

Case study one: changing employment practices and employment relations in the UK television industry

One of the features of chapter two of the book is a consideration of the implications for employment relations of changes in the way in which work and employment are organized. One way that companies have sought to reduce labour costs, and secure greater flexibility over the deployment of labour, is by arranging for increasing amounts of work to come from self-employed, freelance contractors, often workers who had hitherto been directly employed. During the 1980s and 1990s, this trend was particularly pronounced in the UK television industry, something that undermined the power of the trade unions. However, certain adverse consequences appear to have prompted a restoration of direct employment relationships, and the revival of trade unionism and collective bargaining.

Before the 1980s, television programme-making was largely the preserve of the BBC and the commercial ITV companies, such as London Weekend Television for example. The industry was dominated by long-term and stable employment arrangements with most production work undertaken by in-house staff. The trade unions were well entrenched and enjoyed significant bargaining power, predicated on the potentially disruptive consequences of industrial action. Until the late 1980s, 'industrial relations within broadcasting were conducted within a highly regulated and formal framework of national level collective bargaining' (Saundry 2001: 25).

During the 1980s and 1990s, however, the television industry went through extensive changes that upset the traditional model of employment and employment

relations. Most of the changes reflected the growth of competition in the sector. Channel Four was established in 1981 with a remit to broadcast programmes made by independent production companies. The role of the independent producers was further stimulated by a requirement that the BBC and ITV contract out at least a quarter of programme production. The restructuring of the ITV network, so that companies won franchises largely on the basis of the highest bid, not only favoured broadcasters that proposed to commission large amounts of programming from independent producers, since this reduced their fixed costs, but also intensified the search, which was already underway, for cost savings. During the 1990s the BBC, under the leadership of John Birt, introduced 'Producer Choice' as a means of generating efficiency savings. Under this system, programme-makers were given a budget and encouraged to use the cheapest production facilities, be it from in-house providers or external companies. Thus 'the existing regulatory and competitive environment, which historically had underpinned stable forms of employment, was swept away with far-reaching consequences for employment relations in the sector as employers faced increased financial pressure and unpredictability in the level of demand for programming' (Saundry 2001: 27).

What, then, were the main effects of these changes on employment and employment relations in the television industry? The industry saw a major shift away from long-term employment relationships towards the use of staff hired on short-term contracts and the use of self-employed freelance contractors in programme-making (Dex et al 2000). According to Saundry (2001: 27), the 'growth in freelance and fixed-term employment was primarily fuelled by the expansion of the independent production sector...'. Even among established companies where permanent employment had been a standard practice, the more competitive environment impelled them to use fixed-term

contracts to a greater degree. Moreover, union power within the television industry declined. The coverage and scope of collective bargaining fell away, increasing numbers of staff were employed on individual contracts, and employers looked to render their workforces more flexible so that staff were capable of undertaking a greater range of job roles (Saundry 2001).

One of the main outcomes of these developments was that workers were rendered more insecure and vulnerable. Increasingly treated by programme-makers as disposable, they bore the bulk of the costs of the shift to a more competitive market environment. While some people welcomed the riskier environment, and many had developed ways of coping with the variability of earnings that affects workers who are reliant on short-term contracts, a large proportion considered the greater uncertainty that had come to characterize their working lives to be a significant problem. In particular, freelancers 'were substantially more vulnerable than staff to the problems of uncertainty and many appeared to be less able to adopt successful strategies to ameliorate some of the disadvantages of the uncertain environment' (Dex et al 2000: 304).

Born's (2004) study of organisational change and its implications in the BBC captures the shift in employment practices that occurred in the television industry during the 1980s and 1990s. She discusses the insecurity generated by the trend towards the use of production staff on short-term contracts of two or three months' duration. The fragmentation of work, moreover, had adverse consequences for the BBC's skill base. The corporation had little incentive to offer extensive training opportunities to workers who were only on short-term contracts, given that it was increasingly less likely to benefit from the investment. An executive producer in BBC Drama welcomed the changes though. He

conceded that 'employers owe people some sort of security because you can't work well if you're permanently insecure', but suggested that the shift to employing contract-based staff and the use of freelancers on short-term contracts was advantageous overall, since it fitted in with the nature of the industry and liberated production staff from the constraints of being tied to a conventional job (Born 2004: 190).

Nevertheless, the shift to fragmented work seems to have eroded the BBC's creativity. The less security that was offered by the BBC to workers, the less likely it was that they would give their best in return. 'As freelance status became common among programme-makers, it became plain that they had little incentive to contribute ideas to the corporation. Ideas were their means of attracting another commission and thereby employment. Ideas were withheld.' (Born 2004: 191).

This highlights the disadvantages for broadcasters of the shift to fragmented employment in the television industry. Innovation and performance were compromised. Moreover, increasing demand for programming, stimulated by the expansion in the number of television channels, created shortages of key groups of skilled workers, increasing their bargaining power, and allowing them to secure more advantageous employment terms. As a result, employers began to explore ways of instituting longer-term employment relationships in order to retain key talent and maintain stability of output. Moreover, the main broadcasting union, BECTU, has been particularly active in organizing freelance workers, facilitating 'existing networks of workers in the knowledge that there were clear areas that they can exploit in order to shore up terms and conditions' (Saundry 2001: 33). The union has also maintained bargaining relationships with programme-makers, not only with established organizations like the BBC, but also with the body

representing independent production companies. The changes in the television industry during the 1980s and 1990s undoubtedly weakened the power of labour, relative to business, and also considerably eroded workers' terms and conditions, by rendering them more disposable. But the shift to fragmented work arrangements created its own problems for employers, who lost the benefits to be gained by cultivating stable, long-term relationships with their staff.

Question

* Using the information provided in this case study, what are the main advantages and disadvantages for employers of using extensive numbers of freelancers and workers on fixed-term contracts as a means of securing labour flexibility?

Sources

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