

ADDRESS BY

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TO THE

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CREATIVITY AND CONTROL: THE MANAGEMENT TIGHTROPE

Mr. Chairman, when I accepted your President's invitation to be here today, it was early in February in a long winter. Shortly afterwards I chose my subject, Creativity and Control: The Management Tightrope, because I believe the special dangers and rewards of broadcasting, especially public broadcasting, are to be found in balancing the tensions between creativity and control. Since I chose that topic, as you know, a protracted, costly and often misunderstood strike of our NABET technicians has deepened and we are caught in the midst of activities neither creative nor controlled. I must, therefore, in the course of my remarks, touch on the strike and the issues involved or I could not fairly or honestly deal with the subject at hand.

You know in CBC it is always the best of times and the worst of times. If five thousand people telephone or write as they did to cheer a documentary program like "The Chariot of the Gods" an equal number write or phone to say that they can't figure out "The Whiteoaks of Jalna" family tree. Even with the charts. *

You develop an ironic sense of humour living in the CBC. I recall at the height of the Quebec crisis calling Raymond David, the head of the French Services Division in Montreal, to ask him what he thought about our putting on TV an historical documentary on Lenin. This was a documentary which used some original news film, some violent scenes from Eisenstein's documentary on the Russian revolution entitled "Ten Days That Shook the World". Raymond said to me that the French television network would not want to do this since it would be considered provocative, but on our network who knows, even though it did run through Montreal and Quebec City. I decided, in view of the

tensions that were alive in those days, to postpone the showing of Lenin and I did it the night before it was supposed to go on knowing full well that with pre publicity I would be charged with a lack of guts and courage and a deliberate interference with free speech and creativity liberty. *

At this point I asked Knowlton Nash, who was in my office, what he had lined up as a substitute program and he replied, rather casually, something neutral on avalanches in Switzerland. Lo and behold the next night our replacement film on coast to coast television, among other fascinating advice to our audience, showed them how to make home-made bombs, bombs you could use to trigger snow slides before they became dangerous. For your information I did get a lot of protests, both inside and outside, about my decision and the Lenin film went on as predicted on the network two or three weeks later.

But despite the fishbowl quality of the CBC management life style we face the same demands as management teams anywhere in North America. We translate objectives and plans and budgets, we design and produce programs and services in radio and in television at dozens of plants across Canada; we market our television wares in the toughest competitive environments in this country, dozens of markets in two languages. We in CBC sell more than \$40 million worth of microwave time and programs in a year for ourselves and for our affiliates, and we recruit and employ a staff of nine thousand people, made up of more varied skills and talents than most corporations ever hear of. Thus, in a great many respects the CBC is like other large business corporations in this country and its management face the same tasks as managers elsewhere. I am sure a lot of you would feel at home in my office on Jarvis Street in a house built by Sir Oliver Mowatt in 1856

even if it is now familiarly called "the Kremlin".

But now let's take a look at some of the fundamental differences between the Corporation and ordinary business corporations in this country. First, CBC is a public corporation, established under the Broadcasting Act, directed by a Board of Directors who have independence from the government. It is a corporation publicly financed but at the same time it is in business on a competitive basis in both radio and television. One thing here should be noted - test of its success is not, and I repeat not, profitability.

Second, the CBC is the only Canadian broadcasting organization engaged in creative production of the full and complete range of radio and television programs: in news, in current affairs, in variety and light entertainment, in serious and light music of all kinds, in theatrical and film drama, in religious programs, in special events, in children's broadcasts, in programs devoted to ecology and agriculture and resources, and the Far North. No other organization in this country exists to do these things, not just in English or in French, but in both languages.

Third, the CBC is highly decentralized in operations - but not for the usual reasons of effecting economies. It has been done rather because the mandate of the Corporation is to serve each and every region of this country and to reflect each region to the others and to the nation as a whole. Without stations and without production centres running from coast to coast a shared experience of Canada that makes up our radio and television schedules would simply be impossible.

These three features, the public nature of CBC, the wide range of creative program production and the decentralized uneconomic character of its operations, all underline the need for both creativity and control.

Let me be specific here: when I speak of creativity I have in mind the teams of people who design, develop and produce programs to be seen and heard. These are the innovators through whose eyes we see and hear the world, either in the factual reporting of journalism or in the fiction of drama. These people, the writers, editors and reporters, the composers, the producers, the set and costume designers, the lighting experts and sound technicians and cameramen and the performers, are the people who make programs. Without them and their skills the CBC cannot function, in fact it has little reason to exist.

On the other hand, when I speak of control, I have in mind the teams of people whose task it is to provide the physical, financial and administrative structures within which resources are used by the creative staff of the organization. And let me say that there are solid administrators on the creative side who, by and large, are much maligned as being artsy crafty people without knowing how to spend a dollar. On the administrative side, of course, we have some of the best creative minds in the country. Working together, planning together, these are the two groups who make up the CBC.

For some of you, I am sure, the thought of a control mechanism which does not have as one of its purposes the showing of a profit is hard to imagine. But profitability

simply cannot apply to many of our essential services required by the country - the Northern radio and television stations and networks, the International Service. Profitability cannot measure CBC financial support to all of the main orchestras of this country or gauge the value of having the largest group of professional news correspondents overseas to see and report the world / Canadian eyes through. The test of profitability, for example, has no place in a series like Sesame Street, which is by policy forbidden to carry advertising. In short, for public service organizations like CBC, the challenge of meaningful control is much more complex than profitability and while I would be the last to argue that we have all the answers I think we have found some very good ones.

When I became head of the English Services Division, almost four years ago, the President and Executive Vice-President and the Board made it clear that many of the functions previously performed at Headquarters in Ottawa had to be decentralized to the operating divisions. Further the whole of CBC's operating activities would be organized along language lines, with the head of the French Services Division in Montreal and the head of the English Services Division in Toronto. Decentralization under these conditions was vital, not only from Ottawa headquarters to Montreal and Toronto, but from Toronto and Montreal to other regional points, down to the point of the operating station and the operating radio manager or television manager, so that decisions could be made as close to the operating reality as possible.

The scale of the English Services Division is to me, in any case, impressive. It spans the country from Inuvik in the Northwest

Territories over to Frobisher Bay down the West Coast to Prince Rupert to Vancouver across Canada to St. John's, Newfoundland, and back south to that Canadian city in the mid west of the United States, Windsor, Ontario. In all, we operate thirteen television stations of our own, together with their attendant production centres, and thirty-one radio stations. We operate a coast to coast television network and a number of regional television networks, together with two radio networks coast to coast. The English Services Division employs almost five thousand of the staff of the Canadian Broadcasting Corporation and in the current year the operating budget for the Division is \$130 million.

After a short period of study and analysis I realized that I could not manage this monster of a Division first without better, quicker, more complete information, and secondly without an integrated planning system covering all our activities - one which was responsive to both creative and control needs.

The CBC has always had bright, creative people in its ranks in significant numbers and at many locations and I can remember no time in the twenty-two years I have worked with CBC, when a number of them and perhaps all of them weren't frustrated, were not critical of the administrators and of management, ^{were not} eager to make the greatest programs in the world, and succeeding much of the time, and in general raising some kind of political or artistic fuss much to the delight of the newspapers and much to the chagrin of parliamentarians. I suspect that this situation is not going to change, not completely anyway, and not overnight. But I can assure you that both the creative agents of the CBC and the administrator-management groups need clear objectives,

need coherent planning processes, need criteria by which they know their performances will be judged and an evaluation process in which they can have confidence. Without such instruments and without the rewards and sanctions related to performance, frustration is inevitable and neither creativity or control can be fully achieved.

And so in the last three years, while increasing Canadian program content in television by more than ten percent, while creating a new morning radio service at the community level, and meeting the normal demands for entertainment and information programming, we have also been investing heavily in CBC's future. To name some of the measures that we are adopting and have adopted:

- an integrated planning system for both operational and capital needs *
- a production planning and budgeting system which responds to real needs, both creative and editorial, and to the quantitative requirements of resources which will be employed. Such a system must serve the producer, the director, the creative innovator, but it must also express clearly the demands on resources - human, technical and financial.
- a new financial reporting system, giving local, regional and divisional managers the financial information which they require for real management purposes. *
- in the English Services Division we have introduced at the top level and^{we} are now systematically introducing it across Canada, media management in radio and television. Simply put it means that radio and television must have their own separate management and resource allocation structures,

they must have objectives which are related specifically to themselves as media and resources appropriate to carrying out those objectives. Without such a clear division of responsibility between radio and television it was evident after years of neglect that radio, now essentially a new medium and a young medium, could not realize its real potential or be judged adequately by people preoccupied with television.

- the introduction of an English region in Montreal. *
- the establishment of a Toronto region to ensure that service to this metropolitan community has its own priorities and its own demands clearly expressed and separate from those of Toronto as the headquarters of the networks and the Division. *
- the introduction of a new career and staff mobility in the Division to make sure that local and regional and divisional career patterns in either the creative or management areas could operate coast to coast, serving the best needs of the Division and utilizing to the fullest potential the people on staff.
- the appointment of a Director of Marketing. This has been a new concept in the Corporation and it provides strategies in the field of sales and in the post broadcast utilization of radio and television spin offs. Since we are now at the age of both cassettes and of cable, and of books and of film strips, the Corporation, as one of the largest producers of

this kind of material in Canada, cannot neglect that particular future.

In assessing the success of these changes and many others, I would say that it is too early to give an overall appraisal with any certainty. But I am optimistic and made optimistic by the results already in. Despite the current crisis in labor relations, we are planning our future more clearly. Our capacity to make real choices in either programming or in resources allocation is much better than it used to be. But there is still a very long distance to go for all of us. What of the roles that we should set for each of our main production centres? Should we conceive of production specialization for main centres like Vancouver and Winnipeg, Edmonton, Halifax and Montreal? And should we have quite different roles for the smaller locations - Saskatoon, Charlottetown, St. John's and so on? The resources available to us are always going to be limited and to get the best some form of specialization seems to be required. And, of course, what of the challenges of the satellite, the cassette and the cable? Although I am sure most of you have read it some place, it is easy to forget that the world's first domestic communications satellite goes up this coming fall/ in November in fact. And shortly into the new year we will be developing a whole new program distribution system, not only for the southern regions of Canada but for the provision of live television throughout Canada's Arctic and sub-Arctic areas. This, too, of course, is another one of those items of a non-profit character so far as the Corporation is concerned.

But the challenge of creativity lies beyond these measures

of administration and control, it lies beyond research and development no matter how sophisticated. No matter what we in management do to create hospitable conditions within which good community and national programs can be made, we are ultimately in the hands of creators - the program directors and supervisors, the producers and writers, the dreamers and makers, both inside and outside CBC, who make our programs. This is where The Images of Canada and The Tenth Decade come from. This is where programs like This Country in the Morning, Springhill and The Two Arctic Tales and, yes, Jalna, come from, to name only a few. And so our biggest challenge in management is to win the confidence of the creative people, to communicate by what we do and how we act that we believe that programs and productions are our only reasons to exist as it is theirs, and on this front the test and the challenge of creativity and control is never over. *

This now brings me to the strike at CBC. It is a costly and painful strike, not only here in Toronto at network headquarters, but for all the components of CBC operations, including our affiliates and our advertisers and most of all for the audiences we are meant to serve. The television networks have lost hockey for this year, the President of the United States has come to Canada and gone this past week and the national broadcasting corporation was not present at the main events which occurred during his visit. Our radio and television networks are not providing the full service Canadians are entitled to and an essential group of employees, members of NABET in Toronto, have been on strike now for almost six weeks. Also, here in Toronto, the newsmen, in sympathy with NABET, have refused to perform their normal duties and this, on both counts, is neither creativity nor control.

You should understand that the Corporation's position at the bargaining table is the result of careful thought, planning and analysis. We are not where we are at the bargaining table by accident or by bumbling. Critics who accuse us of being inflexible and unwilling to negotiate a contract should look at the record: our lapsed contract with NABET is there to see and it wasn't a bad one. Then examine the demands put before us some eleven months ago and calculate the increased costs, the increased restrictions involved for the future. On an annual payroll cost of about \$18 million for NABET/^{staff} the new contract demands would cost the Corporation and the public purse not less than fifty percent more. Some of these same critics I mentioned above charge us from time to time with waste and extravagance. They say we have condoned over the years feather bedding, the squandering of public funds in dealing with our unions and with our staff. *

But what, in fact, is the record with respect to this negotiation.

Almost a year ago the CBC, foreseeing an impasse, requested that the dispute be taken directly to mediation. NABET refused and insisted on two long stages of conciliation. The second stage, the Conciliation Board report, was unanimous in its January 1972 recommendation, but NABET rejected this recommendation, a recommendation in which its own nominee fully concurred. NABET then exercised its right to demand a fresh start at the bargaining table, and they demanded that we negotiate the full slate of their original demands as though nothing had occurred since the previous May^{of 1971}. I repeat, not one of these NABET demands had been dropped. The Conciliation Board report

was not accepted by NABET as a basis for further negotiation.

It was after this that the rotating strikes began in January and the Department of Labor appointed two mediators to deal with the dispute and to bring the parties together in some kind of effective communication and negotiation.

On March 10 the Corporation made a package proposal to NABET through the mediators in line with the settlements reached with other bargaining units in 1971 and 1972. This proposal was clearly identified as a minimum proposal to start the ball rolling towards the settlement of a collective agreement. On the same day at the request of the mediators CBC indicated clearly those areas of possible movement or change in which CBC would be prepared to go beyond previous settlements with other staff unions. These areas covered wages and job classifications, job security, grievance procedure and arbitration, announcer/operators and the building maintenance group. All issues of importance to NABET.

But at the same time the Corporation made it clear, and it is essential to understand this, that the degree of flexibility in the matters listed above would be directly related to the union's readiness to move from its hard positions on jurisdiction, bilingual premiums and film assignments. In short, the Corporation was willing and eager to bargain as soon as two-way bargaining was possible.

Unfortunately, at the last meeting it remained clear that the latest union demands, even after the packaging and changes which the union has undertaken, still exceeded the Corporation's minimum offer cited above by thirty-five percent for the first year alone.

At this time let me express, Mr. Chairman, a profound desire to see the strike ended and a new collective agreement signed which is fair and equitable to both parties. The strike in Toronto, and at some other locations, is poisoning relationships between old friends and colleagues. Those without jobs on picket duty feel deep resentment against those managers and supervisors who carry on their work in their absence. There is tension in the air which can only damage the future. But we know, and the union knows, that the members of NABET are an integral and essential part of the creative teams required to produce and present Canadian programming to our audiences. We very much want them back and for my part I will press every means to end this costly strike on a fair and equitable basis.

In conclusion, let me publicly express my thanks to those who are maintaining a reduced service in radio and television. They are courageous, overworked, under tension, concerned about their colleagues and friends who are on the street, who are angry and short of money and turning against them. Without these members of staff we could not maintain our current services. And let me suggest to politicians and public men who may wish to decline to speak to non-union microphones or cameras or interviewers that they are unwittingly engaged in the boycott of news and the free gathering and distribution of news and information. It is both bad ideology and bad practice to restrict news and information and opinion in matters of public interest, even if you disagree with the employment practices of the newspaper or the broadcaster. But since that remark would only tempt me into another speech on CBC policies and standards I must stop. If I cannot

exercise creativity, at the moment I certainly must exercise control.

Thank you.