the BBC represented the pinnacle of televisual achievement, and that achievement was made possible by the rigorous values instilled by Lord Reith.

I think that one of the tensions of the BBC is that the staff see themselves in a way as the custodians of the Reithian ethos … I think
the tension arises not that the people at the very top don't see that, but that they see changes are necessary. ... Whatever else people feel about the BBC, they feel a very strong sense of identity with it. They may dislike a huge number of things about the changes, but they feel extremely strongly, and therefore extremely possessively, about this thing called the BBC. ... It's an enormously conceived commitment and it's an area of enormous strength, but it can also be an area of great tension, if the BBC, in the shape of its chief executives ... or the senior team around those entities, wish to do something different, or something which the staff consider runs against the true interest which they feel they represent.

For BBC staff, its heritage was part of what made the organisation – and by extension, its employees – special. It was a great source of motivation:

It is a great privilege to me to work for an organisation that has such a heritage, that has made the greatest radio and television programming in the world for so long ... and still produces world-beating output. Even though competitors have come along and they are increasingly well-funded, we can still beat the rest of the world.

The motivation appeared to be intimately connected with perceptions of Reith's unique contribution to the history of broadcasting, and could explain the latter's curious longevity and appeal. Reith left the organisation over sixty years ago in 1938, but none the less his name was still regularly invoked by staff members, although at times somewhat cynically:

[p. 83 ↓ ] Reithianism died thirty years ago; it's curiously more alive in television than in radio. The basic principle was leading public taste. ... Reith was a boring old fart actually, he thought he could give people a bit of variety to keep them quiet, and then get the good journalism and the opera. What people mean when they talk about Reithianism goes back to the late 1950s... which was the sense that you could lead people from one thing to another and stretch them gently. But also the BBC in the 1950s started to tap into a rich vein of entertainment, of
drama, so I think when people talk about Reithianism, they are talking about that. A lot of people talking about Reithianism have never read John Reith, but it's become a phrase. ... He's a useful fiction for the BBC.

However, problems can arise when the exigencies of the environment dictate a strategy that threatens to compromise the organisation's heritage, to force it off the Reithian path. There was concern that employees see themselves in the role of impoverished scions of a once wealthy family, battling to save the family treasures from the auction houses.

This is a deeply conservative organisation that hates change of any kind and fights it in every possible way ... I think that view of the heritage is... part of an excuse or weapon used in the argument to stop change ... heritage is used as a kind of emotional argument.

Figure 5.2 The BBC's assumption and attitude ‘map’

[p. 84 ↓]
Summary: New Strategic Directions versus Old Cultural Values at the BBC

Having explored the BBC’s culture, with its distinctly Reithian overtones, the next question is how did this respond to the ambitious programme of organisational and strategic change initiated during the director generalship of John Birt? At this point in its history, the BBC’s strategy was seeking to respond to three specific issues in its wider environment:

- the squeeze on the organisation's financial resources, arising from ‘flat’ income and rising costs;
- increasing and better-funded competition;
- instability and uncertainty – the combined implications of convergence, digitisation and unclear intentions on the part of the UK government towards the organisation.

In response to these factors, and the government's requirement that it become a global player in the media field, the BBC developed a five-pronged strategy: innovative quality programming (including new non-commercial services such as BBC Online), efficiency, commercial activities, world development, and alliances and partnerships. These were a logical response to the organisation's strategic environment. Greater financial efficiency would relieve pressure on the organisation's finances and free up resources to invest in its non-commercial programmes and services, so that the organisation could maintain its market position in the UK better and compete with its commercial peers. The strength of the BBC brand provided an ideal platform for expansion into international markets and the growth of its commercial activities. The fact that the organisation’s permitted sphere of activities in the UK, especially commercial activities, was limited underscored the importance of concentrating on commercial growth in world markets. Continued domestic funding, and its ability to fight off domestic competition and expand overseas, obviously depended on the organisation continuing to produce innovative, quality programmes. Finally, since it could not raise risk capital, and since its own funds were stretched, commercial activities would need to rely on joint ventures and alliances.
There was therefore a strong coherence between these strategic goals and environmental pressures. The critical question is: How did the culture perceive the strategy? How well were the goals accepted?

There was no evident tension between the organisation’s culture and its prime strategic goal, the production of innovative quality programming. Indeed, this was so integral to the culture that some staff did not even perceive this as a distinct strategic priority:

> I've stuffed the BBC strategic priorities. My priority is to make the widest possible range of high-quality drama in the knowledge that if we don't get drama right on BBC1 – and we are [p. 85](#) the defining factor on BBC1 – then BBC1 will be sunk. If BBC1 is sunk, then that in the public perception probably means the BBC. BBC2 is irrelevant. The radio stations, the symphony orchestras also in that context, only in that context, are also irrelevant. So it's the survival of BBC1 with a substantial audience loyalty, and an audience out there that believes they get things they don't get anywhere else that is important, and if you then focus down, well what can you do about this? You can't mend the BBC, you can mend bits of it, and in mending bits of it you might mend the BBC.

The second strategic goal was greater efficiency. This too appeared to pose no conflict for the culture:

> The audience is who we serve, programming is how we serve it, and efficiency is how we fund it.

The third, fourth and fifth strategic priorities can be considered together. All concern commercial activities, focusing on world development to be achieved via joint ventures and alliances. Here the BBC’s public service ethos, its commitment to serving the British public and the low priority given to business activities generated tension between strategy and culture:

> There's a lot of cynicism within the publicly funded part of the BBC about our commercial activities. I think there's a natural snobbery about
anything to do with business generally … In some areas people are rather cynical about the calibre of the personalities and the projects involved. It's very much a sense that Worldwide has to prove itself, demonstrate … that it's a first-class commercial media organisation.

**Figure 5.3 The ‘fit’ between the BBC’s environment, strategy and culture**

[p. 86 ↓ ]

**CNN's Culture in its Own Words**

**Figure 5.4 CNN's cultural paradigm**

1. **Commitment to News**
   - News lies at the heart of CNN – CNN is the news
   - CNN news is a global product for a global market
   - It is also unique – we have reinvented news and our news makes a difference to the course of world events

2. **Reality Based**
   - We understand the realities of life – viewers pay the bills – if they aren’t happy, we aren’t in business
   - Money doesn’t grow on trees and we don’t waste it on anything we don’t think is worth while.
   - Money doesn’t grow on trees and we don’t waste it on anything that increases value for viewers.
   - We need to stay close to our viewers – we can’t afford to dictate what they should watch.

3. **Pioneers and Mavericks**
   - We are pioneers – our success rests on taking risks, seizing the moment and doing things differently.
   - We don’t really care what the industry says.
   - The future holds no threat if we stay true to our formula.

4. **Outsiders and Underdogs**
   - We are out of the mainstream, and plan to stay that way.
   - We are not afraid to take risks.
   - We are not afraid to be different.
   - Tough competition will ensure we keep that edge.
CNN Assumption 1: ‘News Lies at the Heart of CNN – CNN is the News’

- Our news makes a difference to the course of world history.
- Our news is a force for the good.
- Our news connects the world with the world.
- Our news is unique.
- A global product for a global market.
- We have reinvented news.

At the heart of CNN’s culture lay a commitment to breaking news, which is as fundamental as the BBC’s commitment to public service broadcasting:

> What we do that's really special that nobody else does like we do is to bring you the live breaking story of the day. There's nobody quicker and more competent at bringing the breaking event than CNN.

Underlying this assumption was a deeply held, and deeply motivating, belief that CNN’s news makes a difference to the course of world events. CNN believed that its news can change the course of world history and be a force for the good, perhaps even one that unites a fragmented planet:

> It’s utterly brilliant at moving quickly to cover real-time events and organise those real-time events into some coherent strand of oral history.

CNN therefore saw itself as a ‘news missionary’, bringing news to and from far-flung reaches of the globe. A global perspective was as critical to its news formula:

> The overall mission of CNN is to produce live news coverage … the quickest and the best … and to broadcast it to the world.

It was felt that this global outlook contributed to making the organisation unique:
We've redefined the borders. ... We're as relevant to a sheikh in Saudi Arabia as we are to somebody in Detroit.

CNN's philosophy, regarded as eccentric by domestic peers, has been reinforced by the organisational triumphs (the Gulf War, Tiananmen Square) which have resulted from it. The organisation also made a deliberate effort to avoid ethnocentrism and to diminish the 'Atlanta perspective' that could inhibit consumer acceptance:

To a very large extent we've tried to make CNN International place and country of origin neutral. ... There's a fixation on ... well, on not sounding like an American. We've tried to make it place-neutral and we've tried to take a kind of androgynous perspective on what constitutes news.

CNN Assumption 2: ‘We Understand the Realities of Life’

- Viewers pay the bills: if they aren't watching, we aren't in business.
- Of course, we want to do a good journalistic job, but keeping advertisers and viewers happy is part of that.
- Serving the public does not mean getting high-handed and deciding what they need – at CNN the viewers dictate, not the producers.
- It's not our job to tell people what they should think.
- Money doesn't grow on trees and we don't throw it around. We spend – a lot if necessary – but only on things that increase value for our viewers.

This assumption was rooted in a deeply pragmatic attitude towards the activity of broadcasting: ‘Our mission is to cover the biggest stories in the globe, in a way that people want to watch them.’ CNN existed, like the BBC, to serve its public, but the balance of power was different: Viewers have the upper hand, they dictate, they know best – even if programme-makers personally hold different views:

You are in the business of providing news and information to people, the theory being that if you are doing it well, you will have lots of people
watching. If you don't have lots of people watching, maybe you should examine how you are providing it.

This assumption also reflects a deep financial pragmatism, which led to an extreme cost-consciousness:

I think that no company watches money the way that we watch money – they account for everything – and what is interesting is that the journalists do. In other news organisations it is a problem for accountants. We go out and we do the story and the accountants will take care of it, but we will pour in the resources that we need to do it. I believe that Turner looks at the resources and says ‘These are the resources. What can we do with those resources? And in doing that, what will give us the cutting edge?’ And that’s why you’ve got people who are willing to work all hours and will continue, because there is also something about being on air and progressing a story, and you keep going with it.

Interestingly, such cost awareness was not demotivating. It simply served to underline CNN's unique and special character:

You could even be unflattering about it. It’s very money conscious. Which can get very wearing sometimes. On your less flattering days you call it a cheap environment … I've never gotten a bonus, which is one thing in this culture which won't change – but I get all these cheesy stupid Christmas gifts, you know, a really ugly bad clock, a Goofy … by corporate American standards these little things are … a joke. But I make fun of it and make a joke of it. I can connect this all back to Ted and I know I work for Ted, and ultimately Ted is the driving identity.
CNN Assumption 3: ‘CNN the Pioneer – the Dissident – the Iconoclast’

- We’ve redrawn the rules, redefined the game.
- We do it differently – we are where we are today because we can think outside the box.
- We like risk, we like change, we like challenge. We know how to handle it. We are where we are today also because we know how to seize the moment.
- To hell with the industry, and the future for that matter. We will triumph, somehow – we always have.

[Cp. 89 ↓ ] CNN saw itself as a crusading pioneer, its success rooted in taking risks, doing things differently, ignoring received industry wisdom. In part this had been driven by necessity: for many years CNN could not afford to follow standard industry practices. Later it made a virtue out of necessity (and many of its practices – the VJ system, its affiliate network – were eventually adopted by its one-time detractors). This iconoclasm developed into a near official policy of disregarding convention:

> It’s an edge that we have because we started off as nothing fifteen years ago and people made fun of us, and nobody thought Ted knew anything about the news, so why was he starting a news network? … And that’s an important edge to keep, whether you call it underdog or whether you call it the lean and mean machine.

Because, for CNN, success rests on breaking moulds, disregarding received wisdom: ‘I’d say we question what the industry says: we have proved that it pays to question what the industry does.’

CNN’s history is one of experimenting with unexpected approaches to broadcasting – satellite technology, repurposing – being ridiculed for such activities, and finally of being copied. This generated an opportunistic approach to decision-making, where the real challenge was not a changing world outside, but ensuring they keep an open mind:
When you think your way is the only way, what a trap. In fact our mothers and our fathers told us that when you think you know it all, that's when you stop learning. You're not listening any more, you don't know when the change happened, but you're still fighting it. You have no clue the winds have changed, that it's a new day, a new order, a new way of looking at things, people are marching to a different drum. ... But you don't even know that's a drum playing, it's noise to you.

This ‘official’ opportunism was rooted in Turner’s founding of the business:

The Ted Turner genius is to see an odd view of the utilisation or impact of a technology without necessarily understanding or giving a damn about the technology itself in the short run. Ted's genius was to comprehend that the arrival in 1975 of satellites that could transmit television signals meant one guy could get his signal out to lots of places in the country without the extraordinary cost of individual wires connecting them all together. ... But Ted didn't go ‘Wow’ and say ‘That's fabulous technology’. He said, ‘I got this little itty bitty TV station in Atlanta that doesn't have an audience and I've bought a bunch of programmes for it. If I put those programmes on a satellite and gave them to cable systems all over the US I'd get a ton of viewers I don't have and I could raise my ad rates!’ He said, ‘I need an audience to pay my bills, we're broke, we don't have any money!’

**CNN Assumption 4: ‘We are the Underdogs and Outsiders of US Broadcasting – and Proud of It’**

- Our unorthodox beginnings have given us a competitive edge that we can't afford to lose.
- Tough competition is good – it will ensure we stay lean, mean and on our toes.
Risk is good; without risk there's no progress.

The concept that CNN was an underdog, a battling outsider in a hostile industry, was central to its cultural paradigm and linked many of its beliefs:

This place grew up with a cultural inferiority by being in Atlanta and with a total underdog mentality by virtue of being on cable when cable wasn't chi-chi. As a result it has been driven by a desire to get as big as its competitors. At the same time it's a cash-poor, capital-poor, betting-the-farm-on-the-next-acquisition kind of place. … The corporate goal was never high throughput in productivity; the corporate goal was to be bigger than we were because we were too small.

Interestingly, CNN was also a physical outsider:

We're the outsiders … we're still outsiders … because we're not in New York. … We're just not in the same ball game. We're not in that little New York-Washington power corridor.

CNN's pioneering culture led to a bias for action, for hands-on activity:

This is the ‘do it’ school of business here. You have an idea, you get it approved by the hierarchy, and then you do it and nobody tells you how to do it.

For the underdog, the pioneer, survival is a battle, and CNN's view of the outside world was highly combative and spiked with military terminology:

We used to say: ‘You want to be an overdog, then you wanna behave like an underdog’. No matter how good you are, you want to wake up every morning figuring there's somebody smarter, crazier, luckier than you are out there who's gonna reinvent something and then you're in trouble.

Unsurprisingly, pugnacity was partnered with a strong stomach for risk:
We wouldn't be here if we were afraid of risk. In young companies … you have to be risk-takers. … If you're not willing to take a risk, you'll be gone. Because there's always somebody smart. Nobody owns these ideas.

And also by an allowance for the occasional associated failure:

If you foster the notion that it's better to make fifty decisions and fuck up a few than make three and never make a mistake. … We're not gonna penalise you for making a mistake, we're gonna penalise you for not making an effort to do something terrific.

Figure 5.5 CNN's assumption and attitude map

Summary: Culture's Impact on Strategic Options at CNN

As with the BBC, having examined CNN's culture, the next stage is to explore how well this fitted with CNN's broad organisational goals. The first key observation is that CNN and its culture were products of environmental change. Perhaps as a result there
was little evidence of cultural ‘tension’ about environmental upheaval. Culture and environment seemed broadly in alignment, and there appeared to be a widespread understanding of the environmental pressures shaping its strategic direction.

An interesting facet of the impact of CNN's culture was that it predisposed the organisation to disregard formal strategic planning (an activity which it happily left to its parent). This could have stemmed from its desire to break moulds and do things differently, from its immersion in the world of news, which means a concurrent focus on real time, on action rather than analysis and on short-time horizons. Whatever the root, it promoted flexibility in the organisation:

There is a certain impermanence that comes [when] the environment keeps changing. You've no guarantee that whatever you've built yesterday is workable tomorrow. That's been a part of our thinking and our attitude.

CNN felt no need to create a facade of strategic rationality. This freed it to respond vigorously and laterally, should the need arise. Such an opportunistic approach has a long heritage within the organisation:

[p. 92 ↓] Consider if you will the brilliance of Turner, which was to go into cable television as a programmer in 1976 and then in 1980 with CNN, at a time when there were about 18 million cable homes in the United States. Today there are about 63 million. The sheer growth of subscribers was likely to throw off lots of revenue. Consider the brilliance of a rapidly expanding business … a 400 per cent increase in size in a fifteen-year period, not too shabby. At the same time the universe of channels, while it went up significantly from twelve to thirty-six or from twenty to forty, didn’t go from twenty to two hundred. So while the cable universe is exploding, the number of people who could compete with you by creating new channels, and the distribution problem of getting global distribution, is a significant inhibition on competition.
During the research period, CNN’s strategy sought to address two environmental threats. The first was increased domestic competition (at least four organisations announced plans to challenge CNN’s supremacy in news). The second was industry instability (convergence between media, telephony and computing was at a more advanced stage in the US than in Europe). In response, CNN developed three strategic priorities.

The first was further global expansion. This offered a means to consolidate existing strengths and was also a logical extension of existing competencies – newsgathering on a global basis and repurposing. Unsurprisingly, there was little conflict with cultural assumptions.

Programmes like World Report establish the value of our connections with the World Report contributors, from whom we get news, which helps fill our airtime and supplies us with pieces of the world in terms of news-gathering capabilities.

The second strategic priority was to develop new business areas. Equally, this strategic goal posed little conflict. CNN’s achievements had long been rooted in exploiting new developments. Its associations with new technology are positive. Like its host nation, CNN’s culture embraces the new, and the organisation tackles challenges with the customary underdog mentality and fighting spirit:

They’re talking about in this country in five or ten years’ time there'll be 500 channels. … So if we as a company say, ‘Okay, we’ve got our five networks right now, we’re ready, we’re in a good position’, that would be naïve, because even if these other channels get only a few people to watch, they’re still going to break down our total numbers of viewers. So we will make a conscious decision that… we need as many networks or stations as we can. … In other words, if somebody is going to take away viewers from CNN, it might as well be us.

The third strategic goal was increasing the amount of scheduled programming broadcast. This certainly offered the potential for tension, because the cultural commitment to news militated in many ways against appointment-based broadcasting:
Again, we have to be careful we don't ever lose track of what it is we do, and that is cover the news, that's our responsibility.

**Figure 5.6 The ‘fit’ between CNN's environment, strategy and culture**

Conclusions

This exploration of the corporate cultures of the BBC and CNN concludes by examining four broader issues that emerge from this analysis. The first concerns the role of the founder. A striking aspect of these findings is the pervasive and long-lasting influence of the founder of the organisation, and indeed the surprising similarity in the roles of these two individuals, despite the fact that they were active in very different historical periods. The personal beliefs of John Reith and Ted Turner are perpetuated in the current-day organisations to a surprising degree. In both cases, these individuals' vision and foresight created path-breaking organisations which have made a unique contribution to the development of broadcasting. However, whereas the cultural values inherited from Turner are strategically enabling, those deriving from Lord Reith are, in the context of the organisation's current competitive environment, more problematic. Although a powerful and unifying motivator, they were a constraining influence on strategic thinking:

You can't imagine that's the kind of thing that worries Rupert Murdoch. When he gets out of the bathtub in the morning he doesn't say, ‘Jesus,
I can't throw the shop away, what will they say? I'll be the man who ruined Reith's ideal', which must go through the minds of successive director generals. Whereas Rupert Murdoch gets out and says ‘Who am I going to eat today?’ It's a very different view of the universe.

Just as many aspects of the BBC culture – commitment to public service, commitment to the UK – derive clearly from Reith, so too can many aspects of CNN's cultural paradigm be traced back to Ted Turner. These include its maverick, outsider, underdog philosophy, and its appetite for risk and opportunism:

All of it ultimately goes back to Ted, who was sort of the ultimate underdog who came from behind and fought and scrapped and was made fun of for years, because he had this risky idea, initially, that turned out to be not nearly as risky as people thought it would be. I think we take that mentality with us, that we are sort of still an outsider compared to, say, the three broadcast networks.

From this came an intensely personal – and emotional – commitment:

I mean, Ted's a whack job, he's a crazy man. But he's our crazy man, and we love him! He's our crazy mother-fucker, okay?

A second broad conclusion concerns the strong correlation between organisational and national culture. The similarities, which emerged during research between the cultures of the organisations and their host nations, were striking. Corporate cultures appear to be fractals of their national parent. The BBC, like the UK, is struggling to come to terms with the end of an empire, the passing of a golden age, and seeking perhaps to play a larger role than its resources allow. CNN's culture is pure ‘frontier spirit’ and reflects the differentiated individualism, free speech and proactivity that are central values in US management. Its attitude to change echoes that of the US as a whole; change is normally associated with improvement and is therefore to be welcomed. CNN, it could be argued, is seeking to conquer new geographic frontiers and spread the gospel of independence, just as the American pioneers did centuries ago.
A third finding concerns culture’s effect on how audience needs are defined. Both of the organisations investigated for this study claim the same mission: to serve the public. However, an identical mission was interpreted in different ways. For CNN, ‘serving the public’ meant giving the public what they want, even if this didn't quite reflect the tastes of broadcasting professionals – the public, after all, knows best and viewers are the ultimate arbiter. The organisation saw its core task as catering for the existing public appetite for news, and in the process maximising audiences and thereby revenues. To do this it needed to make its news as attractive as possible – which in the context of CNN has traditionally meant more immediate, more global, more ‘live’. In organisational terms, this places a priority on the ability to react fast, on good audience feedback, on rapid production turnaround (even if production values are a bit rough and ready), and on quick communications, internal and external. For the BBC, imbued with the Reithian ethos, ‘serving the public’ meant at times ‘leading’ public taste, if necessary stimulating an appetite for its programming.

The final broad point to be drawn concerns the wider role of culture in broadcasting organisations. The distinct cultural beliefs held by CNN and the BBC – about broadcasting’s fundamental purpose, about the nature of competition, about viewers, about the relationship between competition and quality – drive those organisation’s products, performance and strategic options. Their cultural beliefs have laid the foundations for each organisation’s striking current and past successes, and will also determine how these organisations respond to the coming media revolution, and perhaps also their ability to survive it.

Chapter Summary

- Corporate culture, in the form of shared unconscious assumptions, plays a unique and important role in broadcasting organisations. For both the BBC and CNN, their core products and competitive strengths are deeply rooted in the inner beliefs common to those working there.
- However, corporate culture also plays an important role in determining how broadcasting organisation’s wider strategies are perceived and accepted. This research showed that at both organisations the cultural assumptions, while being a source of strength, were also in conflict with some of those
organisation’s strategic priorities, raising questions about whether those goals were achievable.

- The founder of a broadcasting organisation plays a disproportionate role in shaping its subsequent culture. The personal beliefs of Lord Reith, who founded the BBC in the 1920s, and Ted Turner, who founded CNN in the 1980s, are perpetuated in the current-day organisation to a surprising degree.

- There are strong similarities between the culture of an organisation and that of its ‘host’ nation. CNN's culture reflects the ‘frontier spirit’, individualism and proactivity, which are strong values in American culture. The BBC, like the UK, is struggling to come to terms with the end of an empire, and perhaps seeking to fulfil a role larger than resources will allow.

- Culture can affect how audience needs are defined. Both the BBC and CNN claim the same mission: to serve the public, however, an identical mission was interpreted in different ways. For CNN, ‘serving the public’ meant giving the public what they want, even if this didn't quite reflect the tastes of broadcasting professionals. For the BBC, ‘serving the public’ meant at times ‘leading’ public taste, if necessary stimulating an appetite for its programming.

- The BBC's culture has four core common assumptions: a belief that public funding makes the organisation special, different and important; a belief that the BBC is ‘the best in the business’ and that given appropriate resource, scope and opportunity, is capable of producing the best broadcasting in the world; a belief that the BBC serves a unique national role and is part of the fabric of Britain; and a belief that those working at the BBC are custodians of a unique and important broadcasting heritage.

- CNN's culture also has four basic beliefs. The first, that news lies at the heart of CNN, that CNN in some senses ‘is the news’. Second is a belief that viewers ‘pay the bills’, and unless they watch, the organisation can't function. Third is a belief that CNN is a pioneer and dissident, that it has redrawn the rules of news broadcasting. Fourth, CNN views itself as the underdog and outsider of US broadcasting, and that its unorthodox beginnings have given it a competitive edge that it can't afford to lose.
Note

The content of this chapter is based on, with permission, Lucy Küng-Shankleman, *Inside the BBC and CNN: Managing Media Organisations*, London: Routledge, 2000.

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