

# Coping with change : the reorganization of the swiss public service broadcaster SRG SSR

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## Coping with Change: The Reorganization of the Swiss Public Service Broadcaster SRG SSR

Public service broadcasters throughout Europe are confronted with changing environments: Economic constraints, political pressures and technological innovation require organizational reform. This paper focuses on the Swiss public service broadcaster SRG SSR and examines how it changed its strategy and organizational structures in response to environmental challenges. In particular, the SRG's reorganization projects "structural reform" and "convergence and efficiency" are analyzed by performing a qualitative document analysis. In doing so, the paper attaches great importance to the question of how these reforms affect citizen participation. Results indicate that organizational reform at least partially undermined the representation of citizens within the SRG.

*Keywords:* convergence, media regulation, organizational change, public service broadcasting, Switzerland.

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## 1. Introduction

Public service broadcasters (PSBs) throughout Europe are *confronted with changing environments*. Financial constraints have intensified due to the economic downturn and the current crisis of the media. Advertising revenues have collapsed, and license fee increases are unrealistic at best. Many PSBs lack legitimacy among the politicians and citizens they supposedly serve. In a skeptical political environment, whether or not they are entitled to provide a broad range of programming is contested. Furthermore, technological convergence raises the question of whether public service broadcasters need to develop into public service media (PSM) in order to reach the public and thus fulfill their remit (Lowe & Bardoel 2008; Lowe 2010; Iosifidis 2007, 2010; d'Haenens et al. 2008; Moe 2008). These financial, socio-political and technological challenges have affected the Swiss Broadcasting Corporation SRG SSR (in short: SRG) as well. As a consequence, there are fierce debates over the future of the SRG and the role it should have in society.

While scholarly attention is often devoted to the fundamental normative dimension (i.e., the necessity of PSM serving all citizens on a variety of platforms; e.g., Lowe & Bardoel 2008), the *organizational changes* taking place are often poorly understood. Only few studies focus on the strategies and reorganizations of public service broadcasters. Additionally, the ways in which these organizational changes affect the inclusion of the public (as both citizens and audiences) make for a largely unexplored subject.

In this paper, we examine *how the SRG changes its strategy and organizational structure in response to environmental challenges and the effect this has on citizen participation*. In particular, we focus on the SRG's reorganization projects, referred to as "structural reform" and "convergence and efficiency." Results indicate that reorganization efforts were not only influenced by the need to respond to technological convergence but also by efficiency considerations. Moreover, implemented reforms seem to at least partially undermine the representation of citizens within the SRG.

In what follows, we briefly provide information about the operating style and organizational structures of the SRG. Section 3 then discusses the reorganization projects as well as the methods employed to analyze

them. Subsequently, we present the results of our analysis (Section 4) before coming to a conclusion (Section 5).

## 2. Unity in Diversity: Organizing a Public Service Broadcaster in a Multi-Lingual Country

Switzerland is a typical small state. Yet, in contrast to other small states, it even lacks a national media market due to the country's division of different language regions. *Each language region contains its own media market.* Aside from the small indigenous language-minority of the Rhaeto-Romans, there are German-speaking, French-speaking and Italian-speaking media markets which all have a next-door giant neighbor sharing the same language (Künzler 2009: 67 f.). As a consequence, the audience market shares of foreign television spillover channels in all three language regions are above 60 percent (Puppis 2009: 12). This is seen as a challenge for national cohesion and identity. Thus, Switzerland has one national public service broadcaster, the SRG. Understanding the SRG's organizational structure comes down to two characteristics: the separation between association and company as well as Switzerland's differentiation into language regions.

First, *the separation between association and company* (see Figure 1): The SRG consists of both an association and a company. The association embeds the SRG within the Swiss society and represents the citizens (or civil society) within the SRG. It governs the company by setting the SRG's strategy and by supervising its program output. The highest body of the association is the Assembly of Delegates (AoD), with nine members forming the Board of Directors (BoD).<sup>1</sup> The association is the parent organization (*Trägerschaft*) of the company. The company operates the SRG's TV and radio channels (and websites). It is managed by a Director General (DG) who is responsible for all business operations and also heads the Executive Board.

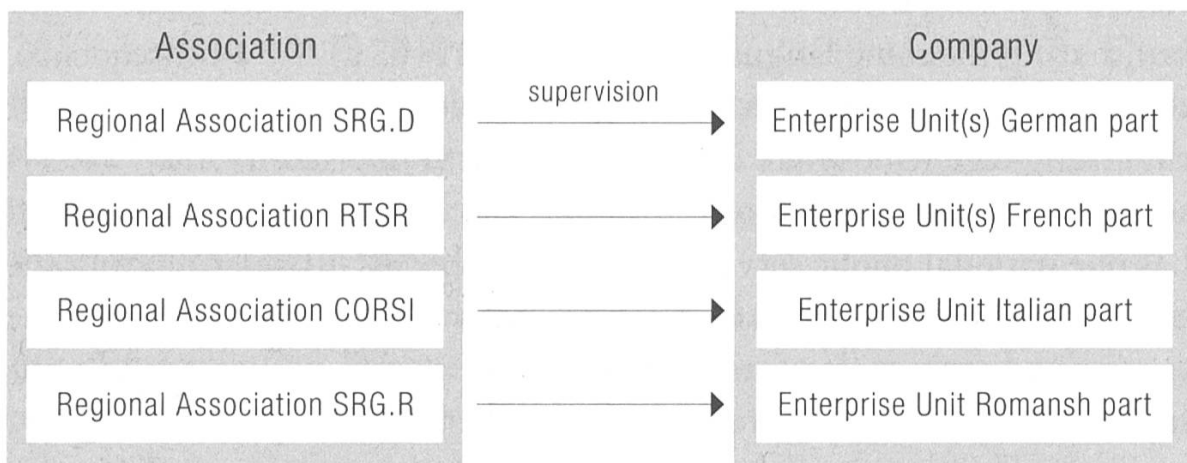
<sup>1</sup> Unlike in other countries (e.g., Germany or the UK) each ordinary citizen (but also legal persons) may become a member of the association. Thus, the members of the various bodies of the association like the Assembly of Delegates are not delegated by interest groups but elected within the association.



Figure 1: SRG is both an Association and a Company



Figure 2: SRG is divided into Different Regional Associations and Enterprise Units



Second, *Switzerland's differentiation into language regions* affects the SRG's organizational structure as well (see Figure 2). The Association is made up of four regional associations: *SRG Deutschschweiz* (SRG.D) for German-speaking Switzerland, the *Société de Radio-Télévision Suisse Romande* (RTSR) for French-speaking Switzerland, the *Società cooperativa per la Radiotelevisione svizzera di lingua italiana* (CORSI) for Italian-speaking Switzerland, and *SRG SSR Svizra Rumantscha* (SRG.R) for Romansh-speaking Switzerland. These four regional associations have structures similar to the national association: each has a Regional Council (RC) resembling the AoD and a Regional BoD. Moreover, each regional association created an audience council to discuss the program output and an ombudsman dealing with program complaints. The presidents of the regional BoDs are also ex officio members of the national BoD. On

the other hand, the company is made up of several regional enterprise units which are responsible for providing radio and television channels in the different language regions. These enterprise units are supervised by the regional associations in their respective language region. The directors of the enterprise units are also members of the Executive Board.

### 3. Reorganizing the SRG: Propositions and Methods

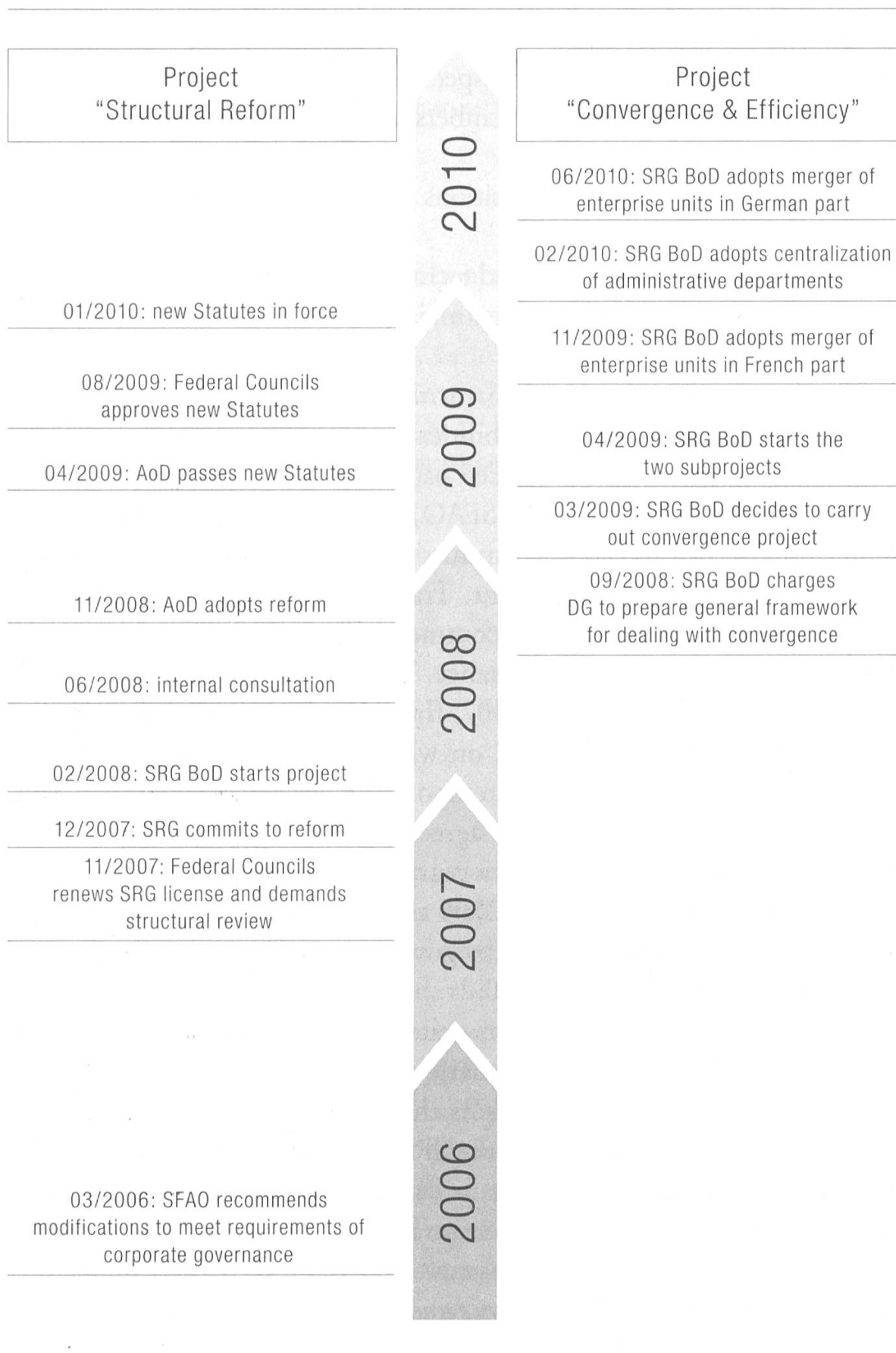
Given financial, socio-political and technological challenges, the SRG initiated two projects aimed at reorganizing the public service broadcaster (see Figure 3).

The first of these projects, “*Structural Reform*,” strived to optimize operations and separate responsibilities between the association and the company. The project can be traced back to a 2006 report conducted by the Swiss Federal Audit Office (SFAO) on the SRG’s financial position and efficiency. In this report, commissioned by the responsible ministry (Department of the Environment, Transport, Energy and Communications; DETEC), the SFAO recommended modifications to meet the requirements of corporate governance. Thus, when the SRG license was up for renewal in November 2007, the Federal Council (government) demanded a review by DETEC on whether the SRG’s organizational structures were in line with contemporary governance standards. Subsequently, DETEC and the SRG agreed upon a structural reform to be implemented by the SRG within a year. In November of 2008, the AoD adopted the reform and during 2009 the new statutes of the SRG were passed by the AoD and approved by government. The reorganization was executed at the beginning of 2010.

Implementing standards of corporate governance leads to a separation of the responsibilities of the association and the company that together form the SRG. This directly affects the role of the association and the representation of citizens within the SRG. Given that the reorganization project emerged from a report scrutinizing the SRG’s efficiency and that involving citizens in decision-making is not inherently efficient, *we propose that this separation was also used to weaken the powers of the association.*

The second project, “*Convergence and Efficiency*,” consisted of two sub-projects initiated by the SRG’s national BoD in March 2009. On the

*Figure 3: Timeline of Reorganization Projects*



one hand, the national subproject “Optimization of Support Processes” intended to centralize administrative departments (e.g., human resources, logistics, accounting) in order to realize synergies and raise efficiency. On the other hand, the subproject “Media Convergence” encompassed three region-specific reorganization projects of the SRG’s enterprise units in German-, French- and Italian-speaking Switzerland as a response to convergence. These projects involved a merger of enterprise units and an integration of editorial departments.

While the title of the project “Convergence and Efficiency” alludes to the imperative of responding to technological developments, financial constraints seem to be more relevant for current reorganization efforts. Advertising revenues are declining and raising the license fee is unrealistic at best. Accordingly, *our second proposition is that the merger of enterprise units responsible for radio and television and the integration of editorial departments were arranged without sufficiently taking editorial considerations into account.* Yet a reorganization based on economic considerations alone runs the risk of damaging editorial performance.

In order to analyze these reorganization projects, a *qualitative analysis of documents* was performed. All the publicly available documents of the SRG, the government and the DETEC related to the “Structural Reform” and “Convergence and Efficiency” projects were collected and analyzed. These documents are adequate for exploring the officially stated objectives, justifications and decisions related to the reorganization of the SRG.<sup>2</sup> In order to account for other perspectives and possible conflicts not mentioned in official documents, articles published in the special interest journals *Klartext*, *SSM Gazette* and *Edito* which focus on the Swiss media landscape were analyzed as well.<sup>3</sup>

Any qualitative analysis must take into account that documents are always constructions of reality, as are interviews. Thus, the documents were analyzed using a method of inductive content categorization (Mayring 2007; Mason 2002). This method involves the inductive development of

<sup>2</sup> Internal documents were not available for analysis. However, other methods (e.g., interviews) would face the same limitations when it comes to revealing informal aspects of the reorganization projects.

<sup>3</sup> The special interest journal *Schweizer Journalist* was also considered for analysis. However, the journal did not publish any article dealing with the SRG’s reform projects.

categories which are assigned to text passages before interpretation. The separation between association and company was covered by the categories “corporate governance” vs. “strengthening of civil society”; the separation between the national and the regional levels by the categories “centralization” vs. “federalism”; the contrast between economic and editorial considerations by the categories “efficiency” vs. “journalistic innovation.”

## 4. Results

### 4.1. Project “Structural Reform”

*SFAO Report:* In April of 2005 the SFAO was commissioned by the DETEC to report on the financial position and the efficiency of the SRG. This mandate was not only a response to increasing dissatisfaction among the public with the SRG’s financial conduct, but also occurred during the same time parliament was about to finalize the new Radio and Television Act (RTVA). Looking into the public broadcaster’s financial situation additionally involved an analysis of its organizational structures (DETEC 2005).

The results of the investigation were clear: The SFAO stated that overall the SRG uses its resources carefully and purposefully (SFAO 2006: 10). The audit office even pointed out that the higher expenses and license fee – compared to other European countries – can be explained primarily by the SRG’s remit to offer equivalent radio and television program services in all language regions and partly by the expenses of its association in order to connect the SRG to citizens (SFAO 2006: 71–74). However, the SFAO pointed out several problems with the SRG’s then-structure:

- The DG of the SRG was an ex officio member of the four regional BoDs. The DG also had the right to veto decisions and to transfer an issue to the national BoD. This gives the DG a great deal of influence (SFAO 2006: 24, 106). [change 1]
- The presidents of the regional BoDs were ex officio members of the national BoD. While this guarantees a representation of all language regions, it also gives the regional presidents the possibility to block any centralization or limitation of vested interests held by the particular language regions (SFAO 2006: 108). [change 2]

- The directors of the enterprise units were subordinated to both the DG and their respective regional BoD. While conflicts were said to be rare, this situation hampers a central management of the company (SFAO 2006: 111 f.). [change 3]
- Most decisions within the company are made by the enterprise units and not by general management. While decentralized decision-making is seen as appropriate when it comes to programming, in administrative issues it leads to unnecessary regional variation and costly duplication even though synergies could potentially be realized (SFAO 2006: 172 f.). [change 4]

The SFAO concluded that the decentralized structures are partly inefficient and that the partial overlaps of management and supervision do not meet the requirements of modern corporate governance. However, the audit office emphasized that the existing interplay between the national and the regional levels as well as between the association and the company may be necessary in order to keep a fragile balance between national unity and regional diversity (SFAO 2006: 191). Still, the SFAO (2006: 108, 113, 173 f., 192 f.) recommended a centralization of decision-making in administrative areas and a review by the SRG regarding possible conflicts of interest caused by the many dual mandates its then-structure stipulated.

Given this mostly positive review, it does not come as a surprise that the SRG agreed to most findings and recommendations. However, the broadcaster claimed that interests of the national and the regional bodies do not diverge. Thus, the regional representatives in the national BoD were not seen as a problem (SRG 2006a: 6). Additionally, the SRG highlighted that federalism and regional diversity are important even if they cause additional costs (SRG 2006a: 2, 2008d: 3).

*New SRG License:* After the revised RTVA entered into force, the SRG was granted a renewal of its license in November 2007. With this license the government implemented some of the SFAO's recommendations (SRG License Art. 23 ff.; DETEC 2007a: 8 f.):

- It stipulates a strict separation between the national BoD and other bodies of the association. As a consequence, the presidents of the regional BoDs were banned from the national BoD. [change 2]



- A centralized management for all administrative areas is required in order to allow for realizing synergies by implementing company-wide solutions across language regions. [change 4]
- The Federal Council made an additional change not suggested by SFAO but in line with its aim for sound corporate governance. Instead of the DG, the BoD is accountable to the government. [change 5]

*SRG-Internal Reorganization:* At the same time, the Federal Council demanded that DETEC conducts a review of the SRG's organizational structure by the end of 2008 in order to check whether it meets the requirements of corporate governance and efficiency (DETEC 2007b). However, DETEC did not review the SRG itself. Rather, it was agreed that the SRG would start an internal reorganization project (SRG 2008a; 2008d: 3). In order not to pre-empt this project's results, the Federal Council suspended the provision in the new license which banned the presidents of the regional BoDs from the national BoD (SRG 2008b).

The BoD started the project "Structural Reform" in February 2008. The objective was to strengthen the SRG by centralizing management (SRG 2008c: 2 f., 8). An internal evaluation group was to review the organizational structure and to develop suggestions for improvement. The ideas were then submitted to the four regional BoDs for comment (SRG 2008a, 2008d: 3). Especially within the regional association in the German language region there was opposition against centralization (SRG.D 2009c: 7 f.). The proposed shift of competencies from the regional BoDs to the national BoD was heavily criticized (Cueni 2008a: 4 f.). As a consequence, the national BoD made some concessions before submitting the final proposal to the AoD in November 2008 (Cueni 2008b: 4). The delegates gave their approval by vast majority (SRG 2008b). That very same day, the Federal Council indicated its approval as well. Subsequently, the statutes were modified. They were passed by the AoD in April 2009 and approved by government in August 2009. The following changes were made (SRG 2009a, 2009b, 2009c; DETEC 2009a; SRG.D 2010: 7):

- The DG is not a member of the regional BoDs any longer. [change 1]

- The presidents of the regional BoDs remain members of the national BoD (SRG Statutes Art. 9) in order to ensure a satisfactory flow of information between the regional and the national levels (SRG 2009d: 8). In accordance with this solution, the Federal Council abolished the respective ban in the SRG license in June 2009. [change 2]
- The directors of the enterprise units are subordinated to the DG only and not also to their regional BoD (SRG Statutes Art. 16; SRG Organizational Regulations Art. 20). [change 3]
- Additionally, the regional associations lose their right to appoint the director of the respective enterprise units. Under the new regime, the regional BoDs only make suggestions to the national BoD (SRG Statutes Art. 15; SRG Organizational Regulations Art. 9 and 10). [change 6]
- As a trade-off, the civil-societal role of the association was strengthened. The directors of the enterprise units have to submit program concepts to the regional BoDs annually. These concepts provide information about remit, objectives and appropriation of funds for each channel or programming area. The BoDs then decide whether to accept the concepts. In addition, the regional BoDs make preliminary decisions regarding the existence or merger of enterprise units which the national BoD then approves (SRG Statutes Art. 14 and 15; SRG Organizational Regulations Art. 9 and 15). These competencies persuaded a majority of delegates to support the reorganization (SRG.D 2009c: 7 f., 2010: 18; Cueni 2008b: 4 f.). [change 7]
- Finally, The AoD and the RCs receive more information and additional rights (SRG Statutes Art. 6 and 14). [change 8]

The reorganization was implemented at the beginning of 2010. In sum, the new SRG license and the internal reorganization project not only implemented a clear separation of tasks between the association (strategy and supervision) and the company (day-to-day business) in the spirit of corporate governance but also lead to a centralization within both the association and the company. In return, the regional associations were granted additional rights to participate when it comes to program services (see Table 1).



*Table 1: Organizational Changes brought by new license and project “Structural Reform”*

	Change	Rationale	Interpretation
1	DG not a member of regional BoDs anymore	corporate governance	limitation of DG’s powers
2	Presidents of regional BoDs first banned from, then allowed to remain members of national BoD	federalism	ultimately renouncement of change in order to satisfy regional associations
3	directors of enterprise units subordinated to DG only	corporate governance; centralization	limitation of association’s and regional BoDs’ powers
4	centralization of administrative areas	efficiency; centralization	strengthening of national management; cost savings
5	BoD instead of DG accountable to government	corporate governance	uncontested reform
6	regional BoDs propose directors of enterprise units to national BoD instead of appointing them	centralization	limitation of regional associations’ powers
7	regional BoDs decide upon program concepts and mergers of enterprise units	federalism; strengthening of civil society	more powers for regional associations as a trade-off
8	AoD and RCs get additional rights	strengthening of civil society	more powers for regional associations as a trade-off

#### *4.2. Project “Convergence and Efficiency”*

*DG Report:* The structural reform project was still being worked on when the SRG’s BoD charged the DG in September 2008 with the preparation of a report on options to respond to convergence. In his report, the DG argued that due to digitization, media use is changing. Members of the audience not only expect to be able to access any content wherever they are and whenever they want (“anything, anytime, anywhere”) but the Internet also allows for catering to minorities and special interest groups in better ways. In addition, political and economic changes are referred to as well. The DG not only mentioned the diminishing support of the

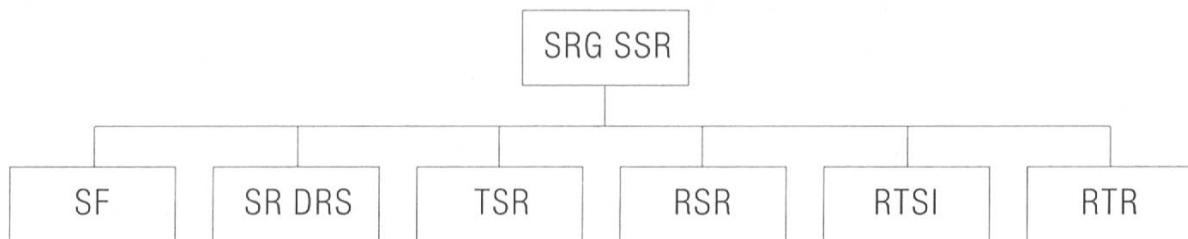
public service idea among politicians but also the intensifying financial constraints due to the economic downturn, which affect advertising revenues and an unwillingness to raise the license fee. Thus, the challenge for the SRG was seen in keeping its self-attributed position as the leading Swiss news organization in this rapidly changing environment (SRG 2009f: 4, 10 f.). The report stressed that responding to convergence is necessary in order to live up to the program remit in a modern fashion. The primary aim was to expand and enhance program services by deepening the cooperation between editorial departments in radio and television. However, this requires a reorganization of merging enterprise units and integrating said editorial departments in the language regions. This was believed to make use of synergies offering the audience better content without an increase of income (SRG 2009f: 4 ff., 15, 82; 2009d: 8). Yet the DG's report also emphasized the need to be more cost effective and to realize synergies on the national level (SRG 2009f: 4 f., 31). Saving money was argued not to be an end in itself but a prerequisite for having more resources for editorial departments.

In order to achieve both objectives the DG suggested the initiation of two subprojects to the BoD. First, the national subproject "Optimization of Support Processes" was designed to secure savings of approximately 10 percent by relocating and integrating most administrative departments (real estate, logistics, IT, human resources, accounting, legal services and media relations) on the national level (SRG 2009f: 63 f., 69). Insofar, this centralization marks a continuation of the structural reform project. Second, the subproject "Media Convergence" consisted of distinct projects in the language regions. At the time, the situation in the different regions differed substantially: In the Italian and the Romansh speaking parts there was already a single enterprise unit (RTSI and RTR), yet the responsibilities for radio and television were largely separated within these units. In the German and French speaking parts there were different enterprise units for TV (SF; TSR) and radio (SR DRS; RSR) (see Figure 4).

The DG suggested a general framework in order to make sure that convergence was dealt with in a similar fashion in all language regions (SRG 2009f: 19 ff., 42 f.):

- merger of enterprise units in each language region in order to realize synergies; [change 9]

Figure 4: Enterprise Units until 2008



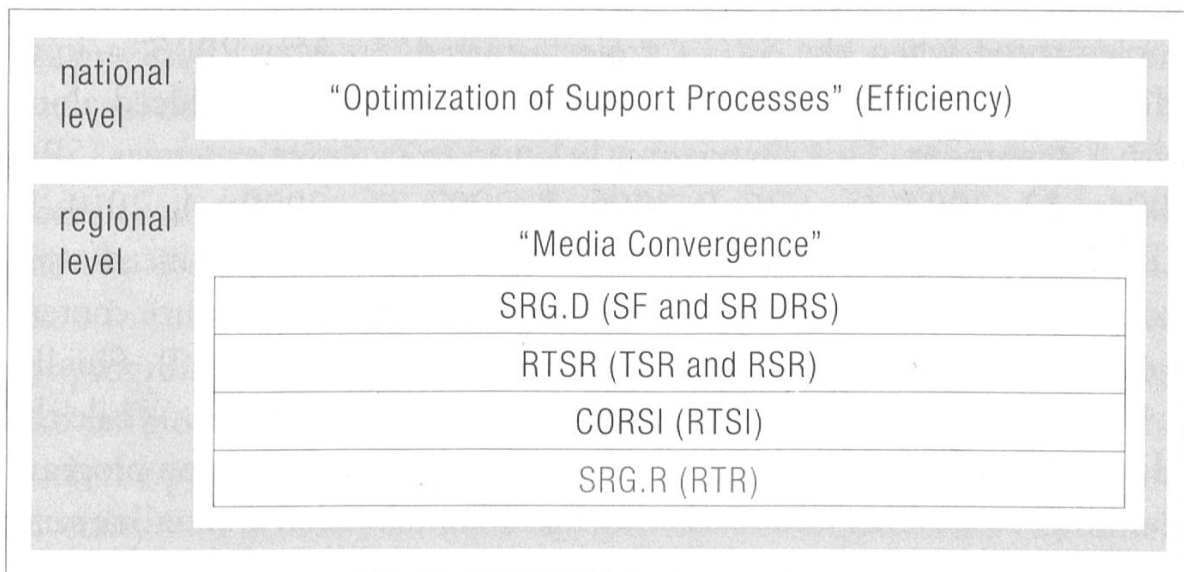
- present locations and studios will not be touched;
- integration of editorial departments (e.g., culture, sports, news) in order to produce content for radio, television and online services; [change 10]
- radio may not lose in significance compared to television.

However, the DG claimed to be aware of the cultural and structural peculiarities of the different language regions and thus suggested several models and flexible time frames for implementing the project (SRG 2009f: 51–61):

- *Partial Convergence*: While enterprise units for radio and television merge, editorial cooperation is limited to a joint planning of topics. Radio and television will still have different editors-in-chief.
- *Partial Convergence Plus*: In this model, there is only one editor-in-chief for radio and television and some editorial departments are integrated.
- *Full Convergence*: The last model involves not only a single editor-in-chief but also an integration of all editorial departments.

*Responses to the Report*: While the SRG is entitled to decide upon centralization, mergers and integration autonomously and does not require any approval by government (SRG 2009f: 20), the project led to some responses by members of parliament and cantonal governments. A few parliamentary interpellations drew concerns over centralization, the closing of locations, a possible loss of quality and a overly strong emphasis on economic aspects. While sharing some of these doubts, the Federal Council stressed the SRG's autonomy in this matter. Yet it became clear that politicians expected that the SRG remains committed to federalism,

Figure 5: Project “Convergence and Efficiency”



diversity, quality and a strong radio service (Cueni 2009: 30). Employees and their union were skeptical as well. In their eyes, the convergence project is a sham package for additional savings. They worried about the need to deliver more output with the same resources and, thus, ultimately about a loss of quality and diversity (Cueni 2009: 32 f.; Brügger 2009a).

*BoD's Decision:* On March 18, 2009, the national BoD adopted the DG's framework for dealing with convergence (SRG 2009g: 2; see Figure 5). Project leaders were appointed shortly thereafter (SRG 2009h; SRG.D 2009a, 2009b).

*Optimization Project:* At the end of June 2009, the national subproject was launched (SRG 2009i). The funds made available by this subproject were not intended to cut costs, but to finance the reorganization of enterprise units and a convergent production of programs and services resulting from the second subproject (SRG 2009g: 2, 2010a: 27 f.). The suggestions on how to centralize administrative areas were then submitted to the national BoD. In February 2010 the BoD decided to implement these plans until the end of the year. Savings are said to gradually increase up to CHF 30 million by 2014; approximately 100 full time jobs will be cut. The lay-off were heavily criticized by the union of radio and TV employees. Contrary to the original intention, the savings will be used for financing the new convergent enterprise units and their journalistic performances only when economically viable (SRG 2010a: 27 f., 2010b).

*Convergence Project SRG.R:* RTR, the enterprise unit in the Romansh language region, already had a convergent organizational structure implemented when the SRG's project started. In May 2006, a joint editor-in-chief for radio, TV and online services were introduced along with a newsroom. This change was believed to facilitate synergies (SRG 2006a: 32, 2007: 35; SRG.R 2006: 3, 2007: 3 f., 2009a: 4, 2010: 2; CRR/RTR 2007: 18, 34). Then, in 2008, the editorial departments were reorganized into three thematically separate divisions to produce content for all channels (SRG.R 2009a: 4; SRG.R/RTR 2010: 4, 20). Finally, in 2009 a new division called "program services" was formed. While the editor-in-chief is responsible for content, this division focuses on program planning, controlling and marketing for radio, television and online services (SRG.R 2009b: 1, 2010: 2; SRG 2010a: 73; CRR/RTR 2009: 58 f.; SRG.R/RTR 2010: 4, 20). Today, RTR has implemented the "full convergence" model (SRG.R 2010: 2).

*Convergence Project CORSI:* The so-called "Vision 2009" intended to integrate radio and television within RTSI (CORSI/RTSI 2007: 8 f.) in the spirit of the "full convergence" model. In January 2007 the regional BoD approved the project (CORSI/RTSI 2008: 7 ff.). During that year, administration, program production and the editorial departments for both sport and news were integrated. The editorial departments for culture and entertainment and a new joint division for program planning were to follow later (CORSI/RTSI 2008: 44, 128 f.). In 2009, the enterprise unit was renamed RSI. However, the reorganization also provoked vivid debates and anxiety among employees who feared that convergence would lead to less diversity and a dumbing-down of programs (Lob 2008: 5). RSI claimed to be aware of the need to change the corporate culture and the mentality of employees via active information and training (SRG 2010: 72; CORSI/RTSI 2007: 35 f.; Balestra 2009: 11). Still, employees complain about too little information and even filed a complaint with the Swiss Press Council. The press council upheld the complaint and argued that the merger of the news department was decided before consulting and informing employees (SPC Decision 31/2008; Lob 2007, 2008: 6 f.; Brügger 2009a).

*Convergence Project RTSR:* The convergence project in the French language region involved a merger of TSR and RSR. Thus, the project aimed to increase efficiency by merging the two enterprise units' administrative

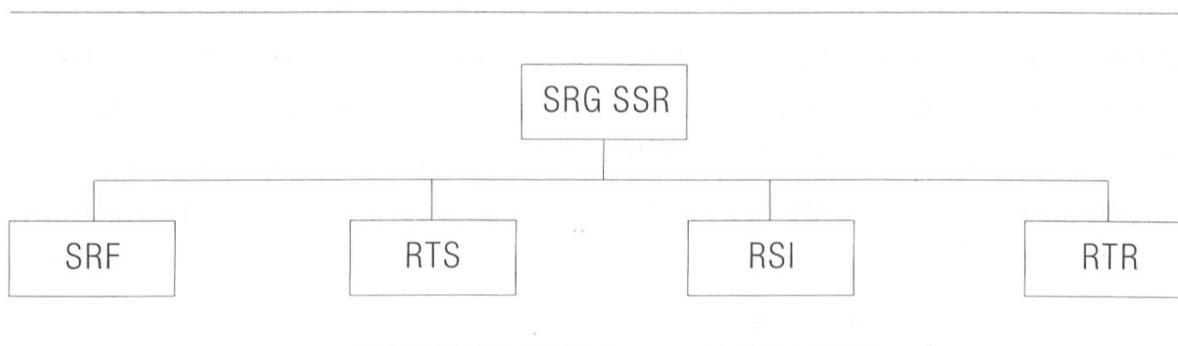


areas, however journalistic objectives also came into play (SRG 2010a: 71; RTSR 2010: 1). Seventy work groups with over 200 TSR and RSR employees prepared a concept for the merger. This concept was approved by the national BoD in late November 2009 (SRG 2010a: 27; RTSR 2009). The new enterprise unit, RTS, began operating at the beginning of 2010. The chosen solution resembles the “Partial Convergence Plus” model. First, the two locations in Geneva and Lausanne were maintained. Second, the administrative areas were merged completely. Third, new divisions for programming, news and production responsible for radio, television and online services were introduced. Yet it was strongly emphasized that both the programming and the news divisions must take pluralism and diversity into account in order to avoid the homogenization of content. In addition, two editors-in-chief for radio and television are directly subordinated to the news director (SRG 2010a: 27; RSR/TSR 2009) and the idea of a newsroom at one location was dismissed due to costs, federalism and worries that diversity was at risk under a single news director (Brügger 2009b, 2010). For instance, the DETEC and several cantonal governments were clearly in favor of keeping both locations and two editors-in-chief for radio and TV (DETEC 2009b; Brügger 2009a). As for the implementation, management and administration would be merged until the end of 2011; the integration of editorial departments is scheduled to take place step by step until 2014 (SRG 2010a: 27, 71; TSR/RSR 2009; RTSR 2010: 1). Savings from the merger of administration and management amount to up to CHF 17 million. This should cover the expenses of the complete project implementation (SRG 2010: 71). The union of radio and TV employees still object to the project and suspects that the merger will open the door for future reductions of funds and lay-offs (Brügger 2010).

*Convergence Project SRG.D:* SRG.D was dealing with convergence long before the national BoD adopted its general framework. The regional BoD commissioned a McKinsey report regarding the potentials of convergence and options for the future organization of SF and SR DRS already in November 2007 (SRG.D 2008: 9; SRG 2008d: 5). This early attempt at convergence caused disturbances among employees (Lob 2008: 4). However, at the request of the national BoD, SRG.D put its plans on hold (SRG.D 2009c: 6). When it became clear that such regional convergence

projects would have financial and political consequences that would affect the SRG as a whole, the national BoD considered a general framework necessary (Cueni 2008d: 14). As soon as the national BoD adopted this framework, SRG.D resumed its work (SRG.D 2010: 4). The main objective of the project was to develop a journalistic and managerial concept for the nascent enterprise unit for radio, television and online services. Additionally, several subprojects dealt with the integration of editorial departments (news, entertainment/music, culture, sports), production and administration (SRG.D 2009a). From July to November 2009, around 80 employees of SF and SR DRS worked on the concept which was then submitted to the national BoD for approval (SRG.D 2009b, 2009d, 2010: 5; SRG 2010a: 70). In the concept a hybrid of the “Partial Convergence” and the “Partial Convergence Plus” models was suggested. First, joint divisions for programming, production and administration as well as joint editorial departments for entertainment, culture and sports were proposed. Second, radio and television were intended to keep separate editors-in-chief for news. While the online news platforms will be merged, the separate responsibilities for radio and television were said to be motivated by political considerations because politicians expect internal pluralism from the new enterprise unit. Third, none of the studios and locations in the German-speaking part of the country were to be closed. In December 2009, the national BoD gave the green light for developing a detailed concept (SRG.D 2009d, 2010: 5 f.; SRG 2010a: 27, 70). Some concerns remained that the project leads to centralization and thus a marginalization of certain regions in news coverage. However, after initial skepticism, the union of radio and television employees (contrary to its counterpart in the French speaking part of the country) was cautiously optimistic that the convergence project will offer journalistic benefits (Brügger 2009b). In June 2010 the national BoD (on recommendation by the regional BoD) approved the concept. The new enterprise unit called SRF became operational at the beginning of 2011.

This overview stresses that the ways to deal with convergence differed widely across language regions. Nevertheless, the reorganization also led to some harmonization of organizational structures: Since 2011 there exists only one enterprise unit for radio, television and online services in each language region (see Figure 6).

*Figure 6: Enterprise Units since 2011**Table 2: Organizational Changes brought by Project “Convergence and Efficiency”*

	Change	Rationale	Interpretation
4	centralization of not-yet centralized administrative areas at the national level	efficiency; centralization	cost savings
9	merger of enterprise units	efficiency	cost savings
10	integration of editorial departments	journalistic innovation	keeping position as leading news organization; possibly also cost savings

Overall, the subproject “Optimization of Support Processes” was directed at raising efficiency by centralizing the management of administrative areas on the national level. Additional synergies were to be realized by merging enterprise units for radio and television in the German and French language regions. The integration of editorial departments, however, was mainly seen as a necessity in order to keep the SRG’s position as the country’s leading news organization (see Table 2). All savings realized by the project were intended to finance the costs of reorganization and to better endow content production. It remains to be seen whether this will indeed be the case in the present state of the economy. Officials acknowledge that the economic downturn may require additional savings (Brügger 2009c).



## 5. Discussion and Conclusion

In this paper we set out to investigate how the SRG changed its strategy and its organizational structure in response to environmental challenges and how this affected citizen participation. Since 2007 the organizational structure of the SRG was completely overhauled.

- First, *the duties and responsibilities of the association and the company became more strictly separated*: The DG is not a member of regional BoDs any longer [change 1]; directors of enterprise units are subordinated to the DG only [change 3]; the BoD rather than the DG is accountable to government [change 5]; and the regional associations' role of representing civil society in program matters was strengthened [changes 7 and 8].
- Second, *a centralization took place both within the company and within the association*: administrative areas were centralized on the national level [change 4]; regional BoDs lost their right to appoint the directors of enterprise units [change 6]; yet the presidents of regional BoDs remain members of the national BoD [change 2].
- Third, *the centralization of administrative areas on the national level and mergers of enterprise units in language regions took place in order to increase efficiency and cut costs* [changes 4 and 9]. The *integration of editorial departments*, however, *was mainly motivated by journalistic considerations* [change 10].

Results indicate that only the “Structural Reform” project touched upon the participation of citizens within the SRG. Contrary to expectations, the document analysis provides only partial evidence for the *first proposition* that the powers of the associations were weakened. While it is true that the regional associations lost their right to appoint the directors of enterprise units in their respective language region due to corporate governance considerations, they obtained additional competencies in programming matters. Moreover, the presidents of the regional BoDs remain ex officio members of the national BoD. In sum, the reorganization did not disempower the association in favor of the company and thus did not restrict the participation and representation of citizens. Yet there were power shifts within the association: Several duties and responsibilities were centralized and shifted from regional associations to the national BoD.

The *second proposition* that the merger of enterprise units and the integration of editorial departments were both decided without taking editorial considerations sufficiently into account cannot be substantiated. While the subproject “Optimization of Support Processes” as well as the mergers themselves were indeed thought to raise efficiency and realize synergies, the project was not implemented for the sake of cutting costs. The reduction of costs was thought to finance the reorganization and to make more resources available for content production. The integration of program planning and editorial departments was motivated by the perceived need to produce output for all platforms (radio, TV and the internet). Hence, journalistic considerations seem to have played a major role.

This case study of the reorganization of the Swiss public service broadcaster stresses that the ways of coping with environmental challenges that affect PSBs across Europe are hugely dependent on cultural and structural peculiarities of a media system. Due to differences between media systems there is no single “best practice” for coping with change and organizing public service media. In Switzerland the SRG’s structures and thus organizational reform even varied across language regions. In this respect, the SRG certainly differs from other PSBs.

Yet the notion of dealing with convergence by producing output for various platforms seems to be very much in line with developments in other European countries evolving from public service broadcasting into public service media. It remains to be seen whether the new convergent editorial departments will indeed produce diverse and high-quality content, thus offering additional value for audiences. On the one hand, reorganizations of this scale require elaborate change management in order to involve employees and cultivate their support. As conflicts with employees and unions surfaced, there were at least some shortcomings in this respect. On the other hand, financial and political challenges remain. There is the risk that the economic downturn, responsible for a drop in advertising revenues, may disrupt the synergies or even require additional savings – and this may lead to cuts in editorial resources. Moreover, as in other European countries, newspaper publishers strongly oppose the SRG’s online activities. Future research should look into the impact of these reforms once they are completely implemented by performing interviews with the actors involved.

In the end, adequate organizational structures alone are not sufficient to future-proof public service in the digital environment. Rather, sufficient funding and political support for serving citizens on all platforms are required as well. The recent decision in Switzerland and elsewhere to collect a license fee from all households, not only from owners of devices capable of receiving radio and television, is a promising sign for the future funding of public service media.

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