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Greg Dyke: Hero or Villain? The Hutton Report and the BBC

On the 29th of January 2004, after announcing his departure at lunchtime, Greg Dyke, Director General of the BBC, toured the Corporation's TV Centre in London, addressing staff as he passed. Workers learned about Dyke's departure from an e-mail he sent them in which he made it clear he did not want to leave. Within an hour, the mood swung and the Centre was soon abuzz with angry discussion. Hundreds of shocked BBC employees staged massive protest walkouts in the first show of force in the Corporation's history, morale slumping across the organisation. The overall feeling was that Dyke was being forced to resign, and people felt that "We have to do something to prevent it!" Harry Matharu, 42, working at BBC's technology department, declared, "I'm totally shocked and devastated, just like the majority of staff in the BBC. Greg has done more for the BBC than anyone else". Richard Curtis, 35, a Radio 4 engineer, added, "My main concern is climbing down. The news gatherers will stop their task of questioning the Government and holding it to account". Many staffers accused the Board of Governors of caving in too early to government pressure, especially by accepting Dyke's resignation.

What had brought the popular leader down had been the "Gilligan affair" and the subsequent Hutton Report.

This case was prepared by Alfonso Daniels and Professor Paddy Miller, as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. July 2004.

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Despite employees' reactions, the BBC's new acting chairman, Lord Ryder, apologised "unreservedly" for the episode and its acting director general, Mark Byford, announced an investigation into the handling of the affair adding, in response to Gilligan's assertion that "90%" of his broadcast was right, that "mostly right is not good enough for the BBC". Dyke reacted immediately, though, stating firmly, "I couldn't work out what they apologised for".

Dyke the hero? Or Dyke the villain? One thing was certain, though: the BBC was facing the worst crisis in its history.

The History of the BBC

The British Broadcasting Corporation (BBC or Beeb's) main building, TV Centre, in London, is an immense maze of offices not unlike many large British ministries. The BBC's *raison d'être* is simply "to enrich people's lives with great programmes and services that inform, educate and entertain. Its vision is to be the most creative, trusted organisation in the world". (Its purpose, values and modus operandi are detailed in **Exhibits 1** and **2**)

The BBC was established in 1922, with a commercial mission – to sell radio sets. It had been formed by a group of radio manufacturers with the intention of preventing a single manufacturer from establishing a broadcasting monopoly. However, its first manager, John Reith, a greater visionary, wanted to create a broadcaster that would educate, inform and entertain the British people. Soon the BBC began to broadcast plays, concerts of popular and classical music, and variety programmes.

At the time, the BBC kept out of the news business due to pressure from the powerful newspaper industry. Its bulletins were only broadcast after 7p.m. in order not to upset newspaper sales. The 1926 General Strike changed this situation, since no regular newspapers were being published and the public turned to the BBC for its news. But this brought the BBC into its first major confrontation with the Government: Winston Churchill, then Chancellor of the Exchequer, urged the Government to take over the BBC, but Reith was able to persuade the Prime Minister that this would go against the national interest. In 1927, a new royal charter ensured that Parliament would not be able to control the BBC.

Confrontation with the government of the day was to be a regular occurrence, usually with the same complaint: the Government accusing the Beeb of being unpatriotic, usually followed by threats of taking it over. In the 1950s it was the Suez Crisis, in the 80s it was Falklands and in the new millennium it was Iraq. The BBC usually remained unflinching, and invariably emerged with a renewed reputation for independence.

Within the royal charter, a license fee mechanism was created to finance the BBC, which consisted of a fee paid by everyone who owned a radio and, later, a TV set. This system has remained until today: households with TV sets now pay around £10 per month, accounting for more than 90% of current BBC revenues.

The commercial broadcaster Independent Television Network (ITN) emerged in 1955, as the BBC's first rival for viewers. ITN's cheerfulness and straightforwardness contrasted with the BBC's dull and complacent image. The BBC's viewing audience fell to 28% in 1957, but in the late 1950s and the 1960s the BBC hit back, launching new programmes and a second public TV channel (BBC Two), and broadcasting in colour. The "golden age" of TV ensued, with income growing as more homes bought TV licences, resulting in schedules with greater depth and variety. But this era was soon over, and during the 1970s and 1980s the BBC faced increasing competition. In the mid-1980s, the BBC introduced cost controls, which were further extended by John Birt, the new Director General appointed in 1992. These measures enabled the BBC to meet the costs of the 90s technological revolution with the arrival of digital technology and the Internet. The BBC also widened its range of programmes to include those which commercial broadcasters were unable to offer, ensuring the confirmation of the BBC's licence fee for ten years.

However, serious problems emerged. The BBC was accused of dumbing down its standards to gain ratings, squandering public revenue on programmes that duplicated what was available on ITV. The BBC's own Board of Governors, in a report published in 1999, criticised the BBC for "failing to meet editorial standards on the Vanessa Show", losing Test Cricket to Channel 4, copying its rivals, and lowering its standards with comedy shows such as a Christmas edition of Men Behaving Badly, "an example of poor taste and poor scheduling". The report called for higher editorial standards to be implemented, warning that "the BBC would make a mistake if it apes a formula from the competition. Ratings are not the be-all and end-all for the BBC". Also, Birt's management was criticised for standing aloof while the divide between managers and programme-makers widened, and for creating a top-down decision-making structure that discouraged initiatives and led to the resignation of bright journalists.

Despite all this, and in the face of growing competition, the BBC's two terrestrial TV channels clung to approximately 40% of the audience. In January 2000, Birt left the BBC and three months later the charismatic Greg Dyke became the new director general of a corporation with a budget of more than £2 billion ($3.7 billion), a staff of more than 23,000 people, with eight national TV and interactive TV channels, ten national radio stations, and several dozen local radio stations, broadcasting around the world through its TV and radio World Service.

Greg Dyke

When Dyke was named the BBC's new Director General at the end of 1999, he was known as a charismatic leader with an impressive track record in television. His critics, however, expressed concern about his outsider status, and his lack of experience in producing the kind of high-quality public service programming that is cherished at the BBC. They also argued that his success was due to dumbing down.

To the question of whether the dumbing down tag irritated, Dyke answered, "It comes so deeply out of the history of British television and it is patronising crap. I've made very serious programming and popular programming and let me tell you, there is