Analyzing the Dynamics between Organizational Culture and Change---A Case Study of China Central Television (CCTV) in Transition

by

Lingjie Wang

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DECLARATION

Except for commonly understood and accepted ideas, or where specific reference is made, the work reported in this dissertation is the result of my own work and includes nothing which is the outcome of work done in collaboration. No part of this dissertation is the same as any work that has previously been submitted to any university for any degree, diploma or other qualification.

Lingjie Wang

University of Warwick

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ABSTRACT

The Thesis sets out to analyze CCTV’s transition from 1979-2003 with a special focus on its most influential reform entitled Producer Responsibility System (PRS).

In order to present a real picture of CCTV’s organizational culture, this research uses multiple research methods to synthesize valuable contributions from two schools of organizational culture theory driven by different research orientations. Data collection methods include a 6 months’ ethnographic research project inside CCTV.

The research has two main research findings. First, following the introduction of PRS, the reform process has been uneven. A split has emerged at CCTV between an ‘inner’ and an ‘outer’ management circles, with very different organizational cultures and responses to organizational change. Second, the research identifies four logics which have shaped CCTV’s organizational culture: Party logic, Commercial logic, Professional logic and Social and ethnic logic. CCTV’s transition has been defined by a complex interaction and negotiation between these four logics.

This thesis summarizes CCTV’s organizational change from 1979-2003 into three stages, from a ‘frozen’ status to ‘change by exception’ and then to ‘incremental change’. Analysis of the relationship between these four logics suggests that to achieve a real transition from Party mouthpiece to modern media enterprise, CCTV needs to achieve a new ‘paradigm change’. The key to the success of this ‘paradigm change’ will be a systematic reconstruction of CCTV’s organizational culture based on the central objective of building media professionalism.

The single case study places some limits on the generalizability of the findings but other Chinese media businesses share a similar economic, historical and cultural context. The problems at CCTV can thus be seen to be representative general issues of the Chinese media industry in transition.
LIST OF ABBREVIATIONS

BBI: Beijing Broadcasting Institution (Beijing Guangbo Xueyuan)

CCP: Chinese Communist Party (Zhongguo Gongchan Dang)

CCTV NCD: CCTV News Commentary Department (Xinwen Pinglun Bu)

CCTV: China Central Television (Zhongguo Zhongyang Dianshi Tai)

CETV: China Entertainment Television (Zhongguo Yule Dianshi)

FDI: Foreign Direct Investment

GDP: Gross Domestic Product

PRS: Producer Responsibility System (Zhipianren (Fuze) Zhi)

SARFT: State Administration of Radio, Film and Television (Guangbo Dianying Dianshi Bu)

SMG: Shanghai Media Group (Shanghai Chuanmei Jituan)

SOE: State Owned Enterprise (Guoyou Qiye)

SONPI: State-owned Non-Profit Institutions (Guoyou Feiyilinglixing Zuzhi)

TBI: Television Business International

WTO: World Trade Organization
Chapter One  Introduction

When: 5am 28th June 2005 (BJT)
Where: CCTV, Beijing
Who: Mr. Xu, 42, CCTV 2 Director & Presenter
What: Internet Chat room conversation between Mr. Xu and the author

Xu: ‘Just finished writing a transcript for a programme this week.’
Author: ‘How are you?’
Xu: ‘As usual.’
Author: ‘Did the massive slim-down (of CCTV) affect you at all?’
Xu: ‘Yeah, it did. I am no longer a temporary CCTV employee now. I have signed a contract with an external agent, which serves as a talent reservoir for CCTV. I am now re-employed by CCTV through this agent.’
Author: ‘What else has changed for you?’
Xu: ‘[...laughter], not much, except that I need to worry about the exams now’
Author: ‘What exams?’
Xu: ‘Everybody who was re-employed by CCTV through the agent needs to pass exams on English, General Knowledge and an IQ test. It is embarrassing for me to take the English exam, I am too old to start learning English.’
Author: ‘But you are now working for the CCTV anyway, aren’t you?’
Xu: ‘Yes, I am not seriously worried, not many people can pass that English exam. But the IQ test is ridiculous.’
Author: ‘If so, what is the point of the exams?’
Xu: ‘You know, there used to be a lot of people who got a temporary job in CCTV through guanxi, in fact they were not qualified to work in the media either in terms of educational background or professional skills. They came in purely by guanxi. They are the targets of this policy.’

Author: ‘I see. So the new slim-down policy has placed all the previous temporary staff with an independent agent, to re-employ them based on examination results, right?’

Xu: ‘[long pause] Yes, and No. The agent was still attached with CCTV. There is still a limited number of people who can get a contract with the agent. The producer can still decide, with a limited quota, who they want to re-employ from the agent, who they have to cut off. Guanxi still comes in as the first benchmark. Exam results came as the second entry barrier. Or, maybe just a lump in porridge.’

Author: ‘How do your former colleagues feel?’

Xu: ‘It is a shame to see that some of them who have served CCTV for years did not get re-employed. After all, the producer still has the final say on who they like to keep. ...It is not entirely an objective selection based on the qualifications of the individual. Even though this personnel reform adopted the current trend of the Western media, when it is applied to CCTV, it was then automatically twisted by our tradition.... Again, a reform with Chinese characteristics.’

Author: ‘So, you think it is unfair to them?’

Xu: ‘[thinking] Actually, there is not much difference, I am no-longer a CCTV employee. Actually, I never was...’

Author: ‘It is nevertheless a solution for most of the previous employees, isn’t it?’

Xu: ‘Yes, I agree. But like every other reform within the CCTV, it is never easy. For example, this personnel management conundrum has lasted for 12 years until now. It might be a good sign that CCTV is now learning from the West regarding their management methods and skills. But there is still a long way to go, and I am not optimistic on how quickly things can change...’

Why I am researching this subject:

Nearly one and a half years after my field research, I was still catching up with the events at CCTV, and its new development and reforms from both
private and public resources. The new slim-down policy of CCTV, started in 2004. Observers regarded it as the most decisive and influential solution to a long-term problem with its previous personnel management system (PRS – Producer Responsibility System), which originated in 1993.\(^1\) It was said that CCTV adopted this policy from the then trend among other television networks in the West.

Twelve years ago in 1993, CCTV invited Xu off quota to contribute to its revolutionary programme Horizon. He was part of a new generation of talented young television practitioners hired under the new PRS policy. Despite the unprecedented success of Horizon, twelve years later, Xu still struggled to gain recognition at CCTV. Xu was one of approximately 6,000 people who CCTV employed through temporary contracts, even though many of them had worked there full-time for many years. Xu’s situation is one example of how this supposed era of change ended with many hopes for reform unrealized.

In the second half of 2003, just before the announcement of the slim-down policy, I was at CCTV conducting research for this thesis. Having experienced personally the turmoil that this change caused, I feel privileged to write about this period in the history of Chinese television and CCTV both as insider and outsider.

\(^1\) PRS refers to a management innovation created by CCTV in 1993. PRS is characterized by flexible employment format and management autonomy entitled to producers in CCTV. Further explanation follows in chapter two.
1.1 Research Background

Over the past decades Western commentators have found the opening of the Chinese market, especially the media market, to be of great interest. At the centre of the public sphere, television has attracted the most attention and debate. Television broadcasting was first introduced to China in 1958, although the continuous political unrest throughout the 1960s and 1970s slowed down the development of television considerably. In the early 1980s the Chinese government started to encourage the development of the television industry as part of its programme of economic reforms.

After two decades of development and reforms, the scale of the Chinese media is vast; China has been described as having "the largest television market in the world" (Gordon 2000: 14 cit. in de Burgh 2001: 131). In terms of household penetration and the number of television sets counted per capita, China is well ahead of all other developing countries and ranks above the average level for the world and Asia (Prisma, 2001 cit. in de Burgh 2001: 142). Although relatively-speaking it lags behind the pace of reform in other industries, the changes in the Chinese television industry have been obvious from shifts in its financial subsidy and propaganda function to management innovation.
Established in 1958, CCTV was previously named *Beijing Television Station*. As the first television station in Mainland China, *Beijing Television Station* became *China Central Television* in 1978. As the name revealed, it was the national broadcaster of the People’s Republic of China. *China Central Television* began trial-broadcasting television programmes on 1st May 1958, and went into official operation on 2nd September in the same year. Although it started as a television station with only 2-3 hours of broadcasting a day, CCTV now features 16 channels with a daily air time of more than 200 hours in 300 time-slots. According to CCTV's website, regular viewership of the CCTV reaches more than 1 Bn people, with a coverage of 92 percent of the population in China. Satellite transmits its international channel (in Mandarin), English channel and a newly established Spanish, and French channel virtually all over the world.3

As the national broadcaster, *China Central Television* was a focus of attention throughout the decades of change. Early attempts towards commercialization began in the late 1970s, but it was with the network’s most significant reform,

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the institution of the Producer Responsibility System (PRS) in 1993, that CCTV truly began to transform. Changes in broadcasting styles, range of programmes, propaganda function and personnel management innovation were welcomed and affirmed by both the audience and the Chinese Communist Party (CCP). Since 1979 financial success in the advertising market has rocketed to 6 Bn RMB.

Despite the rapid success of two revolutionary programmes *Horizon* (*Dongfang Shikong*) and *Focus* (*Jiaodian Fangtan*), which benefited from the new PRS policy, the reform of every aspect of the organization has been a challenge to the old institutions of the Chinese media system. Even though the media have been categorized officially as a tertiary industry, questions still remain to be answered regarding how to run the media as an industry, and how to successfully transform media organizations from government apparati to modern business enterprises. At the centre of political sensitivity, and under direct control and censorship of the CCP, CCTV’s journey towards becoming a modern media enterprise has been especially indirect and full of tension.

Having worked in Chinese television since the late 1990s, I experienced the effects of these policy changes as an insider. The picture of organizational transition, as seen from inside, was not as bright and exciting as the rocketing advertising income figures suggest. The contrast between what I, and many others like Mr. Xu, experienced within the organization and what the people outside saw triggered this research on CCTV. I began to question what the
real picture of CCTV’s transition under the disguise of unparalleled advertising income and incomparable market share was. What caused the pain and tension of the transition? These initial questions and my on-site observations led me to a new understanding of CCTV’s transition, and the overall state of change and reform in Chinese media.

There has been a tendency in explaining the difficulties of Chinese economic reform in relying on the clichés: ‘... (reform) with Chinese characteristics’, or it is a consequence of the ‘institution’. During the course of this research, many people pointed to the enduring characteristics of CCTV as a political propaganda tool, and the hopelessness of this ‘institution’. However the precise meaning of these comments is illusive. What is meant by the terms ‘Chinese characteristics’ and ‘institution’?

Organizational culture is still a fashionable new concept in MBA textbooks for many CCTV employees. But the tendency to blame tradition, cultural values and historical restrictions nevertheless fails to take account of how structure and system become meaningful to the process of organizational change. Likewise it fails to take into account how the impact of change made members of the organization question the old cultural values and ‘the way things were’. Furthermore, the tendency to use organizational culture as a ‘dustbin’, or, to ‘attribute the residual, unexplained phenomena to culture’, risks the accusation of being a ‘post hoc rationalization’ (Wilkinson, 1996:425) of culture’s influence. This prevalent yet paradoxical view drew
my attention to organizational culture and its influence on organizational change and transition.

Among observers and within CCTV, two views prevail in the understanding of organizational culture and institutional transition. Firstly, due to the nature of the CCTV and its special socio-cultural settings, strong cultural traits transplanted from Western business corporations were not acknowledged by employees and therefore did not take root in the CCTV. Throughout its managerial practice relating to organizational culture, there was an over simplification of organizational culture as a concept, and a lack of historical understanding of CCTV's own problematic cultural identity. Secondly, when talking about change and organizational transition, there seems to be more incompatibility between the new reforming tendency and the ingrained boundaries of the old institution. With all the pain and tension that comes with change, people blame institutions as the sole stumbling block.

To untangle problems in the process of transition through cultural approaches might seems appealing, but it necessitates defining certain fundamental aspects of the field. Before rushing into a quick answer, there are obvious questions, which need to be answered. First of all, what is organization culture? Is it 'team spirit', dress codes, rituals (i.e. birthday parties), or a formal mission statement? Second, what is the relationship between organizational culture and institutions? If, as many people have unanimously agreed, the intrinsic characteristics of CCTV as a propaganda tool, and as an old 'institution' is the source of significant factors in the process of
organizational change, one can ask further questions. For example: what are the impacts? How have they influenced the process of transformation? Is it a linear and causal relationship? When does the old 'institution' change? How do organizational members cope with change, and what does the future hold for them?

This research seeks to contribute to the understanding of CCTV's change process, its limits, the drivers of this change and its implications from an organizational-culture perspective. However, I am fully aware of the difficulties in handling such a fluid concept as organizational culture, and the impossibility of giving a comprehensive account of organizational culture within the scope of this project. I have chosen to avoid the muddy area of re-defining organizational culture and the mechanistic underpinning of its relationship with organizational change. Instead, I want to embrace the dynamics and richness of the concept of organizational culture and start by questioning and searching for a theoretical framework to study organizational culture and organizational transition.

As well, this project closely examines the organizational change process against the broader background of the Chinese media industry during a period of economic transition. By no means is this a historical account of CCTV's transition. Instead, I go inside the organization to witness the life of organizational members as a consequence of change. Throughout this process, I focus on the general implications of organizational culture patterns and the underlying rules governing the process of change.
1.2 Positioning My Research

Although organizational culture is already a well-researched topic in business and organization studies, research into organization and management in media groups is relatively rare. Much of the conventional literature is conducted at an industry level, or focuses on established manufacturing or bureaucratic organizations. Media groups differ from traditional organizations in the intrinsic relationship between their members and their intangible, aesthetic and expressive outputs. Therefore offering a study that focuses on the work experiences of media people and media organizations is extremely valuable. In the meantime, as a theoretical concept, organizational culture originated and developed in the West, it is worthwhile to apply it to a case in a different cultural context.

Within the field of Chinese media research, until the events surrounding the Tian’anmen pro-democratic movement in 1989, academic discussion of Chinese television was mainly descriptive. It merely recorded the development and educational function of the medium. From the early 1990s to the beginning of the twenty-first century, the focus of Chinese television studies shifted towards more exploratory surveys. The main focus of studies in this period has been the changes to Chinese television’s ideology through the period of economic reform and especially in the aftermath of the

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4 For example, Chu (1978) wrote an introduction to the Chinese broadcasting industry and Guo (1991) wrote the first monograph examining ‘Chinese television history’. Further, Lull & Sun (1988), as well as McCormick (1980), argue that television has been used by the Chinese government as educational tools.
Tian'anmen movement. The first of these important changes was the shift from communism to patriotism as the official ideology. (Zhao, B. 1998) The second change was the market economy’s take over of almost every aspect of life in China. However, most of the research has focused on Chinese media in general (e.g. Zhao Y. 1998), or media consumption and its influence on the changing Chinese society. Few researchers have looked more closely at the organizational consequences of these structural changes.

What makes this research different from previous attempts is the research perspective. Other observers of the Chinese media have described its change and reform objectively as a straightforward process, seen from the perspective of policy and political change. I intend to complement these policy changes with the more intangible elements behind the transition and show how the reform process has been complicated and therefore made difficult from an organizational cultural perspective. While revealing the process of change from an objective viewpoint, I pay greater attention to the subjective experiences of organizational members as the consequences of change. Without any prescribed research agenda to follow, I have the freedom to analyze organizational culture and move between both objective and subjective perspectives.

Furthermore the situation of CCTV itself is distinct, and it offers an important contribution to the field of organizational culture. The significance of CCTV’s case is threefold: 1. As media functioning under a communist context, CCTV is often misunderstood and certainly avoided by Western
researchers, due to the difficulty of understanding Chinese culture and accessing first-hand information for specific problems. Sparks’ (1998) book *Communism, Capitalism and the Mass Media* provided an inspiring framework to understand communist media in transition. As a complement to this field, this project strives especially to provide first-hand information, observations and a better understanding of major problems resulting from the social change experienced by Chinese society from a native Chinese view. 2. As a typical example of Chinese media in transition, the problems of CCTV in transition are representative, and therefore implications can be generalized to extend to other media organizations within Mainland China. 3. The CCTV case provides typical research on the ‘powerful’. Using an ethnographic approach, this project will disclose the real experiences of CCTV that took place throughout its transition behind the cold figures and dazzling speed of change.

### 1.3 Research Challenges

Starting with questions resulting from observations, the construction of this research was designed to tackle two main challenges both theoretically and methodologically. The following chapters will discuss these two main challenges further, but I feel that it is necessary to explain them here. Firstly, this project seeks to find an approach that works with the conceptual and paradigm chaos of ‘organizational culture’. Secondly, this project intends exclusively to ‘research the powerful’. The following section introduces the research process.
From the early 1980s onwards there was an explosion of enthusiasm for writing about and managing something called ‘organizational culture’. The central assumption behind this rise in interest was that the hard ‘scientific’ management of institutions often neglected the processes through which those structures and systems become meaningful to organizational participants (Dent, 1991:24). Therefore it could and should be augmented with, or even displaced by, an approach that stressed a softer, more humane understanding of human values and culture (Parker, 2000:1).

However, culture, like art, is nice to think about but hard to define. On one level, the concept is self-evident. Intuitively, everyone seems to know what culture is. It has something to do with interpretations in organizations – that is, beliefs, values, and the meanings that are shared: ‘It’s the way we understand things around here.’ On a deeper level, understandings of the concept are more diffuse. As observed in my pilot study of CCTV, the field of organizational culture research has been particularly varied with approaches following different research agendas, epistemological, methodological and political orientations conflicting, debating and interacting with each other. The result was conceptual chaos (Martin, 1992) in the research of organizational culture.

It is extremely difficult to make clear distinctions among concepts and understandings of culture, given the highly complex cultural phenomena and
the difficulty of defining the concept of culture itself. For the sake of further analysis, I will synthesize previous cultural research into two main schools according to their basic assumptions towards culture and organizations: 1. The 'culture as independent variable' school, which emphasizes the characteristics of culture as a component part of the organizational environment (e.g. Malinowski, 1944; Radcliffe-Brown, 1952; Benedict, 1934; Kluckhohn & Kroeber, 1952; White, 1973; Harris, 1979; Gioia & Pitre, 1990; Morgan and Smircich, 1980, etc.). 2. The 'culture as root metaphor' school, which emphasizes culture as a kind of genetic code or identity of the organization (e.g. Goodenough, 1957, 1971; Levi-Strauss, 1958; Wallace, 1970; Geertz, 1973; Schneider, 1975, etc.). Based on this categorization, I will also discuss methodological stances and research paradigms adopted by the two schools.

To define CCTV's situation, first it is a media organization case, and second a media case in the Chinese context. As Downing (1996) argues, any attempt to examine an example of this sort in isolation from its broader social context risks a dangerous generalization about the media and society based upon the predominant relations in the USA, and perhaps Britain. Sparks (1998: viii-x) emphasizes the importance of paying close attention to the wider nexus of social relations in any study of mass media, especially in theoretical examinations. In my search for an analytical approach appropriate for CCTV in its transition, I was particularly aware of the embeddedness of CCTV in its social, political and cultural settings, which greatly affected the interpretation of shared and understated values formed among its organizational members.
After analyzing the two main schools of organizational cultural research, I found that each school offered a valid contribution to the understanding of organizational culture, although with their own limitations. More importantly, when looking at any particular organization in change and transition, none of the changes can be separated from their environmental contexts, or from conflicts. This is particularly true when the conflicts result from intraorganizational conventions, especially in terms of the complex, often paradoxical, and ambiguous change process. One of the widely acknowledged benefits that organizational cultural research is the richness and depth of its perspective. Conversely, by sticking to either one of these two schools, one risks bias or prejudice toward one conceptual tradition of culture, and thus significantly reducing the power and richness that cultural research can offer.

Therefore, a good understanding of any culture must embrace the dynamics, fluidity, richness and complexity of this concept and examine the relationship between these two aspects of organizational life. The first and most important issue is 'how to conduct inquiry based on several paradigms' (Pondy & Boje, 1981). Many observers/scholars recommend that researchers challenge and cross paradigm borders (Gioia & Pitre, 1990; Hassar, 1988; Parker & McHugh, 1991; Weaver & Gioia, 1994; Willmott, 1990, 1993a,b; Schultz & Hatch, 1996; Lewis & Grimes, 1999). However, even in this vibrant area of research, scholars following this multi-paradigm route are rare compared to those practising the two traditional schools of cultural research.
This thesis therefore follows a ‘both-and’ thinking pattern towards the understanding of the concept of organizational culture. By following a multi-paradigm approach, this project intends to take advantage of the richness and depth of cultural research to untangle the complex transition period of CCTV.

1.3.2 Research on the ‘Powerful’

Sociologists define power as the ability to impose one’s will on others, even if those others resist in some way. According to Max Weber in *Basic Concepts in Sociology*, ‘By power is meant that opportunity existing within a social relationship which permits one to carry out one’s own will even against resistance and regardless of the basis on which this opportunity rests.’ (Weber, 1962) The imposition need not involve force or threat of force. Thus ‘power’ in the sociological sense subsumes both physical (or military), political, economical power, etc. Research on the powerful is research focusing on people or institutions with the above-mentioned power as subjects. In the case of CCTV, power refers to the political power of the organization as the Party mouthpiece, and the secretiveness related to this position.

Scholars commonly argue that ethnographic research on the powerful encounters many difficulties. CCTV’s position as a secret organization drove its closed-door and anti-foreign policies toward the academic world (Hong, 1998; Zhao, 1998). In particular this was due to the fact that CCTV’s organizational infrastructure has always been integrated into part of the Chinese Communist Party’s (CCP) administrative hierarchy. Therefore
CCTV executives were simultaneously government officials. And their promotion or demotion was directly related to the satisfaction of the CCP. Having been the mouthpiece of the CCP from its inception, the organization had a clear political and social agenda. The related endemic secrecy permeated everything within the organization. Even at the lower end of the hierarchy, most CCTV employees were alarmed when asked to participate in interviews about the operation and reformation of CCTV, especially with an interviewer attached to a foreign institution.

During my pilot study of CCTV, I approached some top-level officials, but the initial interview data proved unreliable because the interviewees either 'unselfconsciously project an official self-image' (Lee, 1995: 149 cti, in Rhodes, 2005), or provided information that was already available in official documents. There were even cases in which the data provided sometimes misleading. Moreover, often there were no written sources with which to cross-check the accuracy of interviews, therefore rendering the gathered information unverifiable and unusable.

I am fully aware of the above-mentioned difficulties experienced during the pilot study. Nevertheless, the understanding and research of culture cannot be justified by simply interviewing top-level officials on explicit policies. Only by accessing the deeper and deepest levels of a particular culture, namely the implicit and underlying shared values and basic assumptions (Schein, 1984, 1992), can cultural research succeed. Therefore it is crucial to develop
strategies that allow the researcher to go beyond the institution's explicit artifacts, official archive, and polished slogans and statements.

My research focus of CCTV's transition starts from 1993 when the introduction of Producer Responsibility System was created in CCTV. To better understand the change in organizational life and its consequences for CCTV employees, I set my participative observation camp at the bottom of the organizational hierarchy. Therefore, this research provides an account of culture, interpreted through my observations and experiences from the bottom half of the organization. Triangulation of data was achieved by focus group interviews with CCTV executives, television academics and critics, regulators, market researchers, partners and competitors of CCTV, as well as official archive research, and random data collection from periodicals, newspapers and the internet. Chapter Three includes a detailed discussion of the research methodology followed throughout the data gathering and interpretation process.

1.4 Clarification of Terminology

The interdisciplinary nature of this research attracts a large amount of theoretical terminology borrowed from sociology, economics, organization studies and media studies. Also, the specific situation of CCTV necessitates a great knowledge of cultural and historical China and a large Chinese vocabulary. For the sake of further analysis, the following section will first
clarify some ambiguous concepts and terminology adopted in the process of researching and writing this thesis.

1.4.1 The Definition of Organizational Culture

It is hard to find a unanimously agreed upon definition of organizational culture. Schein’s (1984, 1992) ‘levels of culture’ model has been very influential as it is one of the few structured and insightful ways to understand this phenomenon (Hatch, 1993). This research project adopted Schein’s model as the basis for an analysis of CCTV’s organizational culture.

Schein (1984, 1992) suggested that culture could be analyzed in terms of three interrelated levels: artifacts, espoused values, and basic underlying assumptions. Artifacts are ‘all the phenomena that one sees, hears, and feels when one encounters a new group with an unfamiliar culture’ (Schein, 1992:17). Artifacts are observable but hard to decipher because similar artifacts may mean different things in different cultures. Espoused values are a ‘sense of what ought to be as distinct from what is’ (Schein, 1992:19). These values develop over time based on workable solutions to the critical problems facing a particular group. If the solutions continue to work long enough, they gradually drop out of conscious awareness and become basic assumptions. Basic assumptions are ‘the implicit assumptions that actually guide behavior, that tell group members how to perceive, think about, and feel about things’ (Schein, 1992:22). These are taken for granted and mutually reinforced and, thus, normally are not confronted or debated. Challenging basic assumptions leads to high levels of anxiety and initiates
defense mechanisms that enable the group to continue functioning in a stable manner. According to Schein, basic assumptions are the essence of culture because they represent taken-for-granted beliefs, perceptions, thoughts, and feelings that are the ultimate source of individuals' values and actions.

Artifacts:
These take the form of stories, myths, jokes, metaphors, rites, rituals and ceremonies, heroes and symbols

Beliefs values and attitudes

Basic assumptions:
These concern the environment, reality, human nature, human activity and human relationships

The most superficial manifestation of culture

The deepest level of culture

Figure 1.1: Levels of culture and their interaction

In my attempt to understand culture's formation, I follow Schein's argument concerning the two processes of 'external adaptation' and 'internal integration'. Also this project's research structure follows these two processes, analyzing CCTV's culture from within the organization. First it strives to reveal how culture is integrated among organization members, and second it traces the patterns and characteristics of its culture resulting from the influence of its social, political and economical environment.

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Adapted from Schein (1985b).
Table 1.2: The External and Internal Tasks Facing All Groups (Schein, 1991:249).

<table>
<thead>
<tr>
<th><strong>External Adaptation Tasks</strong></th>
<th><strong>Internal Integration Tasks</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing consensus on: 1. The core mission, functions, and primary tasks of the organization vis-à-vis its environments</td>
<td>Developing consensus on: 1. The common language and conceptual systems to be used, including basic concepts of time and space</td>
</tr>
<tr>
<td>2. The specific goals to be pursued by the organization</td>
<td>2. The group boundaries and criteria for inclusion</td>
</tr>
<tr>
<td>3. The basic means to be used in accomplishing the goals</td>
<td>3. The criteria for the allocation of status, power, and authority</td>
</tr>
<tr>
<td>4. The criteria to be used for measuring results</td>
<td>4. The criteria for intimacy, friendship, and love in different work and family settings</td>
</tr>
<tr>
<td>5. The remedial or repair strategies if goals are not achieved.</td>
<td>5. The criteria for the allocation of rewards and punishments</td>
</tr>
<tr>
<td></td>
<td>6. Concepts for managing the unmanageable—ideology and religion</td>
</tr>
</tbody>
</table>

1.4.2 The Concept of Institution

This thesis uses the concept of institution with three meanings. One is the verbatim meaning of ‘institution,’ which according to the *Oxford Concise English Dictionary* means ‘a society or organization founded especially for charitable, religious, educational, or social purposes. For example, the ‘media are at the centre of a social network along with other social institutions’.

Another other meaning of ‘institution’ adopted by this thesis refers to the economic meaning of ‘institution’. Douglas North defined this meaning of institution in his seminal book *Institutions, Institutional Change and Economic Performance*, as ‘humanly devised constraints that structure
political and social interaction' (North, 1990). According to DiMaggio and Powell (1991b) and Scott (2001, chap. 3), institutions are composed of regulative, normative and cultural-cognitive elements, each of which is distinctive but often inclusive. Generally 'institutions' refer to formal and informal systems, such as policy, law, ideology, beliefs, norms and rules, that influence the way in which individual organizations in a certain sector should behave. Under this definition, formal institutions refer to laws, regulations and other modes of a society's formal structure. In contrast, informal institutions may be understood as the collection of social norms, conventions and moral values that constrain individuals and organizations in pursuit of their goals. (North, 1990; Dobbin, 1994; Powell & DiMaggio, 1991; Scott, 2001).

The popular terms 'old institutions' can be included in the formal institutions, which define and regulate the Chinese media industry. In a later discussion of the CCTV personnel system, this thesis distinguishes between people 'inside the institution' and 'outside the institution'. The term 'institution' in this context also refers to formal institutions, specifically regarding personnel policy. Discussions about informal institutions focus on the national culture of China and Chinese social conventions. Chapters Five and Six will discuss the impact of informal institutions on CCTV's transition.

1.4.3 Vocabulary in China-specific Context

Given that CCTV works in a non-Western political, social and cultural setting, as Sparks (1998) pointed out, writing about this case involves
considerable difficulties of vocabulary. Naturally, this vocabulary is constrained by its own history and contemporary usage. The main difficulty regarding vocabulary in this thesis lies in its close relationship to Chinese culture and the revolutionary history of contemporary China. There are terms, which are typical Chinese English\(^6\), for example: guanxi (connection/contact), guai (being obedient), Shantouism (cliquism with Chinese characteristics), danwei (work unit) and various terms of administrative rankings of Chinese danwei, etc. Some of these terms appear more specifically in the CCTV context, in which case, I have translated them into English; for example, Producer Responsibility System (Zhipianren (Fuze) Zhi). In these cases I always include the original name in Chinese pinyin (phonotype) in brackets.

1.5 Thesis Structure

This thesis is divided into four parts: General Introduction and Case Introduction, Literature and Methodology Review, Case study, Discussion and Conclusion. Chapters One and Two provide the General Introduction and the Case Introduction. Chapters Three and Four discuss the background literature and research methodology. Chapters Five, Six and Seven make up the Case Study of this research. Chapter eight provides discussion of the research results and the study’s Conclusion.

Chapter Two is an introduction to the case of CCTV in transition. This chapter introduces some key background information regarding the social

\(^6\) Chinese English refers English created to describe China specific events, history and cultural phenomena.
context of the case, especially in relation to questions regarding the meaning of the terms 'Chinese characteristic' and of the old 'institution'. Also it includes an introduction to the management and administrative structure of CCTV, its special position in Chinese politics and society and its development in relation to its transition. The chapter goes on to discuss the changing social and economic environment surrounding CCTV, including the changing audience, media policy and domestic market. Following this discussion there is a well-acknowledged three stage differentiation that identifies the changes at CCTV from 1979 to 2003. Given the variable notion of change, I argue that CCTV's real transition began in 1993. Therefore, the focus of this research is primarily the stage from 1993 to 2003, during which the scope and depth of change touched upon CCTV's fundamental institutional boundaries.

The third part of Chapter Two, argues that the split of two management circles and the uneven nature of change caused an organizational culture conundrum for CCTV's transition. As mentioned earlier, the prevailing views of organizational culture led to a fundamental review of organizational culture theory, and of the methodological challenges in cultural research. Chapter Three will discuss this review in further detail.

Starting with an analysis of the two prevailing views of organizational culture permeating CCTV’s transition, Chapter Three lays the foundation of this thesis' methodology, theoretical approach and research questions. This necessitates a comprehensive understanding of organizational culture theory
and the manner in which culture is related to performance and change, in particular. Given such a holistic view and the highly ambiguous concept of culture, I set out to understand the main schools of organizational culture theory, their contributions and limits. Therefore, instead of searching for the best way to approach the conceptual model of culture among a rich mix of ideas, theories and frameworks, I argue that a feasible approach to understanding organizational culture in CCTV must derive from an awareness of the strengths and weaknesses of previous and current schools of research. In addition, one must pay close attention to the connections and interactions between previous studies and approaches. All in all, this analysis of CCTV's particular culture seeks to develop a 'connoisseurship' (Turner, 1988, cit. in Reed & Hughes, 1992:5) by linking different perspectives with a full appreciation of the richness and complexity of different approaches to cultural research.

Chapter Four discusses the methodology adopted in this thesis. This chapter explains both the theoretical and practical stance of this research. In approaching a theoretical framework, I argue for a grounded theory approach to research on culture and change. In the later discussion of ethnographic research, I admit the limitation of this particular research methodology, and the difficulties in researching the powerful, and also explain how I dismantled the technical barriers and the limits of this research as a result. Furthermore, Chapter Four discusses theory building, data collecting and the analysis methods used in this project.
Chapter Five is an intraorganizational analysis of CCTV’s transition, with an ethnographical account based on participative observations from within the organization from June to December 2003. In terms of a research paradigm, Chapter Five largely follows the interpretivists view of organizational culture, which explores and interprets organizational culture as ‘natives’ do. This allows cultural meaning and patterns to emerge without involving a hypothesis or trait-searching.

This chapter seeks to reflect the organizational culture of CCTV from within. In order to present the organizational culture truthfully, I give ‘thick description’ (Geertz, 1973) of two of my main research settings, with reference to support evidence provided by data from other channels and CCTV departments. Based on the data gathered from participative observations within CCTV, I make a cross case analysis concerning the development of PRS into Shantouism. From this I summarize four logics that were most influential in CCTV’s transition, thus leading to a greater understanding of the relationship between CCTV and its socio-economical environment.

As a complement to Chapter Five, Chapter Six steps back and analyzes CCTV and its organizational culture in a broader socio-economic context. In terms of cultural paradigm, this chapter follows a functionalist view of culture in searching for the relationship between the cultural patterns found in Chapter Five and the organizational environment. The four logics are linked

\(^7\)Shantouism is cliquism with Chinese characteristics. For details, see notes in Chapter Five.
to the four power roles derived from social and historical perspectives of CCTV’s development. This chapter first analyzes the influence of each logic in CCTV’s transition. Afterward and most importantly, Chapter Five looks at how CCTV’s transition suffered from power leverages between the four competing logics. This chapter argues that CCTV’s transition was disoriented and without a clear guideline of media professionalism, and therefore it swayed in the tug of war between the three other power roles of party influence, commercialization and social and ethnic conventions.

Chapter Seven synthesizes the process of CCTV’s change and its relationship with its particular organizational culture. This synthesis becomes clear by relating the processes of organizational change and reform to parallel developments outside CCTV, and also the uneven historical development of the four logics. Finally, Chapter Eight concludes the thesis, and proposes directions for future research.
Chapter Two  China Central Television in Transition

2.1 Introduction

This chapter looks at the background to the CCTV case and its transition process. Tracing the prevailing view against the old 'institution', this chapter starts with a detailed account of the infrastructure, and administrative tradition of the Chinese media sector in relation to CCTV. The chapter then considers the changing social and economic environment of the Chinese media and its implications of this for CCTV. The third part of this chapter focuses on the specific transition of CCTV through three stages. The fourth part of this chapter analyzes the uneven change and incomplete reform, both at the industrial level and the intraorganizational level, as a product of the negotiation between the old 'institution' and changing forces. This chapter concludes with an observation of the current cultural conundrum of CCTV, which leads to a close theoretical examination of organizational culture in Chapter three.

At first glance, China Central Television looks formidable—its 16 channels claim more than a third (Table 2.1) of the Chinese television market and its
15,000\textsuperscript{8} staff generate more than RMB 8 billion ($967m) in annual revenues (Figure 2.1). It ranked 57\textsuperscript{th} in the TBI (Television Business International) 1998 top 100 world TV (companies)\textsuperscript{9}. The broadcaster has nearly doubled annual revenues since 1998 (Dickie & Guerrera, 2004), and at the moment it is one of the top contributors to the Chinese government’s tax income (Figure 2.2). The tax paid by CCTV in 1995 was 80 million RMB, when many other state enterprises bordered on collapse. And since 1998 CCTV’s economic strength has continued to develop (Zhao, Y., 1998:2). According to the most recent market research available, conducted by CVSC-Sofres Media (Figure 2.3), CCTV is undoubtedly the best recognized television station in Mainland China in terms of authority, reliability, entertainment, advertising regularity, and general impression among the domestic market players.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{cctv-revenue.png}
\caption{CCTV Revenue 1998-2002 \textsuperscript{10}}
\end{figure}

\textsuperscript{8} Some data shows that the CCTV has 4,000 staff, which is only a part of the people working there, namely those who were formally employed under a quota given by the government. If we include people who were employed under an informal contract (without a quota), this number increases by about 15,000 people, or more if we also include non-contract staff.

\textsuperscript{9} Television Business International, July/August, 1998.

\textsuperscript{10} CCTV 45 Years’ Anniversary Exhibition
Table 2.1: Viewing-rate and Market Share of Top 10 Domestic TV Channels in China, January-July 2003

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Channel</th>
<th>Viewing Rate %</th>
<th>Market Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 1</td>
<td>CCTV-1</td>
<td>1.96</td>
<td>15.0</td>
</tr>
<tr>
<td>No. 2</td>
<td>CCTV-6</td>
<td>0.45</td>
<td>3.4</td>
</tr>
<tr>
<td>No. 3</td>
<td>CCTV-8</td>
<td>0.42</td>
<td>3.2</td>
</tr>
<tr>
<td>No. 4</td>
<td>Hunan (province) Satellite TV</td>
<td>0.29</td>
<td>2.2</td>
</tr>
<tr>
<td>No. 5</td>
<td>CCTV-4</td>
<td>0.28</td>
<td>2.2</td>
</tr>
<tr>
<td>No. 6</td>
<td>CCTV-3</td>
<td>0.27</td>
<td>2.1</td>
</tr>
<tr>
<td>No. 7</td>
<td>CCTV-5</td>
<td>0.26</td>
<td>2.0</td>
</tr>
<tr>
<td>No. 8</td>
<td>Shandong (province) Satellite TV</td>
<td>0.24</td>
<td>1.8</td>
</tr>
<tr>
<td>No. 9</td>
<td>Beijing Satellite TV</td>
<td>0.18</td>
<td>1.4</td>
</tr>
<tr>
<td>No. 10</td>
<td>Anhui (province) 1</td>
<td>0.16</td>
<td>1.2</td>
</tr>
</tbody>
</table>

*Market share: A radio or TV station's share is the percentage of time people in that market spent watching that station within a certain period of time.

*Viewing-rate: percentage of households that watched a particular channel/programme.

Given the immense range of programmes and CCTV's scale of business, it is hard to describe the organization in a few words. Most importantly, CCTV is a representative of the Chinese state-owned enterprise categorized in a very unique Chinese danwei/work unit System. Therefore, any discussion about CCTV must take into account its ownership and administrative structure. Secondly, its establishment was a partial result of Mao's political campaign Great Leap Forward (Da Yue Jin), and CCTV is a typical example of a

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12 The danwei/work unit system will be discussed later in the chapter.
13 Great Leap Forward (Da Yue Jin), 1957–1960, was a Chinese economic plan aimed at revitalizing all sectors of the economy. The hope was to industrialize the country by making use of the massive supply of cheap labor and avoiding the need to import heavy machinery. Small backyard steel furnaces were built in every commune while peasants produced cast iron made out of scrap. Sometimes even factories, schools and hospitals
communist media organization, functioning as a party mouthpiece and propaganda tool. Thirdly, even though observers regarded it as the key money generator for the government, directly controlled by the CCP (Chinese Communist Party), CCTV has been maintained as one of the last bastions against the institutional reform of the Chinese economy.\(^\text{14}\) When privatization and denationalization of manufacturing industries were introduced in the late 1970's and early 1980s, reform in the same direction of the media in China was still only at the preliminary discussion stage, even if the issue was no longer strictly taboo.

abandoned their work to smelt iron. Simultaneously, the peasants were collectivized. Wildly unrealistic planning poorly planned communization of agriculture, and a poor harvest in 1959 caused mass starvation. Mao was forced to turn the government administration over to Liu Shaoqi and Deng Xiaoping.

\(^{14}\) Following many joint ventures and direct foreign investment in many industries since 1979, although advertisements have been introduced and flourished in China, the media industry is still fairly conservative. This is especially true in terms of content provision, and openness to foreign investments. As a country with the world’s largest population and a rapidly growing economy, China is considered to be a media market with huge growth potential, since it promoted reform-policies in 1979. Many transnational media companies have tried to access this market, however, the communist government still claims that the media is a kind of mouthpiece, regarding it as an instrument to control public opinion rather than a way in which to express it. The government exerts tight control over foreign media, mainly the Western trans-national television. Since 1989, the year in which the pro-democracy movement was widely broadcast by Western media through the Tiananmen Square Protests, the Chinese government has paid much more attention to controlling foreign broadcasting signals over China’s sky (Chan, 1994a). Foreign broadcasters’ programmes have been tightly prohibited and individual satellite reception has been banned since 1993. The well-known policy, named ‘Six Nos’, was circulated in late 1994 by the Chinese Propaganda Department. This policy includes six principles: no joint ownership; no shareholding of media organizations; no discussion of a press law; no discussion of the commodity nature of news; no joint ventures with foreign companies; and no openness for foreign satellite television (Chadha & Kavoori, 2000). Even after China joined WTO, (according to WTO agreements, China did not promised to open up the broadcasting and television sector and therefore excluded foreign capital from the country's radio stations, television stations, broadcasting and television network and movie studios. (People’s Daily 16th Jan, 2002)
In the following section, I will analyse CCTV’s historic and political legitimacy in order to establish the basis for its subsequent transition. From an institutionalist perspective, this section focuses on the formal institutions of

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15 CCTV 45 Years’ Anniversary Exhibition, need data for 1996 and 1997.
the Chinese media industry, the historic and political symbolic meaning of CCTV as the top level of the CCP's propaganda mechanism and the implications of this for the administrative structure of CCTV.

2.2 CCTV in Chinese Politics

2.2.1 CCTV as a Propaganda Tool

Marxist-Leninist theory suggests that the media in socialist countries act as propagandists, agitators, and organizers (Splichal, 1994: 33). In Chinese practice, Chairman Mao Zedong drew a concise conclusion from the success of the Communist Revolution. Power grows out of the barrel of a gun, and power grows out of, and is sustained by, the nib of a pen (Mao, 1983). According to this principle, propaganda, through the heavy-handed manipulation of the media, has been just as essential as the army and police in upholding the mandate of power of the Chinese Communist Party (CCP) (Lui, 1975), especially in the early days of the New China.

Right from its establishment in 1955, just like all other media in China at that time, CCTV was under the direct control of the Chinese Communist Party. Since in the 1960s and 1970s television was a luxury for most Chinese people, its influence was not as great as that of newspapers. However, the importance of establishing the CCTV was symbolic.
The long history of political advocacy in modern Chinese media can be traced back to the time before 1949. During the liberation, the CCP successfully reconstructed a new media structure in China. All the media on the opposite side were closed and the rest were absorbed into the new structure to contribute to the political cause. Since then the media has become an integral part of the government apparatus, not a separate, let alone independent, part of the nation’s political life. To enforce the power and instruction of the central government, the media were organized such that each main level of the party’s organization, central, provincial, autonomous region, municipality and lesser local area, had one or more newspapers. As did various other CCP sponsored organizations, such as the All China Federation of the Trade Unions, Central Military Commission and the Communist Youth League. Thus the media were available for the needs of different levels of administration (Mackerras, McMillen & Watson, 1998:154). Radio and television, which developed later, grew according to the same structure. This was the origin of the government’s 1983 policy to ‘set up television on four administrative levels (Sìji Ban Dianshi)’ of the CCP.

2.2.2 CCTV in Chinese Administrative System – Advantages and Restrictions

In terms of organizational administration, Chinese organizations are strictly controlled according to the so-called danwei/work unit system. In China, danwei, or work unit, refers to those urban workplaces through which the CCP-state administers and controls economic activities and arranges people’s jobs and lives. In the mid-1950s, the danwei-oriented system was
implemented, which incorporated a subset of institutions. These included: (1) an administrative rank system; (2) the selection and appointment of danwei leaders, (3) setting up the CCP, Communist Youth League (CYL), and Trade Union branches in every danwei, (4) regulating the authorized size of danwei’s personnel, (5) determining the financial allocation from government, and (6) danwei-run welfare system. Since the 1980s danwei has seized the attention of many scholars, largely due to its distinctive features. Besides its productive function, it also provides all of its members with welfare support and services ranging from housing, medical care, retirement pension, and various public facilities. Many large danweis become self-sufficient entities, similar to a ‘micro society’ (Liu, 2001).

Under this system, media organizations were regarded as state-owned non-profit institutions (SONPI) and were assigned administrative ranks. Thus from the very beginning of Chinese media history, the media is an integrated part of the Party’s danwei/work unit administrative system. The importance of administrative rank in the danwei/work unit is that, it implies a political affiliation. Furthermore, the level of administrative rank of a danwei usually relates to the ability of that danwei to obtain resources from the state, and this, relates to the potential benefits available to the danwei leader and members.

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17 For example, some circulars or internal documents issued by government or CCP are accessible only by those danweis cadres whose administrative ranks are higher than a certain level. See LÜ, Xiaobao and Perry, Elizabeth J., 1997, 6.

18 For a detailed discussion of the inequality among danweis, see Bian, Yanjie, 1994.
Initially, only the army implemented the rank system. This military rank system, setup in parallel with a CCP rank system,\(^{20}\) was adopted as the basis of the *danwei* system after 1950 and still exists today. According to this system, CCTV, which is under the direct control of the Publicity Department and State Administration of Radio, Film and Television (SARFT) of the CCP\(^ {21}\), ranks at the ministry level, and the president of CCTV is an official at the vice-ministry level.

\(^{19}\) There are four SOEs that hold the rank of ‘Ministry level’: China Shipping Company, China Nuclear Company, China Coal Company, and China Oil and Natural Gas Company.

\(^{20}\) This parallel rank system can be traced to the earlier period of the development of the CCP and the Red Army. In December 1929, the Ninth Representative Assembly of CCP of the Fourth Red Army (it is also called Gutian Assembly) made an important decision. It set up CCP branches in every company of the Red Army, and within these branches, small party groups in every squad should be organized. See Zhang Quanjing, 1996, 3-4.

\(^{21}\) The Chinese Communist Party’s Publicity Department and the State Administration of Radio, Film and Television. The former organization is in turn subject to the heavy influence of the ideological group of the CCP’s Politburo. It is responsible for setting the ideological and propagandistic themes of programmes, whereas the latter organization deals with regulatory, technological, and administrative affairs. These two agencies have

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**Table 2.2: The Chinese Communist Party Ranking System**

<table>
<thead>
<tr>
<th>Military Ranking System</th>
<th>Equivalent CCP Ranking System</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sheng-Jun-Ji:</strong> The province-army corps level</td>
<td><strong>Bu-ji,</strong> or Ministry level (including Vice-Ministry level)</td>
<td>The ministry level or Minister, provincial level or the governor of a province and for some large national SOEs(^ {19}) and their general managers, and for their CCP leaders as well</td>
</tr>
<tr>
<td><strong>Di-Shi-Ji:</strong> The prefecture-division level</td>
<td><strong>Ju-ji,</strong> or Bureau level</td>
<td>Some large or middle-sized SOEs, and some SONPI like universities, hospitals or research institutes</td>
</tr>
<tr>
<td><strong>Xian-tuan-ji:</strong> The county-regiment level</td>
<td><strong>Chu-ji,</strong> or the vice-bureau level</td>
<td>For some middle or small-sized SOEs, and some SONPI, and so forth (Xu, 1992, 851).</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>
Moreover, integration into the administrative system in a planned economy also means that all initiatives are under the government’s plan. To a large extent, the production of television programmes in China fell under the guidelines and quotas set by the relevant authority at the central, provincial, municipal, and county levels. Television programmes needed to fulfill their ideological functions, which often vary with the CCP’s specific policy for a given period. From the best-known ‘Class Struggle’ campaign in Mao’s era, through ‘Combating bourgeois liberalization’ after 1989, to the latest ‘Three Representatives’ proposed by the former President Jiang Zemin, the history of Chinese television reflects the CCP’s policy transformation. Even young children learned these slogans by heart without knowing their meanings. Television stations behaved more like state institutions than corporate enterprises, although today commercial considerations are becoming more important and their autonomy is increasing (Sinclaire, Jacka & Cunningham, 1996: 135).

Meanwhile, a decision entitled *Unifying the State Financial and Economic Work*, issued by the State Council for Political Affairs in March 1950, stipulated that, the number of personnel at all government departments, public schools and SOEs should be fixed.\(^{22}\) This means that every new member joining a *danwei* work unit needs an employment quota from the counterparts to take charge of television at the provincial, municipal, and sometimes county levels. See John Sinclaire, Elizabeth Jacka, and Stuart Cunningham (eds.) *New Patterns in global Television: Peripheral Vision* (Oxford: Oxford University Press, 1996), p.134.\(^{22}\) See Xinhua shishi congkanshe, 1950, p4.
government, otherwise, there will be no extra housing, schooling and healthcare services provided for him/her. A discussion of the consequences of this quota system of personnel management and the current disorganization of CCTV’s personnel system comprise a later part of this chapter.

2.3 Chinese Media in an Epoch of Change

Post-Mao China economic reform can be summarized into two key components—transformation from a planned economy to a market economy and integration with the world markets of trade and investment (Zhao, Y., 1998: 3). China has gone a long way towards these goals by expanding its foreign trade and investment and instituting a series of market-oriented domestic reform measures. These measures include: the semi-privatization of agriculture, the development of ‘special economic zones’, the development of private enterprises and contracting out small to medium-sized state enterprises, the decentralization of planning, the deregulation of prices, the marketization of state-allocated producer goods, the commoditization of labour forces, and the introduction of stock markets, real estate markets, and capital markets.

Since 1979 the reformation of Chinese State-owned Enterprises (SOEs) has been a key part of the country’s economic restructuring programme. Over almost the next two decades, manufacturing industries experienced a complete restructuring and reorganization of their ownership structures, accounting systems, income distribution systems, etc. The year 1992 was a
turning point in Chinese economic reform. The late Party leader Deng Xiaoping published a series of talks during his inspection tour of southern China and called for ‘further opening’ and ‘deeper reform’. In the same year, the government issued a resolution for the faster development of tertiary industry, which officially included the media (Zhao, Y., 1998:47). Subsequent to these comments, the speed of Chinese economic reform increased drastically and was on a much wider scale towards internationalization and globalization.

Although tightly restricted and closely censored by political forces, the Chinese media was inevitably influenced by post-Mao economic reforms and the increasing trend of globalization. While the media had been preserved as a final bastion against total openness, with the improvement of the living standards of Chinese people and flourishing consumerism in China, the traditional and official model of propaganda was not enough to satisfy the increasingly affluent media consumers. The change of media policy was inevitable. This section will discuss the three main aspects of changes in relation to television and CCTV in particular: changing audience, changing media policy and changing domestic market.

2.3.1 Changing Audience: from Puritan Communism to Consumerism

The adoption of the Soviet model of industrialization in the early 1950s, which privileged heavy industry at the expense of consumer products, had serious implications for people’s material life. Individual consumption was
sacrificed for the nation’s primitive capital accumulation and the provision of consumer goods was kept at the basic level required for the reproduction of labour power. Before 1979 the Chinese media was predominantly a tool for class-struggle, beating the drum for anti-bourgeois, anti-feudalism and fanatical political propaganda. The media played a central role in the Party’s strenuous efforts to inculcate a ‘correct’ proletarian lifestyle of ‘hard work and plain living’ (jianku pusu), and to promote a range of individuals for emulation. The government encouraged people to tighten their belts as food was rationed. Fashion, regarded as bourgeois in origin and surplus to authentic human needs, for many years was more or less abolished. Consumption beyond the limit set by the Party could be condemned as a sign of a corrupt and despicable bourgeois lifestyle (Zhao, B., 1997:45-46). Cultural life and entertainment were politically controlled to promote the communist class-struggle themes. Especially during the Cultural Revolution\(^{23}\), the function of the media was completely revolutionized (Qian: 2002:44). Social and cultural functions of media were totally abandoned. For

\(^{23}\) ‘Cultural Revolution’ is an abbreviation of *The Great Proletarian Cultural Revolution*, which took place from 1966 to 1976, inaugurated by Mao Zedong. It was a mass mobilization of urban Chinese youth, that attempted to prevent the development of a bureaucratized Soviet style of communism. Mao closed schools and encouraged students to join Red Guard units, which persecuted Chinese teachers and intellectuals and enforced Mao’s cult of personality. During the Cultural Revolution, many government officials and intellectuals were sent out to work in the fields alongside the peasants. For a time, zealous young communists called Red Guards had considerable power. Individuals that were considered to be part of the ‘bourgeoisie’ were tortured brutally without trial. Laws were broken freely; the police were no longer an effective force. Soon, the Red Guards set fire to temples, mosques, churches, and other religious institutions. The country fell into a state of mass chaos. Also, by the end of 1966 the Red Guards started a massive campaign to destroy ancient art, artifacts, and antiques; vandalize ancient buildings; and burn ancient scrolls and books. The movement for criticism of party officials, intellectuals, and ‘bourgeois values’ turned violent, and the Red Guard split into factions.
a long time, knowledge was regarded as useless, culture was labeled as bourgeois and intellectuals were persecuted.

With the death of Mao, China took a pragmatic turn away from ideological purity. Under the new leadership of Deng, economic pragmatism was very successful in developing ‘the forces of production’ and improving people’s living standards. As Li M. observed in 2001, China’s per capita gross domestic product (GDP) surpassed US$ 3,800 in 1999 (Li M., 2001). As a new and ‘modern’ way of life, consumerism appeared irresistible to the hitherto materially and spiritually ‘deprived’ population. With increasing prosperity, people had more money to spend on cultural goods and entertainment, and increasingly there were demands for a diversity of media content to meet different audiences’ tastes. As emphasized in the pictures below, through the replacement of Mao’s Quotation Book (Hong Bao Shu/red precious book) with credit cards, the dominant ideology shifted from the class struggle of the Mao era to consumerism in post-Mao China

(Source of photo unknown)
2.3.2 Changing Media Policy

The characteristics of Chinese media policy from 1979-1993 can be summarized into the following three aspects:

- Financial weaning period of media enterprises
- Promoting ‘Managing SONPIs as enterprises (Shiye Danwei Qiyehua Guanli)’ across the media industry in China
- Introduction of advertising and other commercial activities into the media industry

Until the beginning of economic reform in 1978, the media in China were almost completely subsidized by the state. Although the Party continued to attach great political and ideological importance to the media, as the economic reforms were implemented, it became increasingly clear that the state could no longer bear the entire burden, even if it wanted to. The rapid growth in the number of viewers stimulated investment in a new television station, in more channels, and in the extension of daily broadcasting hours. With the explosive development of the media under the Party’s plan to ‘set up TV stations on four administrative levels (Siji Ban Dianshi)’, as fully financed government apparati, the media organizations had become a heavy burden for both central and municipal government by the late 1980s. With a shrinking purse, the state was increasingly unable to provide funds for the

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24 The only exception to this was a brief period in the early 1950s, when some Party organs were financially independent, including People’s Daily. See Yuezhi Zhao, Media, Market and Democracy in China (Urbana and Chicago, University of Illinois Press, 1998), p.52.
25 The four administrative levels are: state, provincial, city and county level. In order to fulfil the educational and ideological functions, the CCP expected this policy to increase television penetration throughout China.
usual media operations, not to mention new technologies and an expansion of services. Throughout the 1980s, government funds could provide only 50 to 70 percent of the funds needed to maintain the regular operation of existing broadcast channels (Hao, 1988:79).

Under this financial pressure, the Chinese media, for the first time, was pushed to find other subsidy sources. This created the metaphor of the 'weaning period' of the Chinese media (Qian, 2002: 65), during which central and local governments gradually cut subsidies and encouraged commercialized financing. In the broadcasting sector, although governments at all levels continued to invest, the central government encouraged broadcasting organizations to earn money and fill the gap between what the government could provide and what was needed. In a 1983 document, the Party suggested that broadcasting organizations at all levels should explore other sources of income. In 1988, the Party and the government for the first time clearly stated that broadcasting should depend on multiple channels for financing (Sun, F., 1990:45).

The movement away from government financial subsidies brought another fundamental change in the nature of Chinese media. Originally categorized as state-owned non-profit institutions, media now needed to be self-sufficient, in other words, profit-driven. Thus, all media enterprises needed to rethink their mission and strike a balance between business management and political functions. In adapting to these changes, a new slogan arose: 'managing SONPIs as business enterprises'. This means that all media organizations are
still categorized as SONPIs within the Chinese danwei/work unit system under the previously planned economy, but they have become financially independent and responsible for their own development. Essentially the media must be managed as profit-making enterprises rather than as part of the public sector.

Luckily, the prospect of a promising advertising market forced the hand of the reformers. Many Chinese observers argue that 'pressure and profit' were the original momenta of reform in the Chinese media. With favorable governmental policies and a rapidly expanding market economy, advertising has become the single most important non-governmental source of media revenue since its reintroduction in early 1979. The growth in advertising has fuelled a boom in all media sectors since the latter half of 1992.

The rapid increase in advertising revenues has significantly altered the nature of news media operations. Although the media are still owned by the state, their economic basis has shifted from complete reliance on state subsidies to an increasing dependence on commercial revenue from advertising, sponsorships, and business operations in other areas. At the same time, the media has evolved into business organizations with interests in many aspects of the economy.

Moreover, the pressure of globalization hit China politically and economically as it promoted market-oriented policies and embraced the global economy (Shirk, 1996). Even though the media industry was regarded
as the last bastion of economic reform, advertising, commercial sponsorships, stock market reports, TV-shopping channels, Pay-TV, and most recently digital TV, and 24-hour news channels are hot topics. It seems unlikely that that the media has been numb to the economic opportunities of all these initiatives.

2.3.3 Changing Domestic Market: the Rise of Local TV Stations

Under the Party's policy to 'set up television stations on four administrative level (Siji Ban Dianshi)', television stations are classified by the four administrative levels previously mentioned. Part of the political task of the lower ranking stations was to help transmit the programmes of CCTV, while other stations on the higher ranking help to pass on the central government's voice to their own area. This was particularly true before the mid-1980s when profit-seeking was less widespread. Virtually no two television stations are allowed to compete head-on at the same level and within the same target groups. In this manner the government has reduced competition and brought the media under some control. At the provincial level more than one station may exist, but there would be a coordinated division of labour, obliging the two stations to differentiate their programming to meet separate target audiences. In general, the higher the status of the station, the more heterogeneous is its target audience. China Central Television, therefore, has the advantage of enjoying a virtual monopoly at the national level (Sinclaire, Jacka & Cunningham, 1996: 134-135). Although this position brings with it
the administrative support of the CCP, sometimes there is the inevitable interjection in many aspects of its operations.

However, the power relationship between CCTV and local stations has changed as well. With the introduction of the ‘weaning period’, and the policy to ‘manage SONPIs as enterprises’, television stations are required to be more independent financially. There is growing pressure to turn the exchange system into a market-place where one station can charge another for programmes under desire according to market price (Sinclaire, Jacka & Cunningham, 1996: 135-136).

![Graph showing January 1997 Ratings: National, Provincial, City, and Cable TV](image)

**Figure 2.4: January 1997 Ratings: National, Provincial, City, and Cable TV**

In addition to benefiting from less political sensitivity, local stations also enjoy more freedom in both the extent and scope of their reform. Local TV stations and media conglomerates are therefore developing at an

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26 See J. Walter Thompson Shanghai, JWT Greater China.
unprecedented speed. Hunan Media Group, which is famous for a slate of all-
new programs geared to popular taste, is widely regarded as the most modern
and innovative television station in Mainland China. Most recently, Shanghai
Oriental TV, established in 2003 under Shanghai Media and Entertainment
Group, achieved 0.2 billion RMB in advertising income during its first year
with just 300 employees. Located in Hong Kong Special Administrative
Region, Phoenix TV, established in 1996, has been very popular due to its
entertaining programmes and its fast response in reporting breaking news.
Having been praised as the ‘Chinese CNN’, Phoenix TV has pushed CCTV
into the margins in the vicinity of Hong Kong, where the transmission
spectrum is technically available.

Local TV stations like these have been CCTV’s most challenging
competitors. As figure 2.4 on the previous page shows, in some more
developed areas of Mainland China, CCTV does not serve as the main or key
resource. Over time, CCTV has felt pressure from increasingly sophisticated
broadcasters run by regional and municipal governments. Any decline in its
audience share comes as a painful loss of face, and an even more painful loss
of advertising income. 27

Meanwhile, from late 1980s, the government gradually began to ease its strict
regulations on foreign media in an effort to attract more foreign direct
investment (FDI). As a result, trans-national media corporations, and
especially the visual media, flooded into China. During the 1990s the media

27 Mure Dickie & Francesco Guerrera, ‘TV juggernaut reins in runaway
market rapidly diversified. A consequence of China’s entry into the WTO in 2001, the government is required to lift many barriers to global business, including many in the media sector (Tong, 2002). In 2001, AOL Time Warner received the right to broadcast its Mandarin-language channel, China Entertainment Television (CETV), to 19 million households in the southern province of Guangdong. Later, in October 2002, People’s Daily reported that Rupert Murdoch’s News Corp had signed an agreement with a Chinese provincial broadcaster to jointly finance and produce television programs in 2002.

2.4 Three Stages of CCTV in Transition, 1979-2003

A result of the last two decades of economy growth is the placement of a new media system as part of the tertiary industry in China. Especially in the television sector, there has been a dramatic development through the past decade in marked contrast to the original government-funded media sector serving as a government apparatus (Zhao, 1998; Hong, 1998; Lynch, 1999). The general global trend of media policy changes and media industry development has been towards deregulation and commercialization. However, despite 26 years of opening-up and development, CCTV is still highly protected. In terms of content production and administrative structure, the influence of political power on CCTV is still strong. Obviously, this is a double-edged sword. On the one hand, as discussed earlier in this chapter, the protection provided by the government privileged CCTV over all other TV stations in the domestic market. On the other hand, having been placed at the
top level and protected as the premier channel, CCTV is both too sensitive to change and naturally clumsy in its response to change. Behind the formidable facade of its rocketing advertising income and dominant status in the domestic market, CCTV’s change process was labyrinthine, uneven, painful, full of tension and negotiation between the old ‘institution’ and the force of reform.

Table 2.3: Chinese Television Reform Timeline

<table>
<thead>
<tr>
<th>Time</th>
<th>Key Events in the Development of Chinese Television</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>First advertisement is aired on TV in Shanghai</td>
</tr>
<tr>
<td>1981</td>
<td>Qingdao Conference sets the goal for Chinese Television to be the most authoritative news source. This is the origin of the communication content reform of Chinese Television</td>
</tr>
<tr>
<td>1983</td>
<td>‘Set up TV stations on four administrative levels (Siji Ban Dianshi)’ is proposed in the 11th National Conference of Television and Broadcasting.</td>
</tr>
<tr>
<td>Mid 80s</td>
<td>‘Managing SONPIs as Business Enterprises (Shiye Danwei Qiyehua Guanli)’ is promoted in Chinese television industry</td>
</tr>
<tr>
<td>1985</td>
<td>AC Nielsen pioneer TV audience measurement</td>
</tr>
<tr>
<td>1986</td>
<td>Advertising becomes China’s No.1 growth industry</td>
</tr>
<tr>
<td>1987</td>
<td>Television industry is first categorized into information commoditization industries as part of the tertiary industry</td>
</tr>
<tr>
<td></td>
<td>First local Cable TV network starts operation in Shanghai</td>
</tr>
<tr>
<td>End of 80s</td>
<td>Some provincial TV starts to be transmitted by satellite</td>
</tr>
<tr>
<td>1992</td>
<td>Television is formally categorized as one of the tertiary industries by the central government.</td>
</tr>
<tr>
<td></td>
<td>Shanghai Oriental Pearl Co. Ltd., first television with Share-holding Joint Ownership is established in Shanghai. It is also the first company listed on the Chinese stock market.</td>
</tr>
<tr>
<td>1993</td>
<td>Producer Responsibility System is created with the launch of a new TV magazine programme Horizon (Dongfang Shikong).</td>
</tr>
<tr>
<td></td>
<td>Public recruitment was promoted in the television industry</td>
</tr>
<tr>
<td>1995</td>
<td>Advertisement Law is promulgated</td>
</tr>
<tr>
<td>1998</td>
<td>Hunan Media Group Co. Ltd. is listed on the Chinese stock market.</td>
</tr>
<tr>
<td>2000</td>
<td>Strategy of developing media groups in China is confirmed.</td>
</tr>
</tbody>
</table>
The previous section mapped institutional changes taking place in the media sector outside CCTV. This section seeks to unravel the process of change inside CCTV from 1979-2003 under the whole picture of the Chinese transitional economy and development. As well, this section will situate CCTV generally within the past two decades of Chinese media reform. The years 1979 and 1993 hold great historical significance in the economic reformation of China. Not coincidentaly, these two years are also milestones in the development of Chinese television. As table 2.5 shows, the first television advertisement aired in Shanghai in 1979, indicating the introduction of commercialization to what had previously been the most protected propaganda tool. If what happened in 1979 was only a first step, then the formal turning point in the history of Chinese television was the official categorization of television as a tertiary industry in 1993. In his book *Ten Years: Start from Changing the Voice of Television*, Sun Yusheng, as a key witness of CCTV's transition from 1993, marked the year as the start of the second round of reform in Chinese television. Indeed, it was from 1993 that the reform of Chinese television began to break the boundaries of the old institutions and make unprecedented progress and innovation both in television programmes and production models.

The parameters of this research are set from 1979 until 2003, with 1979 and 1993 as milestones in CCTV's transition. I periodize the entire transition process of CCTV in three stages:

- Pre-1979: CCTV under the old institutions—the 'official model' of broadcasting
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- 1979-1993: CCTV’s limited reform within the old institutions
- 1993-2003: Breaking the boundaries—CCTV in transition

Table 2.4: Key Events in CCTV’s Transition

<table>
<thead>
<tr>
<th>Time</th>
<th>Key Events in CCTV’s Transition</th>
</tr>
</thead>
<tbody>
<tr>
<td>~1979</td>
<td>• Fully subsidized by the central government; ‘official model’ of broadcasting</td>
</tr>
<tr>
<td>1979</td>
<td>• CCTV is selected as a test subject for the trial policy of Budget Management Method</td>
</tr>
<tr>
<td>Dec. 1979</td>
<td>• CCTV airs advertisements on both of its two channels for the first time</td>
</tr>
<tr>
<td>1986</td>
<td>• CCTV begins investigating the viewing rate of its daily programmes.</td>
</tr>
<tr>
<td>1990</td>
<td>• CCTV begins using the Budget Management Method formally</td>
</tr>
<tr>
<td>1993</td>
<td>• CCTV inserts a 30-second advertisement for the first time into the most sensitive programme News at Seven (Xinwen Lianbo).</td>
</tr>
<tr>
<td></td>
<td>• CCTV starts Morning TV programmes Horizon (Dongfang Shikong)</td>
</tr>
<tr>
<td></td>
<td>• Producer Responsibility System is created with the launch of Horizon (Dongfang Shikong)</td>
</tr>
<tr>
<td></td>
<td>• Public recruitment is promoted in Chinese television industry</td>
</tr>
<tr>
<td>1995</td>
<td>• CCTV creates Public Auction for its advertisement slots</td>
</tr>
<tr>
<td>2003</td>
<td>• Apart from CCTV News Channel, all the rest of the channels are pushed to the market and gradually changed into specialized channels.</td>
</tr>
<tr>
<td></td>
<td>• Formal launch of the Elimination Policy of programmes at the bottom of the viewing rate ranking.</td>
</tr>
<tr>
<td></td>
<td>• To prevent Shantouism, CCTV formally launches a policy of rotatory position among the 20 Directors at Bureau level.</td>
</tr>
<tr>
<td></td>
<td>• CCTV sets up a policy to guarantee the transparency of the amount of income of temporary employees.</td>
</tr>
</tbody>
</table>

28 Compiled by the author with reference to (Qian, 2002), (Sun, 2003) and other updated online news resources.
2.4.1 Pre 1979: CCTV in the Old Institutions – the Official Model of Broadcasting

Having discussed the old 'institution' of Chinese media industry at the beginning of this chapter, this section will focus on the characteristics of CCTV as a product of the old 'institution', especially in terms of ideological control and content production. Given the role of the media in the post-Liberation period, from its establishment in 1958 CCTV was supposed to be the Communist Party's mouthpiece in the class-struggle and in political movements. The character of CCTV's broadcasting at this time can be summarized as the 'official model' of broadcasting (Luo, 1983:11-12). CCTV programmes in this period stressed propagandistic, educational, inspirational, and guidance roles and fully exploited the political and ideological roles of media. Conversely, the function of broadcasting as means of social communication remained unexplored, and the personal, social and psychological dimensions of programmes were neglected.

In terms of administrative structure, the danwei/work unit system and the ranking system, in which CCTV participated, were discussed in the previous section. Accordingly, the organizational structure of CCTV corresponded at this time to the Party and government departments. Programmes catered to the needs of government officials and elite audiences. Making the Party and the government's interventions their top priority, CCTV was primarily an announcer of policy directives and an educator of the mass public. These communications were unilateral rather than bilateral, and the audience was only a passive recipient of Party instructions. The power relationship between
the broadcaster and the audience was unequal. The educator or the guide was on top, while the pupils and those who were regarded as in need of guidance were at the bottom. The former is an active agent; the latter is a passive subject. This relationship is characterized by the authoritative, serious, and impersonal, standard Mandarin verbatim delivery of the CCTV announcer.

Another important characteristic of the 'official model' of broadcasting was the disconnection between production processes, like reporting, editing and broadcasting. Reporters, editors, and announcers had distinct functions and often they belonged to different administrative levels; one was not to be mixed with the other. Announcers, for example, merely read what had been prepared by others and approved by news directors, who occupied superior positions in a station's administrative hierarchy. CCTV's very popular News at Seven (Xinwen Lianbo) is a typical example of this 'official model' of broadcasting. This programme's newsreaders all graduated with a degree in news-reading from the Communication University of China (formerly BBI). Apart from literally reading the news transcript, there was no interaction, and no challenging material in the programme. The newsreaders were not expected to have a role in the process of news story investigation, let alone any face-to-face confrontation on screen with the people involved in the news stories.

Twenty-one years (1958-1979) of this 'official model' of broadcasting had a strong influence on CCTV, encouraging new changes at the level of both production and management style. There remain even today some of the CCTV's original newsreaders. Apart from some changes to the focus of news
production, the news delivery style is still as authoritative, impersonal and serious-sounding as twenty-five years ago. This conservative style continues to be a major distinction between CCTV and other television news providers.

2.4.2 1979-1993: CCTV's Limited Reform in the Old Institutions

From 1979 to 1993, China’s television penetration and coverage developed rapidly alongside its economic development. Cable and satellite TV were introduced to the Chinese media sector from the mid 1980s to the early 1990s. As already noted, this was also a period in which the Chinese media generally moved from being government apparati to financially independent enterprises. Experiments with commercial activities, such as advertising, were initiated during this period, although at CCTV, the ‘official model’ of broadcasting was still influential. Reforms concentrated on the readjustment of the media’s role in the social and cultural life of the Chinese people, in order to meet the needs of an audience made hungry the cultural vacuum that resulted from the Cultural Revolution and the Communist Party’s puritan ideology.

On the content provision level, new trends in programming include the emergence in the early 1980s of a group of cultural documentaries, experiments with the media’s watchdog role and the start of entertaining programmes. The most famous of these, CCTV Spring Festival Gala, originated in 1983 and it remains one of CCTV’s most watched programmes, boasting an audience of 2bn from all over the world.
Moreover, this period saw the first advertisements on Chinese television. After Shanghai TV stations aired the first ever television advertisement in January 1979, the Chinese government finally gave the green light to advertising in newspapers, and on radio and television programmes (Qian, 2002: 76-77). At the end of 1979, CCTV began to insert 5 minutes of advertisements everyday in both of its two channels at the time. In March 1980 CCTV aired its first advertisement for a foreign product. Although it was a slow and tentative process, the airing of advertisements did trigger a new perspective on the value judgment of communications and the media’s role. From then on, CCTV consistently recorded the viewing rate in its daily programmes.

As mentioned earlier in this chapter, with the introduction of the ‘weaning period’, and the policy to ‘manage SONPIs as enterprises’, the media sector was forced to find a new source of income. Simultaneously the government sought to smooth this transition. The CCP selected CCTV as a test subject for the trial policy of Budget Management Method. This policy was designed to encourage all danwei/work units (including SONPIs and government units) to move from their previously fully subsidized situation toward eventual financial independence. The method necessitates an annual budget for the organization’s expense, according to which the government would allocate subsidies. At the beginning the policy was protective, and the government agreed to compensate the organization at the end of the year when income fell
short. In the case of surplus, the organizations were allowed to keep the profit as their own to dispense.

Under this new policy, the annual income of CCTV increased from 2.43 million RMB in 1980 to 7.87 million RMB in 1982. Further, in 1980 CCTV started co-production ventures with foreign partners, which earned the first foreign currency income in its history. From 1987-1990, the Budget Management Method was abandoned, and as a result, the rate of income growth was not as high as before. Therefore, CCTV formally proposed a 10-year Budget Management Method to SARFT and the Treasury Department in 1990.

All in all, CCTV's changes throughout this period were tentative and relatively slow. CCTV and the Chinese media were still growing and gradually fulfilling a new role in social communication, and developing a capacity to make profits. Both these changes were reactive in response to financial pressure and changing needs and expectations of audiences. These changes focused on development within the old institutions, and they were experimental in nature. Nevertheless, with the development of the Chinese economy and Deng's historic speeches following his 1992 visit to south China Special Economic zone, a new series of reforms were inevitable and irreversible.
2.4.3 1993-2003: Breaking the Boundaries – CCTV in Transition

The ten years from 1993 to 2003 represented a revolutionary period in CCTV's history. Commercialization and a deeper reform of the company's organizational structure were the main trends of development in this period. A series of experiments in 1993 broke the earlier records of Chinese television history one after another. This was a period of passion, excitement and risk-taking. However, this was also a period of struggle between the forces of reform and the restrictions imposed by old institutions and traditional ideology.

2.4.3.1 Advertising Triumphs

'"Mo zhe shitou guohe", or 'cross the river by groping the stone under foot,' for a long time, has been a pet phrase of Chinese policy-makers during economic reforms. This phrase aptly described the situation for any further attempts to reform CCTV since 1993. To further test the government's attitude on advertising, in January 1994 CCTV inserted a 30-second advertisement for the first time in its most sensitive programme News at Seven (Xinwen Lianbo). According to the then President of CCTV Yang Weiguang, they were thrilled not to receive a negative response either from the government or the audience (Yang, 2000:255). Later in April 1994, the length of the advertisement after News at Seven (Xinwen Lianbo) increased to a full minute. Immediately following a programme that attracted 0.4bn viewers everyday, this one-minute commercial brought CCTV significant advertising income to this day. By the end of 1995, the competition to win the
advertisement slots after *News at Seven (Xinwen Lianbo)* had become extremely fierce. CCTV decided to adopt a method of public auction to sell its prime-time advertisement slots in 1995. Since then, CCTV’s total annual income including advertisement auction has increased from 0.2 RMB Bn to 0.75 RMB Bn as of 2004. The auction itself has been called the barometer of the Chinese economy.

2.4.3.2 Breaking the Boundaries – the Producer Responsibility System (Zhipianren (Fuze) Zhi)

With the rapid increase in transmission time and in the number of channels since the late 1980s, there had been an increasing shortage of manpower at CCTV as a result of restrictions imposed by the old *danwei* work unit employment quota restriction. Responding to the call for more innovative programming from Chinese audiences, CCTV acknowledged the need to recruit new people who would be open, fresh, and committed to the process of reform in order to make new types of programmes. Although the news media system had gradually gained momentum and expanded its range, the dominant institutional arrangements and conceptual frameworks of the news media remained largely unchanged under commercialization. Further, the pressure to break through the old employment practices and structures in the news media system had been gradually gaining momentum and becoming more widespread.
2.4.3.2.1 Breaking the Personnel Quota Restriction

In 1993, the launch of Horizon (Dongfang Shikong) marked the first confrontation with the manpower shortage. According to Sun (2003:58), there were neither enough people for this daily 15-minute-programme; nor, given the unpopular time slot, and its experimental nature, did many existing CCTV staff want to take the risk of joining its staff.

Thanks to the same experimental nature, with Horizon (Dongfang Shikong) CCTV initiated the most influential reform in the Chinese television sector. In December 1993, CCTV introduced public recruitment for journalists, producers and directors for Horizon (Dongfang Shikong). The first phase of open recruitment selected 50 out of more than 400 candidates. Since these people were employed outside of the government employment quota, all of them were placed on a temporary contract with CCTV. Despite the fact that only 30 among the first 50 new recruits were happy to take the risk, over 1993 and 1994 Horizon (Dongfang Shikong) gathered a group of young and passionate risk-takers through open recruitment campaigns. With the exception of thirty founding staff members, who were originally on the CCTV official employee list, the majority of Horizon's workers (160 in mid 1994) were on a temporary contract (Wen & Liu, 1994:14).

2.4.3.2.2 Breaking the Iron Rice Bowl

New programmes with new people in a new era—the launch of Horizon (Dongfang Shikong) needed a new management system to guarantee that the
product of this experiment was not simply ‘old wine in a new bottle’. Having
been categorized as SONPI and protected from competition for so long, CCTV had formed a strong culture of red tape, inefficiency and rigidity. Not surprisingly, the founders of Horizon (Dongfang Shikong) wanted to introduce a brand new production management system, which they hoped could help to form a fresh new culture within the production team. Among the most far-reaching records broken by Horizon (Dongfang Shikong) and Focus (Jiaodian Fangtan) in Chinese media history, was the creation of Producer Responsibility System (Zhipianren (Fuze) zhi) in 1993. This new reform entitled the producers of each programme autonomy in personnel, finance and production management within their own teams.

This new management system dramatically transformed the ‘iron rice bowl’ into a performance-based system. Previously, most programme staff members were appointed to established posts. Under the tenure system, their jobs were safe and their salary guaranteed. Under the new system, the ‘iron rice bowl’ has disappeared and their income primarily matched the quantity and quality of their output. For example, a reporter needed to produce two new pieces of reporting each month at level A (broadcast on the main evening news), two at level B (the second main news slot), and two at level C (outside prime time). If the reporter failed to meet his quota over several months, he/she would lose his/her job (Li, 2002).

29 ‘Iron rice bowl’ (Tie Fanwan) is a Chinese euphemism for lifetime employment, or ‘unbreakable’ job security.
2.4.3.2.3 Speaking Out as a Media

The ultimate aim of any change in television is reflected in its final product—television programmes. Soon Chinese audiences witnessed and applauded the innovation and fresh ideas generated by the new management system. Summarizing the ten years of reform since 1993, Sun (2003) entitled his book: Ten Years: Start from Changing the Voice of Television. By 'changing the voice', Sun referred to a new attitude of communication with the audience in their programmes in contrast with the traditional 'official model'. The new 'voice' had a more casual and relaxed news reporting style, treating the audience as friends, speaking out for ordinary people and representing their rights and benefits.

Today observers acknowledge the 45-minute long TV magazine programme Horizon (Dongfang Shikong), starting at 7:20 every morning from 1st May 1993, as a milestone in the second round of reform in Chinese television. However, if the launch of Horizon (Dongfang Shikong) was only an experiment on a marginal level, the launch of the current affairs programme Focus (Jiaodian Fangtan) in April 1994, was of revolutionary significance to Chinese media history. Focus (Jiaodian Fangtan) differed from Horizon (Dongfang Shikong), in that it was a prime time programme in a slot immediately after the popular News at Seven (Xinwen Lianbo). Further, it was the first programme on political issues and current affairs with a watch-dog nature. As Elizabeth Rosenthal, a correspondent for the New York Times, observed:
Every evening at 7:38 more than 300 million people tune in to the 15 minutes programme whose hard-hitting investigations and interviews show just how far the Chinese media have come since the days when they provided little more than Communist party dogma (Rosenthal, 1998).

Due to its phenomenally powerful influence on ordinary Chinese people, *Focus (Jiaodian Fangtan)* gained national attention and appraisal, bringing it to the attention of central government. It was said that the former premier Zhu Rongji thought highly of the programme and urged his cabinet to watch the programme every day\(^{30}\). Premier Zhu even paid a visit to the studio on 7th October 1998 (Li, 2002:22). Today observers consider *Focus (Jiaodian Fangtan)* to be the best judge in China. From the programme's early years it earned the nickname—*Jiao Qingtian*, as *Qingtian* was the way people called their most fair-minded judge in ancient China.

Today, about 50 meters north of CCTV headquarter's east gate, there is a small window for people to present documents disclosing the wrongdoings and corruption of their local officials. Every morning when I passed through it going to work, I could see travel-worn peasants or country people queuing there to disclose the bitterness and inequality they experienced and seeking help through *Focus (Jiaodian Fangtan)* from the central government. And it was said that there used to be another queue for the accused people to come and try to bribe *Jiao Qingtian* not to give them exposure.

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\(^{30}\) See Xiaoping Li "Focus' (Jiaodian Fangtan) and the Changes in the Chinese Television Industry', in *Journal of Contemporary China* (2002), and Ruan Wei, Market economy hits China's media industry, in *The Asahi Shimbun*. (IHT/Asahi: September 6, 2002)
Even though observers later criticized Focus (Jiaodian Fangtan) for 'cannoning flies not elephants' (Li, 1998), it was a positive change that gave people a source of hope in the Chinese media system and in the government. More importantly, it was the first time that CCTV used its own voice rather than simply being a mouthpiece for others. At first sight, this was merely a change in the voice of television, but in fact, it was a change in the media's role and in the power relationship between the media, politics and the people.

In the old 'official model' of broadcasting, the relationship between these three was hierarchical. The Party/government was at the top, the media was in the middle serving the Party/government, and the people as the passive recipients of the directions and commands of the Party/government. Through this change in communication style, CCTV strove to achieve a balance in the power relationships between the three groups. Yet it was still a party mouthpiece, and there was undoubtedly a long way to go to achieve the balance. Nevertheless, it was a positive gesture from China's leading media
organization to start a shift towards the audience and to take on the role of watchdog rather than the mouthpiece of the Party.

Accompanying the PRS, the founders of Horizon (Dongfang Shikong) also created many new managerial measures and concepts. For example, they introduced the role of researcher to Chinese television, and started to implement Western theories into journalism and television production. To encourage quality programmes, they proposed a grading system, according to which, the higher a grade that your programme received, the higher you got paid in salary. Although these measures seem rudimentary to a well-established Western television network, for Chinese television, these basic ‘innovations’ represented passion and the CCTV’s desire to grow. The power and innovation generated by Horizon (Dongfang Shikong) transformed it into the Mecca of Chinese television. Despite the informal nature of contract employment and without the protection of a quota, Horizon attracted talents like pilgrims. To these employees CCTV was still a symbol of idealism in an important stage of their lives.\(^\text{31}\) Almost half of CCTV stars today began their careers with Horizon (Dongfang Shikong).

### 2.5 The Uneven Nature of Media Reform

The post-1979 years in China witnessed unprecedented growth in the television market and the television industry. Having discussed the changing

\(^{31}\) From an interview with a previous Horizon director conducted by the author.
process of Chinese television and CCTV from 1979 to 2003, it is necessary to point out the uneven nature of the reform both at the general industry level and at the organizational level of CCTV. Despite the rapid commercialization and deregulation in finance and personnel management, at the industry level, its policies and protection still favour the people at the top of the old danwei ranking system. CCTV’s current success is closely related to its unique monopoly status. At the organizational level, both old and new management systems coexist, and the organization is divided by two different employment statuses and working cultures.

2.5.1 Industry Level: CCTV as a Monopoly

At the top level of the television hierarchy, CCTV enjoys a dominant and sometimes unfairly advantageous status in the domestic market, based on support from central government, and on superiority in terms of administrative ranking. The current monopoly status of CCTV in the domestic market can be summarized in the following three interrelated aspects: 1. Monopoly in the access to resources and truth. 2. Monopoly in coverage. 3. Monopoly in the advertising market.

Guaranteed by its national coverage and its representative role for central government, CCTV enjoys a unique access to news resources. For some key national events, CCTV is normally the only network entitled to access it in all of China. Examples include the broadcasting of all important sports matches, and certainly the forthcoming 2008 Olympic Games.
Given the political importance of CCTV, its coverage of the domestic market is dominant whether by satellite, cable or by terrestrial network. CCTV’s satellite channels have increased to 16 so far, and it is expected to establish more new channels shortly. In terms of pay-TV, according to an executive at a CCTV top-level administrative meeting, hundreds of pay-TV channels will be launched in the near future. However, at the provincial level, the average number of channels carried by TV stations is five to six, of which, less than three channels receive satellite transmission. Among the 35 satellite channels across the country, CCTV holds 27 percent of them. In terms of cable TV, CCTV has 12 channels transmitted by cable; while altogether 16 of the channels transmitted by cable are provincial channels.32

A figure (Figure 2.6) from Yuan Fang represents a typical example of CCTV’s share at the provincial level. This example of X city in Y province means that CCTV’s market share in cable television reaches 31 percent. CCTV’s coverage is in great disparity with other players in the domestic market. According to their audience share (Figure 2.7), the top 5 leading channels in Mainland China are CCTV-1, CCTV-6, Shandong (province) satellite TV, Liaoning (province) satellite TV and Guizhou (province) satellite TV. Among all channels, the market share of CCTV boasts 29 percent.

32 CTR Yuan, Fang, Xiang bianpai yao xiaoyi, xiang chuangxin yao xiaoyi—‘guanzhongliu’ yu ‘guanggao liu’ lilun chutan.
Although originally it was fully funded by the central government, since the mid 1990s, CCTV has become almost totally dependent on revenue from advertisements. In the year 2000, CCTV was able to raise 55 billion RMB or US$ 662.65 million, while the government’s contribution was a mere 30 million RMB or US$ 3.61 million. In 2003 the profits from advertising on CCTV were 7.53 billion RMB, which took approximately 29.5 percent (Table 2.6) of the total advertising income of all TV stations in Mainland China in that year. This was three times the profits of the second advertising winner, Shanghai Media Group. In 2004, the most recent annual prime-time advertisement auction (see Figure 2.7), CCTV received over 4.4 billion RMB, an increase of 30% from the previous year.

Figure 2.6: Percentage of channels on cable television in X city, Y province.

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33 CCTV 2002 Annual Report, p.16.
34 CTR Yuan, Fang. Xiang bianpai yao xiaoyi, xiang chuangxin yao xiaoyi—'guanzhongliu' yu 'guanggao liu’ lilun chutan.
Table 2.5: 2003 Top 10 Advertisement Incomes in Mainland China\textsuperscript{35}

<table>
<thead>
<tr>
<th>Rank</th>
<th>TV Stations</th>
<th>Advertisement income (RMB bn)</th>
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<tbody>
<tr>
<td>1</td>
<td>CCTV</td>
<td>7.53</td>
</tr>
<tr>
<td>2</td>
<td>Shanghai Media Group</td>
<td>2.126</td>
</tr>
<tr>
<td>3</td>
<td>Beijing TV</td>
<td>1.428</td>
</tr>
<tr>
<td>4</td>
<td>Guangdong TV</td>
<td>1.00</td>
</tr>
<tr>
<td>5</td>
<td>Shangdong TV</td>
<td>0.76</td>
</tr>
<tr>
<td>6</td>
<td>Zhejiang TV</td>
<td>0.68</td>
</tr>
<tr>
<td>7</td>
<td>Hunan Media Group</td>
<td>0.66</td>
</tr>
<tr>
<td>8</td>
<td>Movie Channel</td>
<td>0.60</td>
</tr>
<tr>
<td>9</td>
<td>Jiangsu TV</td>
<td>0.56</td>
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<tr>
<td>10</td>
<td>Shenzhen TV</td>
<td>0.55</td>
</tr>
</tbody>
</table>

Figure 2.7: CCTV's Prime Time Advertising Auction Income\textsuperscript{36}

2.5.2 Intraorganizational Level: the Split between Two Management Circles

At the intraorganizational level, the current success disguises potential problems for the further development of CCTV. With a comfortable

\textsuperscript{35} \url{http://www.cjr.com.cn} (Accessed on 20th Sept. 2005)

\textsuperscript{36} CCTV 2002 Annual Report, p.16. The total income from the auctions listed here are the sums calculated immediately after the bidding finished. The amount returned is the literal translation from the Chinese version, indicating the money paid to CCTV after the bidding. The difference between these two figures indicates the difference between the bidding price and the ability of advertisers to pay it.
monopoly and as the easily-won winner reaping nearly half of the advertisement income of all Chinese television, change seems unnecessary for CCTV, and problems go unseen. Consequently, ten years on from 1993, the driving forces of change and innovation have died away. Under close examination, reforms failed to penetrate the core of the organization, and all the major changes stopped at the peripheral circle of CCTV. In other words, for a long period the structure and management style within the old ‘institution’ have remained untouched.

The unevenness of CCTV’s reform is evident in terms of a split between two management circles with the flexibility of PRS at the beginning of the reform period contrasting with the rigidity and clumsiness of the old ‘institution’. As a result of this split, PRS, which was designed to break down the boundaries, remained only as a compromise between the old institution and the new developments. After ten years of reform, the danwei/work unit system and the restriction on employment quotas have in no way relaxed. Rather, they are increasingly incompatible with the speed of development.

From 1992 to 1998, the number of CCTV channels increased by 160%, but the employment quota only increased by 19%. More remarkably, from 1998 to 2004, within only 6 years, the number of channels increased by 87%, but the quota still remained the same (see Table 2.6). In consequence, the majority of the people working at CCTV are not formally employed by the government. Most of them are working on a temporary contract with the channel or their department. In some cases where expansion exceeded the
speed of official updating of staff information, people were employed to work for a particular production team with no contract at all.

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<tbody>
<tr>
<td>Transmission hours</td>
<td>10-50hs</td>
<td>50-100hs</td>
<td>100-200hs</td>
<td>270hs</td>
</tr>
<tr>
<td>Personnel quota</td>
<td>1000</td>
<td>2098</td>
<td>2503</td>
<td>2503</td>
</tr>
</tbody>
</table>

After ten years of continuous expansion, the Chinese television workforce is dominated by people employed on temporary contracts or with no contract base at all. Take the CCTV NCD (News Commentary Department) as an example (see Table 2.7): the total number of people working on a temporary contract basis increased from 0 to 50 within the first 5 years of operation (1993-1998). Since then the number of employees working with no contract has increased from 92 to 290. The ratio of people formally employed and informally employed was 1:2 in 1993, and 1: 10.3 in 1998. According to the latest data, before the massive downsizing in May 2004, CCTV's total workforce numbered 9426. Among them approximately 2500 were employed through the personnel quota, while 6926 of them were employed on a temporary contract or with no-contract basis. The percentage of temporary employees was approximately 73% of the total.

37 There was no official data available for this particular issue. The author gathered this data from various reports and articles both from newspaper and magazines.
Table 2.7: CCTV News Commentary Department Employment Type 1993-1998 (Qian, 2002: 113).

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<tbody>
<tr>
<td>Formally employed with quota</td>
<td>31</td>
<td>24</td>
<td>25</td>
<td>30</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td>Temporary Contract based</td>
<td>0</td>
<td>8</td>
<td>16</td>
<td>28</td>
<td>47</td>
<td>50</td>
</tr>
<tr>
<td>No Contract</td>
<td>61</td>
<td>108</td>
<td>126</td>
<td>225</td>
<td>230</td>
<td>290</td>
</tr>
<tr>
<td>Total</td>
<td>92</td>
<td>140</td>
<td>167</td>
<td>283</td>
<td>309</td>
<td>373</td>
</tr>
</tbody>
</table>

Undoubtedly, as Qian acknowledges in her 2002 book, people working on temporary contract or with no contract now form the foundation for the CCTV’s smooth operation. However, under CCTV’s current ID system, the vast majority of people working as the production core hold a blue card, which allows only the lowest priority of access to CCTV resources.\(^\text{38}\) Moreover, the many people employed without a contract go without any ID card at all.

Most importantly, these people working under a temporary contract do not have a category under the existing Chinese *danwei*/work unit system; therefore they do not have the rights and protection of the trade union. According to the CCTV’s Director of the Human Resource Department, CCTV employees can be divided into three layers: the core layer, the close layer, and the loose layer. The close layer and loose layer refer to those people employed by a channel (or department) and those people who were

\(^{38}\) CCTV has a colour differentiated ID card system. The colour white, pink, blue represents different employment status. For a detailed discussion, see Chapter Six.
employed by production teams. Among them, the employees at the loose layer constitute 60% of the total CCTV workforce.39

At first sight, the three-layer model and the different employment formats look just like the shamrock organization, a Western industrial development trend created by Charles Handy (1990). By shamrock organization, Handy projected an organization with three integrated leaves made up of the central core, the contractual fringe the ancillary workforce.

The first leaf of the shamrock constitutes the professional core. It consists of professionals, technicians and managers who possess the skills that represent the organization's core competence. Their salary is tied to organizational performance, and their relations will be more like those among the partners in a professional firm than those between superiors and subordinates in today's large corporation. The next leaf represents self-employed professionals or technicians or smaller specialized organizations who are hired on contract on a project-by-project basis. They are paid in fees for results rather than in salary for time. They frequently telecommute. No benefits are paid by the core organization, and the worker carries the risk of insecurity. The third leaf comprises the contingent workforce, where there is no career track and often routine jobs. These are usually part-time workers who will experience short periods of employment and long periods of unemployment. They are paid by

the hour or day or week for the time they work (Handy, 1990).

Even though there are also three types of employees according to employment status at CCTV, it is important to note the difference between the three-layer model of the current employment situation at CCTV and Handy’s shamrock organization model. The main difference lies in the following two aspects:

First, Handy designed the shamrock model to achieve efficiency and flexibility. While in CCTV’s case the three-layer model on the other hand represents a far less ideal situation caused by its incapacity to cope with the speed of development, caused by the core employees being the ‘old guard’ of the traditional system. Second, the difference between the three leaves of the shamrock model is based on the nature and degree of significance of work, with the professional core at the centre of the shamrock. At CCTV, the core consists of people employed through the traditional employment format, protected by the old ‘institution’, who are not necessarily the production core. In fact, in many cases, these people do routine jobs. Meanwhile the production core, fully 60% of the workforce, are isolated from the protection and recognition of the old ‘institution’. Here the employment quota, as the residue of the old ‘institution,’ is the single standard, even though the contribution of the temporary workforce is widely recognized both by the inner circle of CCTV, the CCP and the audience.
In this thesis, I argue that CCTV split into two management circles, not just according to types of contract, but also the type of 'institutions' by which they were employed. The minority of the organization's upper middle management level, plus its apparatus sectors (hospital, catering services, technicians, custodians etc.) as part of the original danwei/work unit system, or core layer in Yang's words, form the inner circle of the CCTV. Meanwhile the majority of employees on temporary contract or no contract base, work as the production core but comprise the outer circles. In their own words, there is a difference between the people inside the (old) institution and those outside the (old) institution. The split between the two management circles and the symbolic meaning of employment status put the majority of CCTV's production force in an inferior position. Even though the PRS policy brought great success, and new employment format, given the status contrast inside CCTV, people employed by the new 'institution' work dead hard for recognition by the old institution. The continuing presence of the 'old guard' makes it extremely difficult for the force of change to penetrate the core of the organization.

2.6 Chapter Conclusion: CCTV's Organizational Culture

Conundrum

In the transitional period of CCTV, a new management arrangement—the Producer Responsibility System (PRS) proved to be a success in terms of production and innovation. However, given the unique social and historical background of CCTV, a traditional life-long employment model could not be
phased out easily, even though the new situation questioned the traditional management ideology and style. With the coexistence of the ‘old guard’ and new workforce, two separate management circles have formed inside CCTV, differentiated by contracts on or off the employment quota. Limited efforts have been made to improve gradually the welfare of temporarily employed people. Yet the organization operates under a different welfare benefits and identity and status. People working under these two different employment arrangements have created two distinctive cultures. According to one of the founders of Horizon (Dongfang Shikong), CCTV is a complex hybrid with revolutionaries and conservatives, passionate innovation and outdated communication styles, powerful media with limited voice, etc. All in all, in his eyes, CCTV has a double face with one side representing the new revolutionaries and the other of ruinate aristocracy.

On a closer examination of the outer circle comprising the production teams, the highly centralized and integrated traditional culture began to defrost (Lewin, 1951). This is due to the improvement of management autonomy of producers and lack of supervision and systematic guidelines around this new management position. For a long time, producer power was solely subject to individual conscience and self-regulation. Professional judgment on production and management issues are also highly dependent on personal understandings of media professionalism. New heterogeneous sub-cultures with their production cores have formed in the CCTV’s marginal circle, of

40 According to Yang & Zhou (1998, pp.308-309), there were two policy changes regarding the employment status and welfare of CCTV’s temporarily employed people in 1993 and 1994 respectively.
CCTV and have created a clash and contrast with the traditional organizational culture, represented by the traditionally employed inner circle.

Under the current definition of organizational culture as a shared value, it is hard to find much that is shared between CCTV's two management circles. The Producer Responsibility System has created an organizational culture conundrum. It encourages increasingly fragmented sub-cultures varying between production teams on the horizontal axis, and on the vertical axis two distinctive working cultures for traditional formally employed staff and new temporarily employed staff respectively.

The most widely acknowledged contribution of the Producer Responsibility System is the breakthrough from the traditional employment system. It would be a great step forward if the new personnel reform practice took the place of the traditional employment stereotype, and fundamentally broke the 'iron rice bowl'. Unfortunately, CCTV's currently dominant position in the domestic market and its disproportionate share of advertising market seem to have glossed over the intraorganizational pain and tension created through the negotiation between the old culture and the new values represented by two distinctively different work forces and management circles. With the explosive increase in employees at CCTV, it seems that personnel is its least valuable asset, and managers give little consideration to what their people think, how they feel, or how they work. The double standard existing between the two circles is at the centre of most conflicts.
Ten years after the introduction of the 1993 reform, the author visited CCTV's News Commentary Department with great anticipation of witnessing a brave new world of Chinese television. Instead it was disheartening to see that the spirit of innovation and creativity was fading away. The general morale and loyalty towards the organization was very low, and the forces of reform are losing the battle. At the same time the traditional SOE management culture and hierarchical style characteristic of the government sector still has deep roots in the organization. In an online interview series commemorating the 10-year anniversary of Horizon, one of the program's founders admitted that there is still a bottleneck in the further development of Horizon and CCTV itself.41

Confronted by rapid expansion, a disgruntled work force, and long-term complications in managing the intraorganizational conflicts in the change process, many observers have turned to modern western management concepts in order to smooth the transition. Organizational culture, currently a fashionable concept, was part of the new practices brought to the attention of CCTV's management circle.

However, in my pilot study of CCTV I observed that there is an incompatibility between the organizational culture understood and promoted by the management circle, and what employees understand, experience and share at CCTV. More often than not, when organizational culture was

mentioned, it was either in CCTV’s annual report or mission statement. More rarely in daily practice, there are occasions often very loosely and randomly connected to organization culture, e.g. a birthday party held for a colleague (mostly people at a higher management level), or an excursion organized for a production team. However, when questioned what they thought the culture of CCTV was, most employees argued that there was not a ‘culture’ in the CCTV. Most likely this ‘no-culture’ argument was based on the assumption that ‘culture’ is some positive trait of a business corporation. The superficial understanding and promotion of ‘organizational culture’ failed to influence employees in their daily work environment.

On the one hand, as a popular concept, ‘organizational culture’ was largely connected with the positive traits of a particular management practice. On the other hand, even just as positive traits, employees only remembered the concept of ‘culture’ when something happened that could match up with what they heard from academia. Unfortunately, organizational culture as a rich and multi-dimensional concept in academia was treated in a handy and ‘disposable’ fashion; it was often borrowed and disposed of carelessly. Interestingly, as mentioned in Chapter One, when discussing CCTV’s current problems and attempting to identify the root of all the problems, ‘institution’ was the word mentioned most often. Employees blamed the ‘institution’ for all the negative aspects of CCTV. Some individuals even claimed that it is nearly impossible for any reform to succeed if the fundamental institution of the Chinese media does not change.
It is clear that 'organizational culture' was seen to be connected with the positive traits of management and organizational life, while they regarded 'institution' as the root of all their problems. These two views, in fact echo two controversial, though popular, trends in organizational research—the traits and strong culture approach and the institutional determinist approach. Both 'culture' and 'institution' have been regarded as key elements to understanding organizational life and change, but both seem to be sub-optimal paths to disclosing the truth and the real picture at CCTV. What is wrong with these two extremist views on organizational problems? What is the relationship between 'organizational culture' and 'institution'? The author believes that answers to these questions are the keys to the organizational culture conundrum.
I do admit that at any moment we are prisoners caught in the framework of our theories: our expectations; our past experiences, our language. But we are prisoners in a Pickwickian sense; if we try we can break out of our frameworks at any time. Admittedly, we shall find ourselves again in a framework, but it will be a better and roomier one; and we can at any moment break out of it again. —Popper (1970).

3.1 Introduction

The discussion of CCTV's organizational culture conundrum at the end of Chapter Two features two prevailing views relative to their organizational culture. On the one hand, organizational culture is reduced to some simple traits drawn from Western examples. On the other hand, problems are all pinned on the rigid old 'institutions'. Looking back on the development of the organizational culture theory, I argue that these two views echo two once popular but now controversial research trends, namely the traits/strong culture approach and the institutional determinist approach. Starting with a critique of the two research approaches, this chapter serves as a literature and methodological review of the organizational culture theory.

This chapter seeks to understand two fundamental questions: 1. What is an organization's culture? 2. How does one research organizational culture? The first part of this chapter focuses on the former question, and tries to
analyse the differences and similarities between conceptions of culture. The second part of this chapter seeks to build a methodological approach for further analysis of the CCTV case.

### 3.2 A Critique of Two Prevailing Views on Organizational Culture within CCTV

The two prevailing views on organizational culture observed in my pilot study of CCTV fall into two popular cultural research approaches. The first one is the trait/strong culture approach; the second one is the institutionalist approach. I will discuss them respectively in the following section.

#### 3.2.1 Strong Culture Approach

The strong culture approach, one of the earliest cultural research trends, originated with the boom of the Japanese companies in the early 1980s. Even though cross-national researchers had been exploring cultural/ideological (national) traits and their relations to regional development, only then did the relationship between corporate culture and competitiveness and efficiency begin to be exaggerated. Since then, the concept of ‘organizational culture’ has attracted the attention of general management theorists, and moved into mainstream management thinking (Pettigrew, 1979; Ouchi, 1981; Deal and Kennedy, 1982; Peters and Waterman, 1982; Alvesson: 2002).
The unprecedented success of Japanese companies persuaded both academia and the corporate world to take an interest in corporate culture's relationship to business performance. Immediately the suggestion that culture had a strong influence on the economic performance of organizations took hold of the Western business world. The CEO of CompUSA, the largest retailer of personal computers, once said: 'companies win or lose based on the cultures they create'. Among other academic observers, Pfeffer (1994:6), argued that the traditional sources of success—product and process technology, access to regulated markets, economies of scale, etc.—matter less today than in the past, 'leaving organizational culture and capabilities, derived from how people are managed, as comparatively more vital'. In the past it has been fashionable for researchers in organizational culture studies and practitioners to emphasize, even exaggerate, the positive role of culture in the performance of organizations.

In order to find a quick-fix to enhance organizational performance, many authors have been tempted to apply culture in a linear and diagnostic approach, which is known as the 'trait approach' (Saffold, 1988:547). Organization strategists regard culture as a key competitive resource (Barney, 1986; Breu, 2001:29). The most widely reported of the culture-performance perspectives associates 'strong' cultures with excellent performance (Hofstede, 1980:394). A commonly hypothesized link suggests that if an organization's culture is to contribute to enhanced performance, it must be both 'strong' and possess distinctive 'traits'. These traits include particular values, beliefs, and shared behaviour patterns. Some scholars claim that
positive culture traits boost performance in proportion to the strength of their manifestation. This view is called the strong culture hypothesis (Dennison, 1984), and it frequently refers to companies in which beliefs and values are shared relatively consistently throughout the organization. 42

Studies of cultural traits have proliferated. Probably the most widely known discussion of organizational culture traits is by Peters and Waterman (1982), who outline eight characteristics of excellent (e.g. well performing) organizations. Since its publication scholars and practitioners have discussed the profile of excellent cultures advanced by Peters and Waterman. A number of authors have proposed or supported the hypothesis that successful companies have strong culture, as defined in various ways (Deal and Kennedy, 1982; Kilmann et al., 1985; Mitroff and Kilmann, 1984; Ouchi and Price, 1978; Pascale, 1985; Peters and Waterman, 1982; Schall, 1983; Schein, 1985; Weick, 1985).

Kotter and Heskett (1992:18) summarised the three significant aspects of this ‘trait’ approach and ‘strong culture hypothesis’: 1. It was the first major attempt to link corporate culture and long-term economic performance; 2. It highlighted the effect of a strong culture on goal alignment, motivation, and control; 3. It captured the attention of a lot of people.

However, this research trend also attracted massive criticism from both methodological and conceptual bases. For example, one consistent

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methodological criticism is the lack of comparison groups to provide
evidence that companies with the traits differ from those, which lack them
(Carroll, 1983; Saffold, 1988). In 1984 Business Week noted that a third of
the companies identified as excellent by Peters and Waterman (1982)
experienced poor performance within the two years after the book was
published. This explains why Wilkinson (1996:425) was once so critical of
what he called the ‘post hoc rationalization’ of culture’s influence. He argued
strongly against the tendency to use culture as a ‘dustbin’, or, to ‘attribute the
residual, unexplained phenomena to culture’.

For the most part, these arguments rely on anecdotal evidence that particular
traits form the basis of company cultures, and some of the case studies lack
any formal measurement of either performance or culture (Gordon &
DiTomaso, 1992:783). Moreover criticisms touched upon the apparent
quantitative measurements, which emphasized symbols and artifacts (e.g.
number of employees attending Friday evening drink, or number employees
wearing 'customer first' label badges), and linking them to organizational
performance. Critics also cite the same studies for their lack of conceptual
development. Many do not discuss the content of values or beliefs, while
others seem to point towards very different content (Saffold, 1988).

Moreover, there is an intrinsic limit to this ‘trait approach’, in that it aims to
develop a causal relationship model by proposing the optimistic assumption
that culture is in some way related to organization performance. This
assumption ignores organizational culture as a significant way of
understanding organizational life in all its richness and variations. As Alvesson once reminded us, there is a risk of underestimating the theoretical potential and value of organizational culture by establishing any clear and causal links between culture and something else (Alvesson, 2002:2).

In regard to the current organizational practice at CCTV, it was not a surprise that many temporary employees did not consider birthday parties or excursions as representative of CCTV's culture. And, obviously, these things have little to do with the performance of CCTV on the whole. If the identity within CCTV cannot be improved, what can a mini-break do to help enhance their morale and loyalty? Clearly, simply borrowing some of the anecdotal evidence of a successful company does not help to strengthen one's own culture. Most importantly, it is extremely difficult to link the frequency of these off-work social activities with an organization's general performance in terms of productivity, loyalty and team working spirit. Reiterating previous criticisms of this approach, the causal relationship and loose links between cultural traits and performance over-simplified the significance of organizational culture as a way to understand organizational life. Not only is the richness and variety of the concept of culture carelessly forgotten, but also the historical and social settings of the particular organization are ignored.

3.2.2 Institutional Determinist Approach

As discussed above, observers criticized the trait/strong culture approach to organizational culture for lacking historical understanding and neglecting
institutional forces. This is especially true in CCTV’s case, which is more closely connected with its social and historical background than any other organization in China. Compared to the ‘trait approach’, the institutionalist perspective stresses the impact of the institutional environment in which the organization is embedded (Wilkinson, 1996). In CCTV’s case, the organizational conundrum results from a passive and incomplete reform, which attempted to move from the traditional danwei system and personnel quota to a more liberal contract-based employment system.

Undoubtedly this incomplete reform cannot be over-simplified without a comprehensive understanding of the CCTV’s unique ‘genetic code,’ namely its origin and operation as a government-controlled single-party mouthpiece. Even though deregulation from the late 1970s allowed CCTV to grasp the opportunities in the market, as Zhao (1998) argued, the Party line has continued to be the bottom line for the CCTV. Meanwhile the government has retained control of many of the organization’s key aspects, like ownership and a centrally controlled personnel system, etc. The double profile of CCTV, and the double standard inherent to its personnel system has caused more ambiguity and conflicts. ‘The Party line as the bottom line’ solution put CCTV right in the middle of the tension and created the current turmoil present in its financial systems and personnel arrangement.

Most importantly, having functioned for many years as a government apparatus, there is still a strong influence of hierarchy and politics-like culture present in CCTV’s management ideology and practice. Indeed, from non-
profit making to profit making, from womb-to-tomb employment to the breaking of the ‘iron rice bowl’, CCTV’s fundamental values have constantly been challenged. The old ‘institutional logic’ is the fundamental value most often challenged, but also most resilient to reform. At first sight, blaming the problems of CCTV generally on the ‘institution’ sounds appealing. However, although the institutionalist perspective considers historical and political conditions, it is deterministic to see organizational structures and subsequent behaviour within organizations as solely dependent on a historically grown institutional setting (Wilkinson, 1996:433).

The point is, however, that organizations are not merely passively embedded in, but actively engaged with their environment (Whittington, 1992:434; Wilkinson, 1996). First of all, separating an organization from its institutional environment is irrational since it is not a simple creator and be-created relationship. Therefore it is unfair to ignore the ‘native’ response to any forces emanating from the external environment. It is also important not to ignore the internal interaction between different value systems under pressure from institutional change. More often than not, organizational structure, culture and many other arrangements are a result of compromise among different factors.

43 Institutional logics refer to the belief systems that dominate an organizational sector or field. They provide the ‘organizing principles’ that furnish guidelines to actors in the sector as to why and how they are to carry out their work, and, also, they determine the conditions under which particular practices and norms develop. (See Friedland & Alford, 1991; Scott, 2001: 139.)
Certainly, every observer must take an organization's social, political and historical settings into consideration, since the formal structure and institutions of an organization are all the result of the development of its external environment. However, the culture of an organization is not determined purely by external forces. Rather, culture, as an accepted set of rules shared within an organization, is the product of an interaction between the 'external adaptation' and 'internal integration' (Schein, 1991) processes throughout the organization's history.

Returning to the organizational culture conundrum, simply transplanting traits from successful Western examples does not affect the core of the current problem. A historical institutional understanding of CCTV helps to disentangle the conundrum, but it is an exaggeration to claim that this is the sole determining factor. When looking at an organization, both the hard/structural side and the soft/intangible, underlying behaviour pattern bear the genetic code of a particular social, cultural, political and historical setting. As the moulding of an organization's culture is an on-going interacting process, we cannot assume that the interaction of two forces moulding culture is static and balanced.

3.2.3 Summary

The above section discussed two prevailing views in relation to the understanding of CCTV's organizational culture. The first theory adopted anecdotal cultural traits from Western companies, and assumed that there was
a causal link between cultural traits and performance. This view in particular attracted criticism for its potential to reduce the richness of organizational culture and its negligence of the historical and social embeddedness of organizational activities. While the second view observed within CCTV does highlight historical and social settings of organizations, it goes to another extreme. By over-emphasizing the determinism of institutions, this view turns a blind eye to the evolving and moulding process of organizational culture.

The above critique raises some fundamental questions: What is organizational culture? How does culture evolve? And how should one approach organizational culture? The following section of this chapter is a literature and methodology review of organizational culture theory and research approaches.

### 3.3 Organizational Culture – a Literature Review

#### 3.3.1 The Concept of ‘Culture’ and ‘Organizational Culture’

One of the first anthropologists Edward B. Tylor introduced the term ‘culture’ to the English language in 1871. According to Tylor (1871:1), culture refers to ‘that complex whole which includes knowledge, beliefs, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society’. Since the nineteenth century, scholars have greatly elaborated and refined Tylor’s original conception of culture. Different schools of thought
gradually emerged and developed indicating different meanings of the term 'culture'.

According to Raymond Williams (1976:80), historical shifts in the development of 'culture' can be reflected in the following three current uses of the term:

- To refer to the intellectual, spiritual, and aesthetic development of an individual, group, or society.
- To capture a range of intellectual and artistic activities and their products (film, art, theatre). In this usage culture is more or less synonymous with the 'the Arts', hence we can speak of a 'minister for culture'.
- To designate the entire way of life, activates, beliefs, and customs of a people, group, or society.

Among the three current uses of the term 'culture', until recently, the first and second of these uses were most often synthesized in intellectual work (Smith, 2001:2). 'Culture' easily recalls the works of aesthetes and literary critics like Matthew Arnold, John Ruskin, and F. R. Leavis, which refer to works of art that educate, edify, and improve those who come into contact with them. In 1953, Williams (1953:57) distinguished the third used of culture as 'a whole way of life' of people, which is especially common in the fields of sociology and social anthropology. This third use of 'culture' eventually spawned the term 'organizational culture'.

According to Raymond Williams, the term 'culture' is the most intricate word in the English language (1976:76-77). After a complex historical development, the term 'culture' was adopted for important concepts across different intellectual disciplines and systems of thought. In 1952, Kroeber and
Kluckhohn isolated 164 different definitions of culture in the book *Culture: a critical review of concepts and definitions*. According to C. Kluckhohn: ‘culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values’.\(^{44}\) The concept of culture lends itself to different uses as collectively shared forms, for example, ideas and cognition. Further, culture can be symbols and meanings, values and ideologies, rules and norms, emotions and expressiveness, the collective unconscious, behaviour patterns, structures and practices, etc.

### 3.3.2 The Conceptual Chaos and Paradigm Incommensurability of Organizational Culture

A rich mixture of ideas, theories and frameworks under the unifying heading of ‘organizational culture’ actually derived from two intellectual traditions, namely: anthropology and organizational sociology (Brown, 1995:3). Early masters like Emile Durkheim and Max Weber have considerable influence on the development of the concept of culture in organizational sociology. Weber’s interpretive view of sociology, focusing on the meaning attached to actions and interactions by social actors, remains highly influential today (see Child, 2002). Later anthropologists and sociologists like Barnard (1938),

Selznick (1957) and Clifford Geertz (1973) also made significant contribution to the understanding of culture in relation to organization.

Like the term 'culture' and most, if not all, other significant concepts in organization studies and social science, the term 'organizational culture' also tends to offer a variety of different meanings and definitions (Palmer and Hardy, 2000, cit. in Alvesson, 2002:3). Scholars consider organizational culture to be 'the most nebulous area of corporate management and by far the most challenging' (Tichy and Sherman, 1993:68). The difficulty in defining the term comes from the fact that culture has no fixed or broadly agreed meaning, even in anthropology (Borowsky, 1994; Ortner, 1984).

Owing to the broadly varied areas that the term 'culture' relates to and the effort to give an inclusive concept of organizational culture, all too often it is defined evocatively but imprecisely. These definitions range from Pettigrew's (1985:44) 'expressive social tissue around us... a system of terms, forms, categories and images [which] interprets a people's own situation to themselves'; to Bolman and Deal's (1991:268)'distinctive beliefs and patterns over time... unconscious or taken or granted ... reflected in myths, fairy stories, rituals, ceremonies, and other symbolic forms'. Even in Peters' the 'most important stuff around' (Peters, 1984, cit. in Sackmann, 1991:7), frequently 'culture' refers to little more than a social pattern. It suggests surface phenomena rather than the meanings and ideas behind them. Some scholars even claim that in many cases the term 'culture' could be abandoned
in favour of something like 'informal behaviour patterns', 'norm system', or simply 'social pattern'.

Given the widely credited power of culture over critical but intangible aspects of organizational life, or 'the non-rational qualities of an organization', the variation in the use of the term 'culture' is especially noticeable in the literature on organizational culture (Morgan, 1986). In management and organization studies, culture is variously credited with the ability to decipher phenomena such as myths, ceremonies and rituals (Bolman & Deal, 1991). In addition, culture defines behaviour and resolves ambiguity (Hampden-Turner, 1994), stimulates organizational learning (Argyris, 1993; Gomez & Probst, 1995; Senge, 1990), and legitimizes organizational actions, ideas and demands (Pettigrew, 1985). Furthermore, culture determines an organization's ability to master environmental change (Schein, 1992), and even directly influences economic performance (Peters & Waterman, 1982).

In general, organizational research has been a 'jungle' (Redding, 1994) full of dispute and controversy. Since the end of the 1960s there have been significant changes in the way in which scholars define the concept of 'organization' and consider the practice of organizational analysis. The current state of practice and the future research of organizational analysis are easily connected with characteristics of diversity, plurality, uncertainty and fragmentation (Reed & Hughes, 1992) Reed outlines the research trends since the 1960s, whereby studies have 'become much more pluralistic' but at the same time 'of considerable dispute, not to say deep controversy' (Ibid, 1992:1).
As far as organizational culture is concerned, Reed’s outline of organizational research trends suggests three stages and two perspectives worth highlighting. By the late 1960s, theoretical development in organizational analysis converged towards ‘a systems-based contingency approach,’ which later observers regarded as the theoretical orthodoxy. A conceptual separation of organization and its environment from this tradition has had a great influence on the perspective of ‘culture as independent variable’.

Throughout the 1970s, there was a dramatic shift in the research trend in organizational culture studies. This was partly due to the increasing awareness of and sensitivity to substantive changes in organizations (i.e. the networked organization with ‘large-scale, complex operations’ (Ibid, 1992:7)). The new forms of organization from the Far East also helped in promoting this shift. Since then, various alternative perspectives promulgated conceptions of ‘organization’, for example: the action frame of reference, negotiated order, ethno-methodology, and political theories of organizational decision making. This development seriously undermined the conceptual separation between ‘organization’ and ‘environment’ (ibid, 1992). This diversity continued through the 1980s, with particular emphasis, according to Reed, on cultural and symbolic interventions and on the political process.

Between the late 1970s and the late 1980s, further alternatives to the construction of theoretical orthodoxy emerged, which also accelerated the blossoming of organizational theory. The significance to organizational cultural theory is twofold. First, as Reed (1992) mentioned, the cultural and symbolic processes through which organizations were socially constructed
now began to receive more emphasis. Second, macro-level power relations and ideological systems, through which organizational forms were shaped, became a central theme for analysis.

Not coincidently, as mentioned above, the early 1980s gave birth to the 'corporate-culture boom,' during which a positive relationship between culture and performance was mooted. However, from the 1960s through the 1990s, economic success in post-war Japan and other newly industrialized Asian countries (best known as Asian Tigers) had always been a focus of attention. The relationship between East Asian cultural distinctions and their economic ‘miracle’ created a furious discussion within the international scholarly community.

In describing various types of culture and its creation and influence, the diversity of perspectives, methodology and philosophical stands is prominent. The literature on organizational culture remains theoretically unintegrated because of the different epistemological, methodological, and political orientations that distinguish these disciplines. Since organizational culture researchers disagree vehemently about fundamental issues, the current state of organizational culture research is conceptual chaos (Martin, 1992:4).

Given the heterogeneous understandings of the concept of organizational culture based on differences of ontology and epistemology, there have been various efforts to systematically categorize the main schools of organization culture research. Meta-theoretical differences can be drawn between objectivists, and the subjectivists; functionalists and interpretivists;
structuralists and humanists, etc. In terms of 'what is organizational culture, and what is the relationship between organization and culture', some of the best-known categorizations include Smircich's (1983) understanding of culture as something that organization is, or something that an organization has; and culture as 'variable' or culture as 'root metaphor'. In addition, there is Allaire and Firsatro's (1984) categorization of culture as 'sociological system' and 'ideational system'.

As John Child once commented: 'theoretical fragmentation leaves a number of methodological problems unresolved.' Throughout the above-mentioned three stages of development from 1960s to the late 1990s, we can see many different methodological orientations. Practitioners measure different characteristics or different effects depending on their background discipline and the goals of the measurement process. Alvesson identifies three types of researchers: the open-minded observer, the consultant or pragmatic academic, and the interpretative academic (Alvesson, 1993).

More often than not, the adopted research paradigms stand on strikingly different methodological ends. Differentiations are evident between 'clinicians' and 'ethnographers' (Czarniawska-Joerges, 1992:165); 'positivist' and 'phenomenological' (Bodgan & Taylor, 1975:2); 'functionalists' and 'interpretivists' (Schultz & Hatch, 1996); 'objectivists' and 'subjectivists'. Finally, there is Burrell and Morgan's most famous four paradigm typology (1979:22).
However, looking closely, the fundamental debate among organizational theories focuses on one over-arching question: whether the causes of human actions are motivated primarily by ideas, or by the environment. In terms of organizational culture, the debate focuses on whether organizational culture is an independent variable as part of the organizational environment, or is it an integrative root metaphor of organization? Based on the different orientation towards the answer to the above question, Figure 3.1 draws a rough line along two types of understanding of culture-organization relationships and the paradigm stances relative to them. For the sake of further analysis, they are the ‘culture as independent variable’ school, and the ‘culture as root metaphor’ school.

The ‘culture as independent variable’ school regards organization as something independent from its culture; and culture acts as one of the environmental factors, which will influence the behaviour of organizations (e.g. Malinowski, 1944; Radcliffe-Brown, 1952; Benedict, 1934; Kluckhohn & Kroeber, 1952; White, 1973; Harris, 1979; Gioia & Pitre, 1990; Morgan and Smircich, 1980, etc.). The ‘culture as root metaphor’ school conceives organization as a form of human expression shared by members of organizations. (e.g. Goodenough, 1957, 1971; Levi-Strauss, 1958; Wallace, 1970; Geertz, 1973; Schneider, 1975, etc.). In the latter case, organization is regarded as an expression of its culture, which can be traced to interpretive ethnography, phenomenology, and semiotic and literary criticism (e.g. Barthes, 1972; Berger and Luckmann, 1966; Garfinkel, 1967; Geertz, 1973; Schutz, 1967). Among the existing literature, many other previously
mentioned ways of categorization fall roughly into each of these two schools (see Figure 3.1).

Figure 3.1: Two Schools of Organizational Culture Theories and Their Methodological Stances
Although it is seemingly an 'either-or' question, it is risky to say which definition is correct or better, since both of them are based on different research initiations and assumptions. A feasible approach to a new understanding of culture and culture-organization relationship must derive from an awareness of the weaknesses and strengths of previous and current schools of research. The following sections of this chapter review research on the meaning of culture and organizational culture research methodologies.

3.4 From 'Either-or' to 'Both-and' Thinking – to Develop a Connoisseurship for the Concept of Organizational Culture

In this section, I start with an 'either-or' approach in order to analyze two types of understanding and research paradigms in relation to organizational culture. From there, I intend to build up a new meta-theoretical framework for the study of CCTV.

3.4.1 The 'Culture as Independent Variable' School

Theorists attached to this perspective believe that culture exists independently either in the external or internal environment of an organization. They believe that culture acts as a contingent variable either across or within the boundaries of the efficiency of organizations. Due to the limit of this research, it is impossible to give an exhaustive list of arguments and theorists belonging to this school. To name a few, the theorists belonging
to this school include those believing one of the following arguments: culture is what an organization 'has'; culture is an independent variable either as part of external or internal organization environment; culture is the sociocultural milieu of organizations, etc. People who belong to this school include the previously mentioned clinicians, objectivists, positivists, functionalists, institutionalists, contingent theorists, etc.

In general, this view emphasizes the relationship between the organization and its external and internal environment. Within this school there are people who believe in culture as an external variable, like the institutionalists; and those who argue that culture serves as the internal variables of organizations, like contingency theorists.

### 2.4.2 Culture as External Variable

When culture is regarded as the external variable, the importance of the ambient society, or in another word, the social embeddedness of organizations is highlighted in the formation of a particular characteristic of an organization (see Figure 3.2).

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45 See Figure 3.1: Two Schools of Organizational Culture Theories and their Methodological Stances
In terms of CCTV, this school's emphasis on the external environment is especially relevant. However, as discussed in the first part of this chapter, the assumption of the determining role of the external environment on organization makes this school vulnerable. Another weak point of this school is that in practice, most comparative management research leaves the concept of culture undeveloped, apart from the research of Everett, Stening, and Longton (1982) (Bhagat and McQuaid, 1982, Smircich, 1983: 343). Many questions about the emergence, mutation and diffusion of organizational forms across time and space remain unsolved. From this perspective culture seems to be static and monistic and, therefore, not inclusive for such a complex concept. To consider such a rich concept of culture too monastically and statically is as limited as the inclusive view of culture as everything discussed before.

3.4.3 Culture as Internal Variable
This school of thought differs from culture as external variable, which regards culture as something around or outside the organization. Rather, the view of 'culture' as internal variable regards culture (distinctive cultural artifacts such as rituals, legends, and ceremonies) as products or by-products of the organization itself (see Figure 3.3). Theories about culture as internal variables of organizational performance (as Figure 3.3 demonstrates) are also influential on their own merits. The major contribution of the 'culture as internal variable' view is the recognition of the symbolic or cultural dimension of organizations and the way it contributes to the overall systematic balance and effectiveness of an organization.

Similarly, in the contingency theorist's point of view, culture is one of the variables that figures in organizational survival. Initially, the typical variables considered in this research tradition were structure, size, technology, and leadership patterns (Woodward, 1965; Fiedler, 1967; Pugh and Hickson,
1976, Smircich, 1983:344). Later, the systems model considered more subjectivist variables, such as culture, with the recognition that symbolic processes are occurring within organizations (Pfeffer, 1981; Meyer, 1981). Contingency Theory has pointed out the interaction between the organizations and their environment and the role that this interaction plays in shaping their structure and processes. This theory was claimed to be the first approach to organization theory to state that there is no ‘one best way’ of managing work organizations, and that a degree of choice was available to managers as to how to manage their organizations, given certain environmental conditions (Tayeb, 1988:20). This point is a valuable complement to the institutionalist view of the relationship between organizations, in that it brings in interactions, and takes into consideration the process of culture formation.

Later developments of the ‘culture as internal variable’ school perhaps exaggerate the power of the symbolic or cultural dimension and its contribution to the overall systemic balance and effectiveness of an organization. A popular argument states that organizations with ‘strong’ cultures are apt to be more successful. (Deal and Kennedy, 1982; Peters & Watermen, 1982). This is known as the strong culture approach, which an earlier part of this chapter discussed in detail. The people who follow the ‘strong culture’ approach are called ‘clinicians’. Their interest is client-driven, and they are motivated by seeking the causal links between organizational culture and performance.
Finally, it is worth mentioning the part of this school that takes the view of culture as a sociocultural system. According to this argument, organizations are 'purposeful instruments' and 'adaptive mechanisms'. Culture is one of the variables that the organization has that will influence the efficiency of the organization. From this perspective researchers seek to discover what organizations accomplish and how they may accomplish it more efficiently. Similar to the 'clinicians', this view highlights the 'principles of prediction', 'generalisability', 'causality' and 'control' (Smircich, 1983).

Following Schein's injunction that the concept of culture can best be operationalized with 'precise empirical measurement' and 'hypothesis testing', researchers from this school generally pursue a predefined framework. Further, they work under the assumption of the role of culture as a variable for analysing organization performance and effectiveness, before entering the organization to be studied. In order to 'operationalize' (Parker, 2000:62) the result of a cultural study, researchers collect data about organizations so that managers can better exercise control over production. In terms of technical method, their research typically demands different methods, such as survey questionnaires, inventories, and demographic analysis, which produce quantitative data. The data allow the researcher to statistically prove relationships between operationally defined variables. In terms of the analytical process, this school tends to seek patterns and order from an unpatterned appreciation of culture (Schultz & Hatch, 1996). In

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methodological terms, many studies from the objective perspective employ a range of quasi-scientific techniques, and empirical measurement in order to elicit these underlying rules. But all these seem to end up providing very static pictures of consensus within organizations (Parker, 2000:62).

Among the methods adopted by researchers of this school, the questionnaire and survey techniques, in particular, need to be treated with suspicion. Even though some aspects of organizational behaviour can be explored and understood by indices and by attitude measurement, the topics likely to raise the most interest are not readily or wholly accessible through such techniques. For example, Reynolds (1986) uses survey techniques (much like the previous climate researchers) to measure the perceived work context in different organizations. He concludes that there is no statistical correlation between culture and organizational performance. Therefore, in accordance with frequent criticism, often one sees a simplified causal link in the research of this school.

All in all, despite the previous criticisms of institutional determinism and the strong culture approach, the 'culture as independent variable' offered a fundamentally important perspective in the study of CCTV. Its main contribution lies in its emphasis on the external environment of organizations. The later development of contingency theory highlights the interactions between the organization and its environment, providing a strong balance to the determinists' view.

However, interestingly, the advocates of this school chiefly seek quick fixes for their clients, the elite management. Therefore, more often than not, the power of organizational culture research, the depth and richness of the concept, remains undeveloped. In my case study, while paying special attention to the environmental influences, I do not follow any preset agenda; therefore I do not adopt simple solutions for a better and quicker transition within CCTV. Methodologically, this study avoids the ‘culture as variable’ school, while still drawing upon it conceptually.

3.4.4 The ‘Culture as root Metaphor’ School

In contrast to the ‘culture as independent variable’ school, there are a large number of organizational theorists who argue that the way an organization binds together is a direct reflection of its culture. Or in other words, culture makes an organization. Therefore an organization forms within the context of a particular culture, and culture is the essential substance of any organization. It is the root metaphor of organization. Culture from this perspective is defined as a dynamic, symbol-laden context, a set of functional cognitions or a deep, unconscious structure of mind (Allaire & Frisirotu, 1984:202). Organizational theorists of the ‘culture as root metaphor’ school consider organization to be a particular form of human expression. The school’s research agenda seek the ‘grammar’ that explains the ‘patterns’ that an organization forms and practises. Theorists holding this perspective include ethnographers, subjectivists, phenomenologist, interpretivists, etc.
Paying more attention to the ‘minds’ of organizational members, enquiries that follow the ‘culture as root metaphor’ school owe an intellectual debt to cognitive anthropology (Goodenough, 1957), symbolic anthropology (Geertz, 1973), and to a much lesser extent, structural anthropology and psychodynamic theories (Levi-Strauss, 1958).

The cognitive school of culture theory (Goodenough) regards culture as a set of functional cognitions organized into a system of knowledge. This system contains whatever one needs to know or believe in order to operate in a manner acceptable to the other members of one’s society (Goodenough, 1957, 1971). Among his other arguments from different perspectives, Goodenough finds culture to be ‘...the ways in which people have organized their experience of the real world so as to give it structure as a phenomenal world of forms, that is, their percepts and concepts’ (Goodenough, 1971:28). From this perspective, organization is considered as analogous to a culture, a particular structure of knowledge for knowing and acting, in another word, a network with ‘rule-like’, or ‘grammar like’ forms (Smircich, 1983:349).

Within the symbolic school of culture theory Clifford Geertz has particularly adapted to cultural anthropologist Parsons’ concept of a separate, symbol-laden cultural realm of society. Further, Weber provides an interpretive view of sociology with its focus on the meaning attached to their actions and interactions by social actors. As a result, Geertz conceives of culture as: ‘...the fabric of meaning in terms of which human beings interpret their
experience and guide their action' (1973:145). To differentiate from the cognitive understanding of culture, Geertz has argued (Geertz, 1973:44):

culture is best seen not as complexes of concrete behaviour patterns—customs, usages, tradition, habit clusters—as has, by and large, been the case up to now, but as a set of control mechanisms—plans, recipes, rules, instructions (what computer engineers call 'programs')—for the governing of behaviour.

From a symbolic perspective, an organization, like a culture, is a pattern of symbolic discourse. Thus, in order to be understood the organization variously needs 'interpreting' (Manning, 1979), 'reading' (Turner, 1983), or 'deciphering' (Van Maanen, 1973). These researchers are concerned with the themes that represent the patterns in symbolic discourse and that specify the links among values, beliefs, and action in a setting. The themes, expressed in various symbolic modes, represent the heart of a symbolic analysis of an organization as culture (Smircich, 1983b). Research from this perspective documents the creation and maintenance of the organization through symbolic action. In practice, there are questions of how to create and maintain a sense of organization, and how to achieve common interpretations of situations so that coordinated action is possible.

In a nutshell, theorists from the 'culture as root metaphor' perspective tend to regard the social and organizational context as a pattern of symbolic relationships and meanings sustained through the continued processes of human interaction. Meanwhile, language, symbols, myths, stories, and rituals are seen as generative processes that yield and shape meanings, which are fundamental to the very existence of organization, instead of being cultural
artifacts. Theorists are keen to settle the debate concerning how organization is accomplished and what it means to be organized (Smircich, 1983:351)?

In contrast to quantitative data and causal links sought by the ‘culture as independent variable’ school, in terms of methodology, theorists from the ‘culture as root metaphor’ school insist on qualitative methods. These include ethnographic research, participant observation, open-ended interviewing and qualitative analysis of texts personal documents, etc. Researchers in this school look for descriptive data, which enable them to see the world as organizational members, see it (Smircich, 1983b; Louis, 1985b: Jones et al., 1988; Turner, 1988; Frost et al., 1991; Jones, 1996; Bogdan & Taylor, 1975).

If the subject of research in the ‘culture as independent variable’ school is the structural side of organization, then the subject of research in the ‘culture as root metaphor’ school is the ideological side. This is closely related to the idea of the organization as a human society. A considerable amount of research is dedicated to describing how organization members conceive of themselves collectively. With the common assumption of this school, there is emphasis on a linkage between ‘action’ and ‘thought’. In response theorists are keen to ask: what are the structures of knowledge in operation here? What are the ‘rules’ or ‘scripts’ that guide action?

Furthermore, this perspective on organizational culture could be used in a diagnostic way to assess the extent to which there is a shared basis for action or grounds for conflict. Therefore, this perspective on culture can be
particularly useful for thinking about the processes of strategic management and organizational change (Sheldon, 1980; Litterer and Young, 1981; Pfeffer, 1981; Shrivastava and Mitroff, 1982; Smircich, 1983).

As clearly shown in the organizational culture conundrum of CCTV, the original highly centered management culture unfroze into two distinctive working cultures of two management circles based on different employment structures. As a result of its incomplete transition, there is a fundamental disagreement between the values shared within the two management circles. How were the differences interpreted by people within the two circles? To what extent do the negotiations between different values influence the change process? I believe that a thorough enquiry along this line will illuminate the change process, and the cultural conundrum of CCTV.

3.4.5 Conclusion: the Dualistic Nature of Organizational Culture

For a long time culture theorists and organizational researchers have disagreed about organizational culture and the appropriate paradigms to follow. Within the conceptual chaos and paradigmatic incommensurability, it is the ‘either-or’ thinking that has dominated this research field. Based on my examination of the two schools of organizational culture theory and their methodological positions, I argue that although fundamentally distinctive, both schools have offered valuable perspectives on my case study of CCTV in transition. The ‘culture as independent variable’ school’s emphasis on the ambient society and environmental influences on organization is especially
valuable for understanding CCTV as a direct product of specific Chinese history and politics. This is especially true when thinking about the current organizational culture conundrum. At the centre of the conflict is the clash between the old culture of ‘Party Mouthpiece’ and the more recent social, political and institutional changes. As Schein indicated in his ‘external adaptation’ and ‘internal integration’ argument, the organization’s social, political and historical embeddedness holds part of the answer to CCTV’s conundrum.

However, as criticism of institutional determinism indicates, the culture of an organization is not purely determined by external forces. Culture, as an accepted set of rules shared in an organization, is at the same time the product of ‘internal integration’ of a shared value system of organizational members. In fact, the process of internal integration of organizational culture can not be exempt from external influences on an organization over its history. As Schein has argued, organizational culture is a settlement between two moulding processes throughout its organizational history. And the moulding of the organization’s culture is an on-going process.

Therefore, this thesis argues for a ‘both-and’ thinking in order to highlight the dualistic nature of the organizational culture concept. Within the dualism of organizational culture, I include the following three manifestations:

- First, seeing the organization and its culture as an integration of both the structural perspective and the ideological/symbolic perspective.
The structural perspective bears the hard evidence of its culture and the moulding marks of its culture, while the ideological/symbolic perspective is a living expression of its culture.

- Second, seeing the organization in a non-people related/objective aspect and a people related/subjective aspect. The non-people related aspects are passive when confronted with a changing environment, however, the people related aspect could result in either inertia or active momentum towards change.

- Third, to analyze organizational culture on both macro and micro levels. The macro level of organizational culture reflects the environmental influence on structure, ideology and institutions; while the micro level of organizational culture reflects the individual's behaviour and experiences in relation to the macro framework.

In order to fully embrace the dualistic nature of the concept of organizational culture, this thesis exploits opportunities for developing mediating links between the different perspectives offered by two different schools of organizational culture theory and distinctive paradigms. According to Turner's recommendation, one must develop 'connoisseurship' (Turner, 1988) in organizational analysis by celebrating rather than avoiding the complexities and contradictions of organizational culture.

In proposing the dualistic nature of organizational culture, I owe an intellectual debt to Schein's (1992) argument on the 'two culture moulding processes'. In fact, it accommodates both the 'culture as variable' argument,
and the 'culture as shared values and understated rules' argument. The external adaptation process focuses on a macro level examination of the interaction between organization and its external environment, which is more about structural and social influence. Meanwhile the internal adaptation process highlights how shared values and rules are formed among organization members, which is obviously a micro level analysis with more about the ideational and symbolic aspects of culture. Even though Schein himself argued for understanding both sides of the organizational culture, as a business consultant, he himself took a more clinical approach to cultural research, and many of his works were management-centred. His argument on culture's formation nevertheless provides a good opening for cultural analysis, especially when considering the dualistic nature of culture. In his later work (see Schein, 1996), he did insist on a need for more work to be done with an ethnographic approach.

This thesis argues for the dualistic understanding of the organizational culture concept based on another observation of research gaps in this area. It is a common observation that whenever market, competitive or technological changes exert pressure on a business firm, it will quickly attempt to adapt to them by changes in its formal system of goals, strategies and structures. However, these attempts are often unsuccessful, as the organization's cultural system (e.g., its values, meaning-structures, myths) may not be congruent with the revised 'sociostructural' system, causing severe dysfunctions and compounded difficulties in coping with the changed circumstances. Just as occurred at CCTV with the introduction of the PRS, what changed was the
institution and the organizational structure in order to accommodate the pressures of a personnel bottleneck. What remained unchanged and difficult to change was the residue of the old ‘institution’, especially the old management ideology of the media as part of the government sector.

Therefore, Chalmers Johnson (1966) in *Revolutionary Change* has argued that:

> the organization’s formal, structural dimensions and its symbolic, cultural ones, subjected to different degrees of external pressure and characterized by different adaptation and integration mechanisms, may well be in a state of tension, disharmony or dissonance; ‘desynchronized’.

Nevertheless, most commonly, observers ignore the possible dissociation and dissynchronization between an organization’s affective, symbolic dimensions and its formal structures, polices and management processes. Apart from Rhenman (1973) and Handy (1977), there is not much research focusing on the complex relationship between the cultural and structural aspects of the organization. In relation to understanding the dualistic nature of organizational culture, this argument is especially inspiring for its focus on the complex relationship between the two facades of organizational culture, and the organizational consequences as a result of the interaction, negotiation and synergy between them. There is a huge amount of research that can be done following this line of thinking, particularly, where the processes of organization adaptation and rejuvenation are concerned.
3.5 Working with Multiple Paradigms – towards a Metatriangulation Model of Organizational Cultural Research

The above section of this thesis presented a vibrant field, replete with diverse theoretical views, which in theory may enrich our understandings of organizational complexity, ambiguity, and paradox. However, as Pondy and Boje (1981: 84) forewarned: ‘organization theory faces a frontier problem of how to conduct inquiry based on several paradigms’. It is easy to claim the dualistic nature of the organizational culture concept. However, to develop ‘connoisseurship’, one cannot simply merge paradigms without respecting their differences (Schultz & Hatch, 1996:530). But how is it possible to enable them to maintain their own integrity, whilst expanding the points of contact with other approaches (Gioia & Pitre, 1990)?

Recognizing this challenge, Poole and Van de Ven have proposed that researchers should ‘look for theoretical tensions or oppositions and use them to stimulate the development of more encompassing theories’ (1989:563). They view conflicting paradigms as paradoxes of organization theory, underscoring contradictory yet interwoven facets of complex phenomena. Soon after, Gioia and Pitre (1990) detailed differences in theory building across paradigms and called for metatriangulation: a strategy of applying paradigmatic diversity to nurture greater insight and creativity.

By meta-triangulating multiple paradigms, theorists seek to accommodate opposing views within a meta-paradigm perspective. (Lewis & Grimes, 1999:675). Here, ‘accommodation’ does not imply unification for synthesis
but the ability to comprehend paradigmatic differences, similarities, and interrelationships (Gioia & Pitre, 1990). Researchers assume that paradigms offer partial truths, and therefore should be treated as 'debating voices' (Grimes & Rood, 1995) arguing for their own views while still searching for common ground. In an earlier discussion of two organizational culture schools, the theories of both schools can support 'partial answers' to the organizational cultural conundrum. In order to understand the whole transition through organizational cultural lenses, this research needs to triangulate two distinctive assumptions and explore the richness and depth that cultural research can offer.

Within a well-researched organizational research field, there are only a few multiparadigm exemplars: Bradshaw-Camball & Murray (1991); Granham-Hill (1996); Grimes & Rood (1995); Grint (1991); Hassard (1991); Martin (1992); Reed (1997); Schultz & Hatch (1996); Spender (1998); Weaver & Gioia (1994); Willmott (1993); Ybema (1996), etc. When it comes to organizational culture theory, there are only Smircich (1983), Morgan (1997), Martin (1992), Schultz & Hatch (1996) and Ybema (1996, 1997) who have applied a multiple paradigm to their research. Unfortunately, apart from Ybema (1996, 1997), the other three studies focused on the theoretical argument for a multi-paradigm research method, rather than applying the method to empirical case studies.

Proposing a dualistic understanding of organizational culture, this thesis can make a contribution to the meta-triangulation of research paradigms within an
empirical case study of China Central Television. By multiple paradigms, I refer to the paradigms adopted by the two schools of organizational culture theorists. For the sake of further analysis, I follow Shultz and Hatch’s differentiation between a functionalist approach largely based on the ‘culture as independent variable’ school, and an interpretivist approach based on the ‘culture as root metaphor’ school. As Figure 3.1 shows, there have been different methods adopted even within the same school. By meta-triangulation, I refer to triangulation between a functionalist approach and an interpretivist approach, rather than individual data collection and analysing methods included respectively.

There have been different strategies to meta-triangulate multiple paradigms (Lewis & Grimes, 1999; Schultz & Hatch, 1996), among which there are ‘sequential’, ‘parallel’, ‘bridging’, and ‘interplay’ strategies. Parallel studies preserve theoretical conflicts by depicting the organizational voices, images, and interests magnified by opposing lenses. In parallel studies, different terms are all applied on equal terms rather than sequentially. In sequential studies, researchers cultivate diverse representations to purposefully inform each other, since the output of one paradigm specific study provides input for a subsequent study. Applying lenses in succession, theorists seek to grasp their disparate yet complementary focal points. Paradigms operate as complements by revealing sequential levels of understanding within an integrated research project. The aim of a bridging study is to search for theoretical views that span paradigms. The interplay (Schultz & Hatch 1996) technique highlights contradictions and interdependence of paradigms.
As previously noted, in the study of CCTV I follow functionalists in their emphasis on environmental influences on the organization, while attempting to avoid the more extreme versions of this approach, such as the 'strong culture' argument and institutional determinism. However, the other aspect of organizational culture, that of a shared value system among organizational members, cannot be truly understood without 'going native' and seeing what employees see and experience inside an organization. Therefore, I also adopt an interpretivist approach to observe, experience and interpret CCTV's culture from within, and understand its cultural patterns.

To avoid the risk of being influenced by the prevailing institutional determinist view on CCTV's transition, I chose first to go inside and adopt an interpretivist approach. In Chapter Five, I provide an ethnographical account of the organizational consequences of incomplete reform as seen from the inside. In that chapter, I interpret the organizational cultural patterns and phenomena as 'natives' see them. As one old Chinese poem says: 'I cannot tell the true shape of Lu Shan Mountain, because I myself am on the mountain'. To complement this interpretive examination of CCTV's organizational culture, in Chapter Six I take a step back to reflect on the social, historical, political and institutional embeddedness of CCTV. This will allow a wider view of my observations made within CCTV.

Therefore, this thesis follows a sequential strategy of meta-triangulation. In this sequential multi-paradigm model, I use interpretive methods prior to the
application of functionalist methods, so that the insights derived from functionalist studies serve as input to cultural phenomena observed in the interpretivist study. The examinations within and outside the organization complement each other and accommodate the dualistic nature of organizational culture discussed in this chapter.

3.6 Chapter Conclusion

Having discussed the two prevailing views on organizational culture observed in my pilot study, this chapter began with a critique of both these two views and set out to review the relevant organizational culture theories. As part of organization studies, which have been especially vibrant with diverse and sometimes contradictory theoretical views and paradigms, organizational culture research has become a conceptual chaos and paradigm war. By identifying major schools of argument and approaches taken, this chapter concludes that:

1. As a rich, inspiring concept, organizational culture is dualistic in nature. It includes both subjective and objective sides, structural and ideological perspectives and micro and macro level analysis. In order to understand the true picture, one must develop ‘both-and’ thinking and a connoisseurship towards different schools of organizational culture theories.

2. In pursuit of a thorough and truthful inquiry accommodating both sides of this dualistic concept, the paradigmatic challenge is to work with multiple
paradigms in one piece of research. Among the four existing strategies on multiple paradigmatic research, this thesis follows a sequential study. This includes an interpretivist study of CCTV's organizational culture followed by insights from a functionalist study that examines the embeddedness of CCTV as a media organization. Chapters Five and Six represent the interpretivist approach and the functionalist approach respectively.
Chapter Four  Research Design and Methodology

4.1 Introduction

As discussed in Chapter Three, researchers holding different basic assumptions of the concept of organizational culture follow different paradigmatic stances and methodological approach in their study of culture. Chapter Three set the methodological stance of this research, and in this chapter, I will focus on the technological aspects of the methodology adopted in this study. Before getting into methodological details, this chapter positions this study within Habermas's three knowledge-constitutive interests (Habermas, 1971), with a clear justification of the choice of methods as a result of research interest.

The following section discusses the research methodology at two levels. The first level concerns fieldwork, from fieldwork structure, ethnographic research techniques to approaches for achieving the triangulation of data collection. The second level of methodology examines the grounded theory approach and theory building process.
4.2 Habermas' Three Knowledge-constitutive Interests

Any social science project should carefully reflect upon and position itself in terms of the basic purpose or rationale. It is important to bear in mind the motives of research when providing a fundamental definition of culture and revealing the approaches used for analyzing cultural phenomena. According to Habermas' idea of cognitive or knowledge-constitutive interests, there are three basic motives or interests in which any knowledge-seeking project is grounded—the technical interest, the practical-hermeneutic interest and the emancipatory interest.

Table 4.1: Habermas' Three Knowledge-Constitutive Interests (Habermas, 1971)

<table>
<thead>
<tr>
<th>Cognitive interest</th>
<th>Technical Purpose</th>
<th>Practical-hermeneutical Purpose</th>
<th>Emancipatory Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of science</td>
<td>Empirical-analytic</td>
<td>Historical-hermeneutic</td>
<td>Critical</td>
</tr>
<tr>
<td>Purpose</td>
<td>Enhance prediction and control</td>
<td>Improve mutual understanding</td>
<td>Realize enlightenment project through development of more rational social relations</td>
</tr>
<tr>
<td>Focus</td>
<td>Identification and Manipulation of variables</td>
<td>Interpretation of symbolic communication</td>
<td>Exposure of domination and exploitation</td>
</tr>
<tr>
<td>Orientation</td>
<td>Calculation</td>
<td>Appreciation</td>
<td>Transformation</td>
</tr>
<tr>
<td>Project outcome</td>
<td>Removal of formal irrationality</td>
<td>Removal of misunderstanding</td>
<td>Removal of socially unnecessary suffering</td>
</tr>
</tbody>
</table>
As Table 4.1 demonstrates, the technical interest aims at developing the knowledge of causal relationships in order to manipulate and control variables for the sake of accomplishing certain desired outcomes. The practical-hermeneutic interest aims at achieving an understanding about human existence. This involves the creation of meaning and communication in order to produce knowledge about wo/man as a cultural being, without any particular concern for the utility of that knowledge. The emancipatory interest aims at liberating humans from external and internal repressive forces that prevent them from acting in accordance with their free choices.

Academic studies and practitioners thinking about organizational culture and guided by the technical interest often proceed from the assumption that culture is in some way related to organizational performance. Advocates of this view argue that it is vital to uncover linkages or causal relationships between forms of organizational culture and corporate performance. Furthermore, they strive to produce knowledge that increases the chance of affecting specific cultural phenomena (symbols, rites, values, norms, etc.), or cultural systems in their totality, so that they might attain the outcomes considered to be beneficial. Researchers who take this approach are labeled 'clinicians' (Czarniawska-Joerges, 1992:165). Consequently, like those following the 'trait' or 'strong culture' approach, often researchers are excessively optimistic and want to use culture as a resource for effective managerial action.
Another main school of culture research—culture and symbolism research is guided by the *practical-hermeneutic* cognitive interest. Researchers in this school do not concern themselves with what culture might accomplish or how this accomplishment might be improved, but instead they concentrate on the creation of meaning in organizational communities. Instead of focusing on questions of function and causal explanations, research from this perspective emphasizes questions of interpretation and description (Sypher et al., 1985:17).

A frequent research aim is to understand ‘how to achieve common interpretation of situations so that coordinated action is possible’ (Smircich, 1983a:351), and to understand the meanings, symbolism and ideas of the community being studied. In other words, researchers seek to discover what the ‘natives’ think they are up to (Alvesson, 2002). Returning to the dualistic nature of organizational culture, this approach focuses on the people-related aspect of culture. Therefore the researcher must be participative in order to get an overall picture of the ‘natives’ understanding of their daily tasks and their long term targets. In opposition to the ‘clinicians’, researchers taking this approach are called ‘ethnographers’ (Czarniawska-Joerges, 1992:165). As mentioned above, researchers must not neglect the experience of people working in an organization if they wish to acquire a full and accurate picture of an organization’s culture.

The *emancipatory approach* primarily investigates the negative features of organizational life and helps to counteract the taken-for-granted beliefs and
values that limit personal autonomy. From this perspective, cultural studies provide insight into organizational life that may contribute to liberating thought from its traditional patterns and the repressive aspects of culture. However, the primary focus of an emancipatory project is not the possible disadvantages for business results, but for people in terms of constrained thinking and acting. Thus, the purpose of cultural studies is the liberation of human potential, or more defensively, the illumination of the obstacles to emancipation. The task of cultural studies, then, is to encourage critical reflection on beliefs, values, and understandings of social conditions (Alvesson, 2002:11).

Habermas' three cognitive interests provide a better understanding of the ways in which to approach organizational culture. Even though they are antagonistic with each other, especially the technical interest and emancipatory approach, the values they each represent remind us of the risks of being too bold or optimistic to highlight the control of management on culture or vice versa. Rather, it is important to acknowledge that culture is not just something that can be actively mobilized to make people think, feel, value and behave in accordance with managerial wants, but that culture frequently works as a source of employee resistance to managerial objectives and control. This study also suggests that the relationship between organizational culture and performance is so complex and so dependent on large numbers of dynamic variables and human personalities, that no simple cultural 'formula for success' is reliable (Brown, 1995:190).
As clearly declared at the beginning of this thesis, this study of CCTV in transition does not follow any particular research agenda in pursuit of a particular solution or suggestion to its current problems. It is rather an open-ended discussion for a better understanding of organizational culture of a media organization in a non-Western and non-capitalist context. The basic assumption of this research is based on previous discussions about the richness, complexity and dynamics of organizational culture research. Therefore, this study aims at an appreciation and improvement of understanding, rather than a clinical diagnosis. I see myself as an ethnographer diving into a complex and confusing cultural camp when seeking to clarify the forces affecting China's national broadcaster in its transition.

4.3 Ethnographic Research

Researching and understanding culture in any context, is not an easy task. To complete an interpretivist study on organizational culture arm's-length research is clearly inappropriate for the analysis of the processes through which meanings are created and sustained. Many researchers have emphasized the importance and benefits of an analyst understanding an organization as its members do (Smircich, 1983; Turner, 1988; Alvesson, 1991).

Against this background, I have sought to gain a deeper understanding of the nature and role of organizational culture through an ethnographic study. The
project's single case study design allows a deep exploration of phenomena within the real-life context (Gummensson, 1991; Stake, 1995), thus enabling 'thick description,' (Geertz, 1973:28) which illustrates the processes by which culture forms.

Ethnographers reconstruct the meanings of social actors by recovering other people's stories from practices, actions, texts, interviews and speeches. (e.g. Geertz, 1973, Chapter 1; Taylor 1971:32-33). This work generates descriptive accounts valuable in their own right (Hammersley & Atkinson, 1983:237).

The work is exploratory, and it encourages fresh lines of thought.

<table>
<thead>
<tr>
<th>Level of Researcher Involvement</th>
<th>Low to Medium Quantitative</th>
<th>High Qualitative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimal</td>
<td>Demographics; measurement of 'distal' variables</td>
<td>Ethnography: participant observation; content analysis of stories, myths, rituals, symbols, other artifacts</td>
</tr>
<tr>
<td>Partial</td>
<td>Experimentation; questionnaires, ratings, objective tests, scales</td>
<td>Projective tests: assessment centres; interview</td>
</tr>
<tr>
<td>Maximal</td>
<td>Total quality tools such as statistical quality control; action research</td>
<td>Clinical research; action research; organization development</td>
</tr>
</tbody>
</table>

*Figure 4.1: Categories of Research on Organization*

Therefore, ethnographical fieldwork makes it possible to explore the differences between what is said in publicity campaigns and what happens on the ground in the studio and offices. I believe that by probing the gaps reality

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is revealed. Therefore, to understand any organization, it is imperative to uncover not only what is insistently present, but the characteristic absences and rigidities, namely what cannot be thought, or what is systematically 'outside'. It is a sharp tool for discerning from inside the division, boundaries and conflicts of the organization instead of its seemingly unifying features. The importance of studying 'from inside' and 'going native,' which many anthropological studies emphasize, remain just as significant for this study.

Ethnographic research comprises a whole set of research methods, which include both technical and philosophical considerations towards sociocultural phenomena. In this section, I will first introduce the philosophical stance of this research in relation to an ethnographic research strategy. Following that section, there will be a discussion of the technical aspects of ethnographic research, i.e. getting access to the organization, data collection and analysis, etc.

4.3.1 Emic and Etic Views in Ethnographic Research

As both an insider and outsider at CCTV, I am aware that during the whole research period for four years, my identity as a researcher in relation to the organization was constantly changing, first by studying from outside, then going 'native,' and then stepping outside. Therefore, I automatically combined the two perspectives of ethnographic research, namely emic and etic perspectives. Emic perspective is concerned with the way the members of the given culture perceive their world; while the etic perspective is concerned
with the way non-members (outsiders) perceive and interpret behaviours and phenomena associated with a given culture.

While the insider's perception of reality is instrumental to understanding and accurately describing situations and behaviours, an etic perspective is an objective external, social scientific perspective on reality (Fetterman, 1998). Some ethnographers are interested only in describing the emic view, without placing their data in an etic or scientific perspective. They stand at the ideational and phenomenological end of the ethnographic spectrum. Other ethnographers prefer to rely on etically derived data first, and consider emically derived data secondarily in their analysis. They stand at the materialist and positivist philosophical end of the ethnographic spectrum.

The difference between the two perspectives points to a fundamental debate in organizational theory: whether the causes of human actions are motivated primarily by ideas (ideational, typically emically oriented perspective) or by the environment (materialist, often etically based perspective). Earlier discussion on organizational culture research confirmed that even though native perceptions may not conform to an 'objective' reality, they help the fieldworker understand why members of the social group do what they do. This is essential in avoiding any a priori assumptions about how systems
work from a simple, linear, logical perspective, which might be completely off target.

However, a sensitive and insightful cultural interpretation of the ‘native’s’ view is not possible without a scientific analysis involving careful consideration of a particular cultural setting and social environment. Therefore, an etic perspective is a good complement to a thorough inquiry. This is especially true in CCTV’s case where the context of analysis is completely foreign and unfamiliar to the West.

4.3.2 Ethnographic Fieldwork

Any large organization, with its internal divisions, its rituals of self-justification, its management pretensions and disgruntled work force, will yield up at least some of its internal complexities and secrets to anthropological study. CCTV, undergoing a fundamental and extraordinarily painful transition beginning in the early 1990s, seemed a good place to get an overall view of the change of the Chinese media industry. Ethnographic fieldwork tools, chiefly including data collection from direct, sustained, participative observation and open, repeated interviews, have been essential in understanding CCTV.

I did intensive fieldwork inside CCTV for 6 months, working as an associate producer at CCTV-9 and CCTV News Channel respectively. The direct involvement in the daily working life of CCTV, facing the same pressures as
the other employees, especially at its most crucial period of transition, provided me with abundant primary data for this case study. During my placement as Associate Producer, or as a full participant, I tried to keep my parallel selves—social researcher and television practitioner—separate.

There was less intensive fieldwork carried out in other departments and with other CCTV channels, in order to gain a broader view of common developments across the organization. Apart from interviewing executives, producers, previous and current employees of CCTV, the research took a wider perspective, examining CCTV’s place in the Chinese television industry. I interviewed television academics and critics, regulators, market researchers, partners and competitors of CCTV. I also attended industry events, keeping a close eye on the development of policies and ideas. All in all the fieldwork generated a large field diary, a book of interview notes, and many files of documents and print media cuttings.

Apart from specific difficulties in researching the powerful and getting access, I am also fully aware that there is a great deal of agonizing among anthropologists over the participant-observation method and the role of the participant-observer. ‘Participative observation’ essentially means participating in the life and culture of the people one is studying, to gain a true insider’s perspective on their customs and behaviour, while simultaneously observing them as a detached, objective scientist. However, in practice, it can be extremely hard to balance both aspects. Unconscious ethnocentric prejudices, and various other cultural barriers make this next to
impossible, or morally questionable, or unreliable or both. In my case, the difficulties of the participant element are somewhat reduced, as I have chosen to study the complexities of my own native people, and an environment in which I have previously worked. While participant observation has its limitations, this rather uneasy combination of involvement and detachment is still widely acknowledged to be the best method for exploring the complexities of human cultures.

In the following section, I discuss two aspects of my field research in detail:


4.3.2.1 Getting Access

The task of the anthropologist is to experience the culture from within. But, just as Chapter One discussed, gaining access to CCTV was onerous from the outset. I had no official aid whatsoever from CCTV and repeatedly met barriers. Supposedly, the art of gaining access lies at the very heart of a field-based research agenda.49 I have to agree that a chronic imperative to nurture access to the field (Baxter and Chua, 1998) was the case here, as well.

In order to acquire an ethnographic view of the organization, I tried to obtain access through three different ways. Although mindful of the organization’s anti-foreignism, I still wanted to try to prove its existence. First, I contacted

CCTV about the possibility of observing and interviewing employees as a doctoral researcher. What surprised me was that there were a few researchers from overseas universities doing research inside CCTV at the same time. My constant failures only proved their snobbishness to somebody who does not have any background or ‘guanxi’\(^{50}\). Indeed, as my research progressed, I realized how much CCTV is embedded in traditional Chinese culture.

Second, I contacted CCTV’s research department and applied to work for them as an exchange for help on my research. I was offered a research position, but no guarantee of getting assistance to observe the organization apart from archive information. Given that the core aim of this research was to examine the most important changes resulting from the PRS, the research focused on the impact on the everyday life of people working in the front line of production rather than those who sat at the back doing paper work.

Luckily, as a result of an incomplete reform of the PRS, the contemporary situation was that the majority of CCTV’s employees were working on a temporary-contract or no-contract base. These loose structures provided a way in. I applied for various jobs working in production departments, which would give me the opportunity to view the changes from the centre of CCTV. This time, I did remember the ‘guanxi’ effect inside CCTV. Had I not exploited all my possible contacts and their further networks, this research would never have been possible. To protect my contacts still working in CCTV, I decided to do covert fieldwork for the six months and reveal my true intention only when I began my formal interviews afterwards.

\(^{50}\) ‘Guanxi’ refers to contacts relationships, which will be discussed later in detail in chapter five.
Indeed, my experience getting access to CCTV and the closure, secrecy and paranoia that suffuses the organization and its operations, provided a real taste of CCTV's culture right from the beginning. The closure reeked of an arrogance often noted by observers of CCTV. Employees inside the organization acknowledged the closure, and it resonated with the experiences of many staff members. A Chinese saying encourages one to suit the remedy to the case. This reminds us to act according to actual circumstances. However, it is only part of the justifications to the field research on the case of CCTV.

The main reasons that I think the 'covert' approach is justifiable are three-fold: Firstly, the 'covert' approach is the only way to get valid data without disturbing people who were observed. In the specifically secretive context of CCTV, engendered by hierarchy and people's fear of presenting a negative picture, this 'covert' approach protected my respondents from having to speak out directly. Also, it allowed me to observe their behaviour and draw my own conclusions. Second, it was an approach suggested by my contacts inside CCTV as the best way to approach the organization. Thirdly, following my initial 'covert' approach, I did allow those working in the organization an opportunity to put the record straight and correct any false impressions during the later round of formal interviews. According to International Sociological Association's Code of Ethics 2.3.4.: 'The consent of research subjects and informants should be obtained in advance. Covert research should be avoided in principle, unless it is the only method by which information can be
gathered, and/or when access to the usual sources of information is obstructed by those in power'. A joined code of ethics among The British Sociological Association, the American Sociological Association, the Association of Social Anthropologists of the Commonwealth and the Social Research Association also suggested that ideally, 'where informed consent has not been obtained prior to the research it should be obtained post-hoc'. This research has followed the above code of ethics closely.

4.3.2.2 Fieldwork Structure

My fieldwork in China comprised two stages, working within and outside CCTV. As Table 4.2 shows, I spent six months (June 2003 to December 2003) doing participative observation inside CCTV. I took on a position as Associate Producer at two different CCTV channels—CCTV-9, the English Channel; and CCTV News Channel, the news channel running 24 hours a day. These channel selections were intended to achieve a better understanding of the giant organization from two different sub-units. This is especially true as CCTV-9 is more representative of the traditional CCTV in terms of content censorship and presenting Communist Party propaganda to the outside world. On the other hand, CCTV News Channel represents the more progressive aspects of CCTV, and it is a channel that resulted from the organization's internal reform. Traditionally, the people working at CCTV News Channel are regarded as the most progressive in Chinese television. Therefore, the

reasoning behind the choice of these two channels as the base of my fieldwork was to gain an insight into the ‘old’ and ‘new’ faces of CCTV.

Table 4.2: Fieldwork Arrangement at CCTV, Beijing, China

<table>
<thead>
<tr>
<th>Time</th>
<th>Stages/Place of field research</th>
<th>Approaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>June to Aug 2003</td>
<td>Within CCTV-9 (English Channel), working as Associate Producer (also called programme research)</td>
<td>Participative observation, Observation diary, Archive data collection</td>
</tr>
<tr>
<td>Aug to Dec 2003</td>
<td>CCTV News Channel, working as Associate Producer, Director, Researcher and Correspondent</td>
<td>Participative observation, Observation diary, Archive data collection</td>
</tr>
<tr>
<td>Dec 2003 to Jan 2004</td>
<td>Outside CCTV</td>
<td>Interviews with focus groups(^\text{52})</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Repeat interview with 5 key informants (5x4hr interviews with approved note taking)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Interview with 48 CCTV employees on different roles and different contract bases.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interview data analysis, Archive data collection</td>
</tr>
</tbody>
</table>

Apart from daily observation and specific questioning over discussions of work-related conflicts, I spent one and a half months doing open interviews after working inside CCTV for six months. Amongst the people interviewed, there include employees on different contract bases, in different departments and of different genders. I have to emphasize the ‘openness’ of the focus group interviews, since these were the interviews I did after I had disclosed

\(^{52}\) See Appendix 4.
my role as a doctoral researcher, and after I finished working inside CCTV.
All the interviewees approved my interview notes.

4.4 The Process of Building a Grounded Theory

This research largely followed the grounded theory approach formulated by Glaser and Strauss (1967), and more recently employed by several others (Kram, 1983; Kram & Isabella, 1985; Sutton, 1987; Sutton & Callahan, 1987). This approach requires an overlap between data gathering and data analysis, which means that data and theory are constantly compared and contrasted throughout the data collection and analysis process. This involves writing down impressions as they occur, pursuing avenues of questioning in interviews and continually comparing experiences with the developing insights. It is preferable to react rather than to sift out what may seem important because it is difficult to know what will and will not be useful in the future (Eisenhardt, 1989). This blurring of data collection and analysis is the strength of the grounded theory approach allowing the researcher to make adjustments to developing constructs and data collection methods.

Evolving theory directs attention to previously established important dimensions, while the actual data simultaneously focus attention on the theory’s suitability as a frame for the most recent data collected. I did not take individual fragments of data as indicative of cultural features but interpreted them as part of a wider corpus of data. The data analysis was characterized by a hermeneutic, interactive process of going back and forth from critical
reflection to the data, and from part to whole, searching for key themes and patterns, and questioning, redefining, or buttressing the key themes and patterns identified with further evidence. (Kets de Vries & Miller, 1987; Thachenkery, 1992). The result of this fluid movement between theory and data is a reconceptualization, often based on a creative leap (Mintsberg, 1979; Post & Andrews, 1982) that should account for and encompass all nuances in the data.

4.4.1 Data Collection

The triangulation of data sources is necessary for avoiding any respondent and interviewer bias, clarifying detail, and cross-checking responses. This rationale is the same as that used in hypothesis testing research: i.e. multiple data sources and collection methods provide stronger substantiation of constructs and hypotheses (Eisenhardt, 1989). Multiple interviewees and informal conversations may bring different perspectives on the same problem and archival documentary evidence can be used to extract data from an impartial, 'dead' source. Therefore, data collection was carried out through different approaches and resources at different stages of the fieldwork. The main aspects of the data collection adopted in this research are: observational data, informal conversational data, interview data and archive data.

4.4.1.1 Observational and Conversational Data
During the first 6 months of on-site observation in CCTV, data collection was mainly from participative observation and casual conversation. While some formal interviews were conducted, the bulk of the data acquired here were from far less structured situations (Van Maanen, 1973). The conversational data were drawn primarily from naturally occurring encounters with persons along the production line. Most of the data reported here stemmed from informal interactions with people working in their normal work environments. Observational notes were kept nearly every day, as time permitted, during the entire six-month stay on-site. Since I rarely used a tape recorder, the conversational data are only as accurate as my memory and ears allowed (Van Maanen, 1983a).

4.4.1.2 Interview Data

In the second stage of my fieldwork, I conducted extended in-depth interviews with a wide range of people from inside and outside CCTV. Within this group there were top journalism and broadcasting scholars, journalism educators, media administrators, radio and television producers, and ordinary people working in the Chinese television industry. Under the 'open and reflective' guideline, interviews were semi-structured or unstructured, as it is important to pursue the analysis from the insiders' experience of their reality, instead of imposing the culturally determined preconceptions of the researcher (Hatch 1997). When further questions arose during the course of the interview, repeated interviews were carried out

For detailed examples of interview questions, please see Appendix 1.
with key informants. This approach also served the needs of the ‘grounded theory’ analysis, as discussed earlier.

Due to the politically sensitive nature of the subject and the practical difficulties associated with making sense of highly interactive discussions between participants, the interviews were not recorded, but notes were taken with the permission of interviewees. To protect my sources, interviewees usually are attributed generally via an individual’s occupational status or position. Sometimes the individuals mentioned are disguised, except when the identity of the person in question is so obvious as to make this meaningless.

4.4.1.3 Archive Data

Pursuing documentary research in China involved an extensive examination of Chinese books, Chinese Communist Party and government documents, press reports, and academic and trade journals published between the late 1980s and the present. Journalism and broadcasting yearbooks, academic journals published by journalism schools and research institutions, and trade journals published by major news organizations served as primary sources for tracing trends. Journalism trade journals and internal policy publications of government media administrations provided a particularly rich source of policy instructions by Party and government authorities. In addition these documents revealed views and comments about media theory and practice made by media critics, media officials, and rank-and-file reporters and
editors. In the meantime, a large number of the books and diaries of people, who formerly worked or continued to work at CCTV, were published or were available for internal circulation. I examined a wide sample of these in order to support an internal view of the organization, and to achieve the triangulation of my observations and confidential interviews.

4.4.2 Data Coding and Analysis

My initial analytical task was to detect the patterns and processes that could help to 'make sense of what is going on in the scenes documented by the data' (Hammersley & Atkinson, 1995:209-210). I was conscious throughout the research program that 'what we call our data are really our own constructions of other people's constructions of what they and their compatriots are up to' (Geertz, 1973:9).

Field notes, interview notes and a field diary were coded manually and regularly after each week, and initial categories were identified with the process of coding. Given the nature of overlap between data collecting and coding, preliminary categories were continually modified by eliminating old ones and adding new ones to account for newly acquired evidence. After the process of data collection, each description was systematically and thoroughly examined for evidence of data fitting these categories. I reviewed each interview transcript, extracted verbatim sections, recorded them on

separate sheets of paper to represent the core of an individual's statements, and coded them into the final categories.

It is obvious that no process of coding can be totally 'unbiased'. Just to ensure the accuracy of the category coding, I had an independent reviewer, blind to the purpose of the research, code some data. The independent coder, who was given representative examples from the data of each category, instructed in the rationale for each representative placement, and asked to code 25 randomly chosen excerpts, assigned 24 of the excerpts to the same category that I had, yielding a 96% level of agreement. Although this figure may include chance agreements (Zwick, 1988), I considered it to be a reasonable verification of the accuracy of the coding procedure.

After coding the data, I examined these coded categories and their relationships with one another for patterns, themes, and processes that would account for the frequency, strength, and presence or absence of any category. I must emphasize that the fieldwork produced patterns, not hypotheses, and I judged these patterns by their believability, not against any prior theories or models.

4.4.3 The Theoretical Sampling Process

Theoretical sampling is the process of selecting on analytic grounds which of the collected data to analyze and, in the later stages of the fieldwork, what further data to collect. From my research into CCTV's transition since 1993, I identified the theme of the reform of the PRS (Producer Responsibility
System) and its impact as a key issue of interest. This influenced the focus of observations and interviews and sharpened the questions asked during my research. Differences in the ways in which the production management and personnel system changed before and after the reform became immediately apparent. To study these differences in detail, I gathered additional data around this theme.

4.4.4 Expanded Analysis

By analyzing the problems brought with environmental change and the tension between organizational culture and transition, I insist on a largely interpretive basis with 'thick description' (Geertz, 1973) to maintain a true picture of the complexity of the organizational transition. Chapters Five and Six present the results of this analysis with direct quotes and general descriptions of the context of specific situations to illustrate the patterns I describe. The examples provided have been expanded to include sufficient context and supporting explanation so that they can be understood by the reader. These examples are not always quotes from field notes or interview notes but are often reconstructed descriptions and accounts of particular situations drawn from the field notes. Where informants are quoted directly in the text, those quotations are reported verbatim, but with an accompanying explanation where necessary.
4.5 Chapter Conclusion

This chapter summarized the methodology adopted in this project, from a grand approach to studying organizational culture in relation to fundamental research interest to the technical ethnographic research techniques, regarding getting access, data collection, and interview skills to theory building processes.

On the grand theory level, this research follows a *practical-hermeneutic* cognitive interest, therefore, focusing on understanding and interpreting the ‘native’s’ view of CCTV’s organizational culture. This research does not follow any pre-set research agenda. On the technical level, this research has followed an ethnographic field research strategy by doing participative observation. I chose the particular covert strategy in order to both following the ‘rules’ of CCTV’s culture and in order to protect my contacts working within CCTV. Data collection, analysis and the theory building process followed the grounded theory approach, by constantly coding, analyzing and recollecting data. Interviewees approved interview notes, and an independent coder repeated the coding process to ensure that the degree of unbiased agreement generated was satisfactory.
5.1 Introduction

This chapter follows the interpretivist approach to studying organizational culture. In relation to the dualistic nature of the concept, this chapter focuses on the subjective, ideological side of the organization, and it incorporates a micro level analysis. In terms of ethnographic perspective, this chapter takes an emic view of ethnography.

There are three sections in this chapter. The first two sections are individual case studies based on my participative observation of CCTV’s transition from within the organization at the end of its third stage of change. The third section is a cross case analysis of CCTV’s organizational culture, using evidence from both of the above two case studies and data collected from other departments and sources within and outside CCTV.

Even though the processes of data collection were the same, due to the word limit of this thesis, I cannot provide a full ethnographic account for each
individual case I observed and studied. The two case studies focus on slightly
different levels of CCTV culture, with a certain degree of overlap between the
analyses of both cases. Given the order of my observation phase and the time
spent at each channel, I use CCTV-9 as a preliminary case study, in which the
facts and stories presented focus more on cultural artifacts and superficial
manifestations of organizational culture.

The case of CCTV News Channel reinforces and corrects some of my first
impressions. With the progress of observation and data collection, in the case
of CCTV News Channel, this analysis focuses more on beliefs, values, and
basic assumptions of culture. Moreover, there is a greater exposure of
CCTV’s role as a news media and Communist Party propaganda tool. My
understanding of the rules behind cultural artifacts improved significantly
during the case study of CCTV News Channel, and its cultural patterns
became more recognizable.

As mentioned in Chapter Two, I intentionally chose CCTV-9 and CCTV
News Channel in which to set up my observation camp, as they are the ‘new’
and ‘old’ faces of CCTV, in terms of its progress in media function and
degree of control. In the third section of this chapter, I will make a cross case
analysis of the reform and development of the PRS in CCTV based on what I
experienced from within the organization. At the end of this chapter, I
summarize all my data coding and analysis into four ‘logics’: Party,
commercial, professional and ethnic logic. These four logics will be discussed
Further in Chapter Six from a functionalist approach in order to triangulate this chapter's discussion.

For the sake of further analysis, in each case study I synthesize my fieldwork diary, and conversational, observational and interview data into several main categories. The categories are arranged with no particular order. Paragraphs in italicized font are direct quotations from my field diary; direct quotations from other informants are presented with quotation marks. For confidential reasons, the names of people interviewed and quoted have been replaced with their position in their production team. The names of television programmes mentioned have been replaced with a letter. In the case of a direct quotation from my field diary, I have kept the text in the original first person and present tense. Whenever I use the pronoun 'we', I indicate the production team with which I was working. Anywhere else in the analysis, I refer to CCTV and the channels or production teams in the third person and past tense.

**Facts about the two cases**

CCTV-9 is the first pure-English-language channel at CCTV. It started broadcasting on 25th September 2000, and it is dedicated mainly to reporting news and information to its global audience, with a special focus on China. CCTV-9 covers the whole globe via six satellites. It broadcasts 24 hours a day, seven days a week. The CCTV-9 homepage states that ‘CCTV-9 pursues
the principle of fairness and diversity in its coverage. CCTV-9 is your primary source of information and your 'window on China'.

CCTV News Channel was established in May 2003 as part of CCTV’s ambition to become a world class media organization. The launch of a 24-hour news channel was a new direction in the development of CCTV’s News Commentary Department (NCD). The core work force of CCTV NCD, comprised producers and chief editors who were second or third generation employees of the programmes Horizon (Dongfang Shikong) and Focus (Jiaodian Fangtan). The culture and management of CCTV News Channel are still in the distinctive ‘Horizon-Focus style’, with stories of the past media heroes still told. Therefore, although newly established, CCTV News Channel was a window onto the CCTV News Commentary Department (NCD), where the third wave of reform originated in 1993.

Like other programmes at CCTV, people in both of these two production teams were mostly on temporary contracts, either with the respective channel (Bupin) or with individual programme (Zupin). Also, there are usually one or two people in each programme who are formal CCTV employee(s) (Taipin). For example at CCTV-9 Programme T, there were two formal CCTV employees employed as Taipin, two on a Bupin contract with CCTV-9, while all the five others were temporary Zupin employees with no contract. Among those five, three were university students from BBI (Beijing Broadcast Institution), who were part of the main work force of Programme T, even
though they worked for the programme on a part-time basis. As well, two out of the four presenters worked for the programme on a part-time basis.

As part of CCTV NCD, CCTV News Channel’s Programme C is more structured, even though it was launched later than CCTV-9. The presenter of this programme is one of best-known presenters of CCTV and one of Horizon’s stars. Including the presenter, one third of the production force were Horizon veterans. Apart from one piece-worker, there were no part-time employees. There was one student intern who did not take a role in production.

5.2 CCTV-9 Case Study

Grounded theory approach requires the researcher to build up the theory with an open mind and with no hypothesis. In the CCTV case, I have to admit that growing up watching CCTV programmes and admiring CCTV stars, my experience in CCTV-9 started with great expectations. Even though I was not totally unprepared for what I was going to see at CCTV after an adventurous round of getting access, what surprised me at CCTV-9 was a good indicator of the course of my organizational culture journey with CCTV. Seeing is believing, and what I experienced first hand and what I heard from the interviewees revealed what was behind all the positive official data and documents.
5.2.1 First Day, First Impression

With the rapid expansion of CCTV, like many other channels, most of CCTV-9’s programmes had to move out of the main CCTV building. The programme that I worked for is located in a building, called ‘Keqing’, to the west of the main CCTV building. It is fairly conservatively-designed and it originally belonged to China Technology and Information Bureau. Many of CCTV’s new programmes rent their offices in this building. There were two safety guards at the main gate of Keqing, but the security was not strict compared to that at CCTV’s main building.

Most of the offices in Keqing were rented out. Apart from CCTV, there were also many small companies working in that building. Many of the new programmes from different channels of CCTV were then based in Keqing. Apart from offices, there were two or three editing and dubbing suites based there. Frequently there were filming crews coming in and out with their filming kits. Many members of the crews were in their twenties or early thirties. They looked relaxed and wore casual clothes. Programme T was located on the first floor of ‘Keqing’, and on the way I passed the offices of many familiar programmes. People in the corridors did not seem to know each other. Occasionally I heard people greeting each other quite formally. One might call another ‘surname plus laoshi (master)’. Most of the time, people walked with their heads down and did not stop to chat in the corridor.
Although there were cleaners working throughout the building, it was still a messy and dirty place. There were disposable cups everywhere, and sometimes splashed tea on the floor. None of the cubicle doors in the lady’s room functioned properly during the whole time that I worked there. Each programme had its own office; some were small, some were many times bigger than others. The interior design and decoration of these offices varied widely. Some had the CCTV logo and their programme logo on their doors, some did not. Even the way office doors locked were very different, some had a chain lock, some had proper decorated keyholes.

The following is an excerpt from my diary on my first working day at CCTV-9:

... I arrived there at 9:15am, which is halfway between the times that I was told to be there (I was told that I could come between 9am-9.30am). But the whole building was nearly empty and only cleaners armed with black mops and fuzzy rags were working around.

Since I hadn’t got the key to the office, I had to wait outside. I waited until 9.30am. The production assistant arrived. We two were the only ones there till 11.30am when another presenter came for lunch. And then she had a nap before she started working for the day. The part-time trainee researcher arrived on time. She was complaining that one of the director producers she was working with had not arrived, whom she was expecting to come around 10am. The director producer she was waiting for finally turned up at 4pm complaining about the traffic jam in Beijing. But she brought a lot of apricots for all of us, as her way of saying sorry...

The producer did not turn up for the whole day. I was told that she normally works at home. We got an internal handbook for our production team, drafted by the producer. It had been nearly a year since the programme launched, but it was not until now that they started to think about the handbook and the basic regulations of the programme. It was a two-page Word document with no header or footer or CCTV logo on it. In the ‘handbook’, production process was defined with a broad-brush and each role of the production
team was mentioned with one or two sentences, some general rules and regulations were reinforced in the handbook.

Regarding my role as a researcher, there was no more than three sentences in the guideline: First, Researchers should provide a detailed shooting proposal within a week after the topic is confirmed. Second, Researchers should take the initiative to propose new topics and prepare a topic reservoir. Third, all the proposals need to be approved and signed by the channel controller. (20th June 2003 Diary)

Contrary to what I had imagined, on my first day in CCTV-9, I did not hear telephones ringing constantly, see people walking quickly, everybody having a thick diary, and looking stressed at working towards deadlines and other things such as one might expect in a television studio. There was no clear destination or plan for what they were doing and no real pressure. The foremost impression was that it was a very relaxed and informal place.

When it came to production, the standard and level of practice was elementary. There was not a role for researchers before I arrived. All the programme ideas were generated through random discussions, and there was no long-term plan. When it came to each individual episode, they hired a student to download information from the internet on a part-time basis. Basically they had an information collector rather than a researcher. This was a programme with no history, no archive and no experienced staff. Everything we did, we did from scratch. All we had were some CDs or DVDs of similar programmes made by Discovery Channel.

The producer seemed very proud that we were then the only programme like this in the English language ever broadcast in China. It sounded as if our
audience lived in China, even though CCTV-9 is supposed to target overseas audiences as a way for them to get to know China. When asked about the audience, she roughly said that our target audiences were those who might want to come to travel in China. With no commercial interest, production certainly did not have any pressure on profit-making, which led to a lack of basic understanding of both the programmes they should make and the market they should target.

5.2.2 Low-tech or High-tech Propaganda Machine

CCTV is armed with the most state-of-the-art equipment for news production. However, when it comes down to the departmental and production team level, technology support and maintenance are very poor. There was no professional IT support team. IT support was so sparse that there was not even an e-mail service for the CCTV domain. (This is still the case at the time of writing.) Upper-level employees have business cards that read ‘XX Lee, Executive Producer, xxlee@hotmail.com’. When it came to the individual team level, employees were responsible for solving all computer problems themselves. Our production assistant happened to know more about computers so he was asked to help update the software and occasionally act as a hardware technician.

If the technology at CCTV-9 was primitive, the physical environment was even more so. Generally, the building maintenance at CCTV-9 was very poor; in most places, the window ledges were thick with brown, crumbly dirt.
The air conditioning vents were bent and rusty. The walls were smeared with shoe marks, spilled drinks and handprints. Tiles on the floor were loose and broken. Keyboards were grimy, monitors were dotted with fingerprints, vents on CPUs were furry, and tabletops were crusty. In fact, maintenance was very poor even within the production team. Our team was a bit too economical in its expenditure on stationery.

...It is very difficult to find a pen or printer paper. The producer said that if it is not extremely necessary, we should circulate more things via email rather than printing them out. (27th June 2003 Diary)

When comparing information provided by interviewees from different channels and programmes, there did not seem to be a common standard of maintenance among different channels and production teams. Production teams were very independent from each other, from the channel and CCTV. It appears that the outer circle of CCTV is 'ruled' by producers with highly differentiated internal policies determined by the producer's personal style, professional judgment and exercise with entitled autonomy.

5.2.3 Hierarchy and Official-oriented Ideology

Even though production teams were loosely attached to the upper level organizational infrastructure, hierarchy was still obvious within CCTV-9. Within the production team, apart from the different coloured ID card system mentioned in Chapter Two, examples can be found in details like the contact list of people in the production team (see Appendix 4). The list presented staff members according to their administrative status, and the length of time spent
working in the division. In this way, the producer was listed at the top, directly below were editors-in-chief, editors or researchers who joined the team earlier, and finally the most recent employees at the bottom.

At the higher levels, it was rare to see key figures who worked in the CCTV main building come ‘down’ to Keqing. I use the word ‘down’ deliberately, since it was a production team celebration when some one from ‘above’ physically came to our office.

(Days before the Vice-Controller’s visit), we were told to clean our office and make everything look tidy. We were also reminded that he had been away on medical leave, therefore, our producer asked us all to stand up and applaud him when he walked in. (29th June 2003 Diary)

At CCTV-9, hierarchy was certainly not just about the frequency that people from ‘above’ came ‘down’ and the way we prepared for their arrival. It was more about the style of communication. Normally, the atmosphere was very informal and a bit deserted, as mentioned earlier. Yet when network executives were present, communication was largely unilateral and dictatorial.

The meeting was set at 2pm. We had tidied up our office. At about 1.50pm, everybody was waiting for the Vice-Controller of the channel. At about 2.15pm, the vice-controller arrived. And we all stood up, as our producer indicated, we all applauded to welcome him in. The scene was just like what we saw in old communist movies, that all the party members stood up and applauded Chairman Mao or other key Party leaders. The sense of hierarchy suddenly overwhelmed us all.

The meeting was supposed to be a discussion about how to make the programme better (a very general topic). But there was no specific problem raised. After we all sat down and the new members of the group were introduced to the vice-controller. We were all expecting his prompt of the discussion. The vice-controller did not bring anything with him, not even a note pad or a piece of paper. On the topic of how to make the programme better, he briefly highlighted some of the key topics, which had been discussed in the weekly channel meeting. The meeting went on as the vice-controller
improvised on some random topics that came to his mind. The two permanently employed people in our programme kept nodding in support of the vice-controller. All the rest kept their heads down as if this was nothing to do with them.

After the speech, we were asked whether there were any problems that we wanted to raise. The two formally employed people were asked first. The producer first agreed with the vice-controller on the points he covered, and assured him that we would improve under his guidance. Presenter A did not add much apart from agreeing with them. Finally the rest of the group were asked, but not individually, whether there were more issues that they wanted to raise. All shook their heads. The vice-controller seemed satisfied that no one raised anything after his instruction... (2nd July 2003 Diary)

Throughout the meeting, the discussion was always conducted according to the order of seniority under the prompting of the Vice-Controller. Therefore, the sharing of ideas was constrained by the producer and the mutual understanding of the invisible 'order', as if creative ideas come in linear and regular order with no arguments and counter arguments. The vice-controller was used to controlling and prompting people in public, and the rest of the production team were used to listening to senior people and waiting for their instructions. There was no clear sign to stop people from raising further issues in the discussion after the vice-controller's doctrine, but the producer did not raise any issues, and neither did Presenter A. For the rest of the group, there was an understanding that we would not normally disagree or expose problems in front of people from 'above', apart from 'seeking guidance'.

Both the visible and invisible traits of a caste system put people off communicating freely, let alone sharing without reservations. Junior (less experienced) staff may not be willing to disagree with their laoshi(s) or seniors in order to keep the balance of hierarchy. This may lessen the
possibility of creating positive results or innovative ideas through 'creative friction.' The value of ideas is ignored both by managers and non-managers rather unconsciously or habitually instead of deliberately. The communal space and time are artificially manipulated by an invisible hand.

What is interesting is the contradiction and contrast between the apparent informality observed within the outer circle and the underlying strict hierarchy maintained by the inner circle. As the result of the PRS, the highly centered old culture began to unfreeze (Lewin, 1957) within the outer circle, but this change had not penetrated into the inner core of CCTV. Strict hierarchy and power were still closely observed at the centre of the inner circle’s value system. Nevertheless, this contrast is evidence of the uneven change and distinctive culture of the two circles.

5.2.4 ‘You don’t need to know why, just follow suit.’

The secretiveness of CCTV was not apparent solely to outsiders, it was the same to most of the insiders. As the single connection between the two management circles, excessive power accumulated in producers’ hands. There was a lack of transparency even in daily operations. Information sharing was noticeably poor. People learned from what they saw and heard, sometimes what they guessed, or they simply followed suit to avoid any mistakes. Many employees did not know much of what was going on. The only thing they could do was to follow current instructions and wait for new ones.
I was asking our production assistant about the details of getting receipts to exchange for my first month salary, and I complained about the trouble to him, and tried to ask for an explanation. He must have sensed something or maybe he is just so experienced not to say more than necessary. Maybe he really did not bother to know. He just told me 'We don’t need to know why, just follow suit.' I was also told by a CCTV-9 veteran not to ask too much in this place. (13th July 2003 Diary)

A large part of the shared values of CCTV-9 may be described as ‘ignorance is bliss’. Being guai (obedient) is regarded as the underlining rule for survival in this place. This rarely becomes problematic, since the traditional Chinese standard of a good student and good employee includes being guai (obedient) and obeying your seniors. Most of the people on the production frontline were people younger, less experienced, less well-paid and less respected than the people from above. In accordance with the hierarchical order, they are not expected to argue and disagree with their ‘seniors’.

As a typical Chinese state-owned enterprise, CCTV was the best place to see how culture traditions and conventions mix with new management terminologies. On the one hand, CCTV management staff showed off the most topical management terms, i.e. knowledge management, creativity economy, etc. Yet on the other hand, when it came down to daily practice, employee instructions were merely: ‘follow suit’. As Chapter Two argued, Western management terminologies and skills, including the term ‘organizational culture,’ were practised and promoted without a thorough understanding of the real meaning. Certainly in the case of organizational culture, the concept of culture was seriously reduced to some cultural artifacts, and therefore failed to touch upon the deeply rooted cultural beliefs and basic assumptions of CCTV workers.
5.2.5 ‘Did you know our producer before?’

As mentioned at the beginning of this chapter, I was not entirely unprepared for the guanxi (connection/contact) culture in the CCTV, after the adventure of getting access. Admittedly, this is not just a CCTV issue, for the power of guanxi (connection/contact) is unavoidable nearly everywhere in China, especially in the SOEs (Yeung & Tung, 1996). At an early stage of my pilot study, my guanxi told me that nearly everybody working for CCTV (including Taipin (departmental contracts) and Bupin (station contracts)) came with some kind of ‘guanxi’. In other words, if there is no ‘guanxi’ at all, you can not get employed easily, or you might be treated unfairly. It is good to understand other people’s networks, in order to protect yourself. However, I was still not prepared when I was asked so directly, although quite skillfully.

This is the second time that I met Presenter B. When we were on the way together to collect our lunch boxes, she asked me ‘Did you know our producer before?’ Having been warned, I understand perfectly why she was asking me this question. ...I then asked her the same question. As I expected, she said that she and our producer were former schoolmates at BBI. (22nd June 2003 Diary)

Presenter B and our producer were both from the Beijing Broadcasting Institute (BBI) (renamed the Communication University of China in 2004). Once the training centre for the early journalists and technicians for broadcasting, BBI is the cradle of Chinese broadcasters. It is not surprising that many people working in most Chinese media organizations are BBI alumni. Like the ‘Oxbridge culture’ at the BBC described by Born (2004), CCTV has a typical ‘BBI culture’. Take both Programme T on CCTV-9 and
Programme C on CCTV News Channel as examples. Four out of nine, and seven out of thirteen employees on both teams respectively, were either current BBI students or BBI alumni. With nearly half of the team related to BBI, a high degree of homogeneity is reflected in the construction of the production teams.

However, the BBI culture was only one part of the complex and intertwined guanxi network penetrating all aspects of CCTV and Chinese society. According to a survey conducted by CCTV in 2003, only 10% of current temporary employees were hired from public recruitment, while the rest (90%) joined CCTV through various kinds of guanxi. CCTV-9 was the least influenced by the guanxi effect, given its English language based production. On all other channels and production teams, guanxi is the most common method of employment. Even the founder of Horizon admitted that most of his team members were connected with a special ‘kinship by guanxi’ (Sun, Y., 2003:61). Traditional Chinese cultural elements have been extraordinarily influential as a default arrangement when new formal organizational institutions are under further development in organizational change.

Therefore it is not surprising that many temporary employees regard themselves as ‘XXX (producer)’s men’ rather than ‘CCTV’s men’. Loyalty

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55 Li Cui, Yangshi qidong daguimo renshi gaige, qingtui 1600 yu yuangong [CCTV launched personnel reform on a large scale, 1600 employees will be laid off] Available at: http://www.southcn.com/news/china/zgkx/200501140462.htm (Accessed 2nd February, 2005)
and respect flowed towards the head of each individual team, rather than towards CCTV as an organization. Within ten years of the development of the PRS, the outer circle of CCTV gradually was turning into a fragmented subculture clustered around the producers in the centre, with many mini-networks based on *guanxi* around each producer. The sense of belonging to CCTV decreased, while loyalty towards an individual production team and producer increased, especially when the existence of quota system further separated the outer circle from the inner core of CCTV.

5.2.6 Grandson inside, Grandpa outside

Chinese people are famous for their family-oriented culture, according to which, older generations enjoy respect, care and decision making rights. Chinese people often use the analogy of the hierarchical contrast between grandson and grandpa to describe a power relationship between two parties. More often than not, this analogy is used to describe a bullying relationship. The stronger, or the more superior and advantageous party is in the ‘grandpa’ position; the opposite party is in the ‘grandson’ position. Both terms have a negative connotation in this context.

Chapter Two discussed CCTV’s monopoly status in the Chinese television market, and its unparalleled administrative power provided by the *danwei/*work unit system. The analogy of CCTV as ‘grandpa’ outside the organization describes the situation vividly. CCTV’s film crews were regarded and treated as officials/representatives from higher administrative
level for inspection when they go filming, especially in remote areas of China. Take *Programme T* as an example. Before every filming trip inside mainland China, our production assistant rang the publicity department of the local government, to ask for help on accommodation and transport. The assistance that they received varied, but most of time they were provided with top-level accommodation, tour guides, and sometimes even free of charge travel arrangements. In some cases, local officials even visit the filming crew personally. Having been spoiled with respect, hospitality and facilitation, there have been cases that filming crew bullied or threatened the local government and citizens with more personal requests.\(^56\)

However, for most people working at the bottom of the hierarchy, the situation can be totally the other way round inside the organization. With the split between the inner circle and the outer circle discussed in Chapter Two, and the fact that the majority of the employees still dream of quota employment, people within the inner circle feel more privileged and superior. Under the PRS there was rapid development in the outer circle bringing many temporary employees more practical benefits, both in terms of income and fame. Yet the contrast between the inner circle’s symbolic superiority and the outer circle’s practical benefit made the split even wider. Some observers explained that in a sense, the fast development of some very successful programmes and financial benefits brought to people on the outer circle were envied by people in the inner circle. The discrepancies between their status

\(^{56}\) From confidential interviews and internal publications of CCTV.
and financial benefit made the revenge and bullying against the outer circle an obvious channel through which to air disgruntled feelings.

Director C and D were complaining about the next arrangement for a filming trip. Usually, the filming team is made up of 3 to 4 people: a presenter, a director (sometimes the same person as the presenter), a cameraman, and a recording director. But due to the working relationship with the technical support department, each time our production team goes to film scenic spots in the country, they were asked to take one technician from the technical department as a 'technical support'. In reality, the photographer does the job. This was obviously a 'support' saddled on their shoulders. If they don’t accept this 'support', there will be future problems when we really need their technical support.

The two directors were complaining that the technician did not bring them any support but that the ‘burden needs extra care’. However, as students themselves, they did not feel that they were in the position to correct things. I asked them whether the controller of the channel was aware of it. They said: ‘of course he must know, but this is the way things are. What can he say, and why should he say it? The production is fully funded by the government. Why should anybody make a personal objection?’ The cost of production is increased in this way. But this might be one of many unnecessary expenses on top of the lean production cost. (26th July 2003 Diary)

Bullying like this was common inside CCTV with the inner circle in the ‘grandpa’ position and the outer circle as the ‘grandson’. From one perspective, it was a compromise made for the sake of a long-term relationship and a balanced ecology of the organization. From another perspective, difficulties would increase on daily operations, like ordering tapes and cameras, booking editing suites etc.

Certainly, this bullying was not restricted to CCTV-9. Even some formal regulations put temporarily employed people into very embarrassing

57 This information was provided by people working or formerly working at CCTV through confidential interviews.
situations. For example, temporarily employed people do not have the right to borrow filming tapes, cannot take interviewees inside CCTV buildings, and people who are employed only on zupin contracts are not allowed access to CCTV’s main building etc. These seemingly unimportant details hurt the feeling of many temporary staff. Unfortunately, because most of the production teams only have 1-2 people employed with Taipin or Bupin contracts, the rest of the team can not get easy access to the main building, and many of the daily production chores became a heavy burden for them.

At CCTV News Channel, there was a new job created to cope with this situation. Among three or four programmes, we had one person, who was formally employed to be in charge of all the tape-related chores, which required free access to CCTV’s main building. His job included searching for programme-related footage requested by all the teams, and borrowing from and returning the tapes to the archive. It is ironic to consider that someone with such elementary responsibilities would be part of the inner circle of CCTV employees. Yet, given the ‘importance’ of his job to the daily operation to all the teams, this person with such a minor supporting role in television production controlled the fate of all temporarily-employed people on these teams.

Again, the split between inner and outer circles is not subject to the nature of this work, or the degree of significance to creativity and production. Most of the time, it is artificial technical boundaries that divide the organization. Many temporarily employed staff may have become accustomed to this situation.
after ten years’ struggle. What cannot be neglected are the side effects of these
details to management efficiency. CCTV is first of all management- and
hierarchy-driven instead of production driven. But the sacrifices made by
production staff in order to balance the consequences of an uneven progress of
change was certainly unexpected.

5.2.7 Case Summary

I intended that my time at CCTV-9 would provide the preliminary case study
of CCTV’s culture. Controlled by the central government for propaganda
reasons, CCTV-9 was generally regarded as the old face of CCTV. My
observations focused on the development of the PRS in CCTV-9. Given the
fact that observation is limited to a superficial level, my findings were
scattered around facts concerning: management inside production teams,
current development of the PRS at CCTV-9, and the producer’s role between
the two management circles.

First, within production teams it was clear that autonomy did improve at the
production team level. Producers now have the authority over personnel,
finance, management and development decisions within the team. But
without professional standards and proper supervision, internal policies
within each team tended to be influenced heavily by traditional Chinese social
conventions and an abuse of excessive personal power. For example,
personnel management still struggled to break the guanxi effect. Excessive
power at the producer level coupled with the fact that most of the team
producers are the single connection between the two management circles, resulting in a lack of transparency in daily management arrangements. What is worse was that hierarchical culture and official-oriented ideology made ‘follow suit’ and ‘being guai (obedient)’ a popular solution in situations of doubt and discrepancy.

Second, looking back at the organizational hierarchy, production teams were certainly at the bottom of the CCTV hierarchy. The decade-long transition from government sector to media enterprise meant that the official-oriented culture still dominated CCTV-9’s management style. The split between two management circles was not restricted to employment status, and the wider difference comes from a split between management and production. On the one hand, management was regarded as more important than production, as production staff followed the dictates of management. On the other hand, the contrast between status and practical benefit between the two circles made the outer circle more vulnerable to bullying by the inner circle.

The over-whelming danwei bounded culture made people working on a temporary contract ashamed of their situation in comparison to employees formally acknowledged and protected under the quota system. While the world-wide media industry is heading towards a more flexible infrastructure and production model, CCTV, as the flagship of Chinese television still struggles to get a ten year old policy accepted across the organization. Originally designed to be more efficient and flexible, the PRS failed to break through CCTV-9, despite a decade of effort. As the consequence of an
uneven process of change, the inner circle, originally more powerful, was reinforced; while the initially vulnerable outer circle was still weak.

In a hierarchical structure, the producer is first of all a messenger of the wishes from ‘above’ and a ‘follower’ of the guidelines set ‘above.’ Meanwhile, at the bottom level of management hierarchy, producers are players of internal politics, given an internally dependent relationship with other supportive departments. However, at the production team level, producers ‘rule’ their teams according to their own wills. Lack of supervision and co-ordination result in a loose connection between individual production teams and the two circles. But this does not have a direct impact on production at CCTV-9, since there is no pressure for professional development or professional standards, without the pressure of viewer ratings, or of commercial goals.

5.3 CCTV News Channel Case Study

As part of CCTV NCD, where the PRS originated, CCTV News Channel was to be the main focus of my organizational culture journey inside CCTV. Observation of CCTV-9 was more of a first impression and acquisition of cultural artifacts, given the time spent on-site and the difference in the nature of roles within the CCTV Empire. My participative observation at CCTV News Channel allowed me to see the heart of CCTV’s business as a news medium and Communist Party propaganda tool. Even though the process of data collection remained the same, to avoid repetition, the focus of my
analysis on CCTV News Channel was news production, management adaptation to political control, professional development after ten years’ reform of the PRS, personnel management as the centre of the PRS, and current trends in the development of the PRS as a result of the split between the two management circles.

5.3.1 Breaking News Reporting, Fast Reaction or Slow Reaction, Whose Reaction and Reaction to Whom?

On 14\textsuperscript{th} August 2003 (Eastern Standard Time), American and Canada both suffered a massive blackout. On 15\textsuperscript{th} August 2003 (Beijing time), the event has made the headlines in all major world media. CNN reported this news with live-coverage. Several hours later at CCTV News Channel, all my colleagues arrived for work all talking about the morning’s news.

\textit{Our chief editor sensed the ‘weight’ of this topic. He rang the producer immediately and suggested changing our original plan for the programme tonight to focus instead on the massive blackout. He also proposed a special live report on this topic from 8pm-10 pm. Our producer had not arrived yet, but they discussed it over the phone. It turned out that our producer had to ask for permission from the chief editor of the channel. While waiting for the final permission from the channel, we all started data mining online, and getting in touch with experts on the issue of power supply. ...By lunch time, we got permission from the channel to make a two-hour special report on the massive blackout.}

\textit{After all the hassle, data mining and telephone persuading, nearly 14 hours after CNN’s report, we made the first CCTV live report on this event, very late though. (16\textsuperscript{th} August 2003 Diary)}

CCTV News Channel broadcasts 24 hours a day, and its new slogan was ‘comprehensive, accurate and in-time’. Fourteen hours late compared to CNN’s report, CCTV News Channel did not question its reaction in breaking
the news, on the contrary, our programme was praised. It was praised first in the internal Channel meeting for the initiative taken by the production teams on this special report. Certainly, it was progress compared to their reaction on the ‘9.11’ report, which was even two hours later than Phoenix TV, and the first exposure of ‘9.11’ on CCTV was only a brief news item.

Most importantly, the programme was praised by former Premier Li Peng. To celebrate this achievement, one of the vice-controllers of CCTV News Channel wrote a special editorial for internal circulation to CCTV NCD staff reaffirming our achievement in the series of blackout reports. This editorial reads:

...Comrade Li Peng rang an executive of our station after watching our report on the massive blackout on 15th Aug. He spoke highly of our focus on this topic and the special report. As an expert in power supply himself, Comrade Li Peng proposed some suggestions on a new programme the next day focusing on the situation of power supply in our country. We put a premium on Comrade Li Peng’s suggestion. After careful consideration, we decided to assign this task to ...[author omitted] programme. With this new programme under Comrade Li Peng’s suggestion, our reports on this breaking news event reached a more profound level with broader perspectives. 58

At the end of this editorial, the vice-controller concludes that:

...As journalists, we all should have a nose for news. All programmes should keep a close eye on topics like this, once you spot something worth reporting, you should report to the channel as soon as possible so that we can make decisions in time.... We welcome new ideas and courage to break the normality. We should all keep alert to news events and be ready for live broadcasts at any time. 59

Despite all the positive response, looking back, there are some obvious questions that require answers: was it a fast reaction or a slow reaction to a

breaking news event? Who should take the initiative to make the decision to respond quicker? Why were programmes made in response to a Party leader’s suggestion?

The conclusion of the editorial reads as if being sensitive to news events was not part of the job of decision makers of the channel. In the process of getting permission for broadcasting, one of the programme editors took the initiative, despite the fact that this person could well be late or sick or simply absent. The so-called ‘success’ of the programme was considerably subject to opportunism, rather than a well-designed breaking news response management mechanism. Follow-up reporting occurred after the suggestion of a CCP leader, rather than a decision of CCTV News Channel in an editorial meeting.

This case makes two things clear. First, there was no strong editorial office to react and make decisions immediately. Initiatives came bottom-up and encountered delays while waiting for top-down decisions. Therefore, wasting time was inevitable in breaking news events. The centre of control was not the centre of the brain. There was no coordination arranged between different programmes, and no clear plan for the full-scale reporting of unexpected events. Live reporting was restricted by preset time slots, as if news events could wait to be reported.

Second, following the Party suggestions, getting recognition and praise from Party leaders seemed to be the ultimate goal of CCTV’s news production.
The reaction to the Party leader’s suggestions was quicker than the reaction to the news event itself. We could see the split between the two circles as a split between production and politics. But it was unfortunate that production came second to politics.

Speaking from the perspective of the PRS, in the process of decision-making, the PRS failed to have influence, even though it was designed to improve efficiency. Production momentum was delayed and weakened. People who did have a nose for news did not have the right to make decisions or take action in time, and the people who had the power waited to be told to make decisions. Production and management were unfortunately misaligned.

5.3.2 Love the Carrots, Put up with the Sticks

All media have to face dangerous relationships with the political world. One does not need to look far back into history to realize that. The situation of the BBC under the political bullying of both the Conservative Party in the 1980s and the most recent Hutton Enquiry conducted under the Labour Party offers best examples. But it is hard to find any other media organization whose production has been so much subject to hands-on instruction from the Party. However, different it is from the BBC, CCTV has mixed feelings towards Party control.

On the one hand, praise and acknowledgement from central government was the best reward for any programme or channel, as seen in the previous
example. In the *Focus’ Ten-Year Anniversary Series*, one of the *Focus* presenters wrote an article entitled *Focus and Three Premiers*, in which she expressed gratitude for the care and support given to the programme by three successive Premiers. All three Premiers Li Peng, Zhu Rongji and Wen Jiabao visited *Focus* and affirmed its watchdog role. All the staff members of *Focus* and CCTV NCD with whom I spoke regarded this as a great honour. For an organization which is ranked according to the CCP’s administrative ranking system, recognition and praise from the country’s leader is certainly worth celebrating.

One the other hand, looking from the production perspective, with explicit or implicit rules and close CCP censorship, many people working in news production felt very restricted. Every month, there appeared a list of topics on which CCTV should not report. Among them were issues of top-level Party leader corruption, major protests, and some serious accidents in coal mines, etc. Moreover, like the programme mentioned in the previous example, many programmes are made under the direct request from the leader of the CCP, and among them many serve propaganda purposes. In an interview one *Focus* producer said that:

*...as the most famous watchdog show, sometimes we can not slip the leash of the CCP, among seven programme a week, we could only broadcast two to three programme with a real watchdog nature, too many positive reports assigned by the CCP need to be fulfilled. Sometimes, we hardly have the time slot to broadcast one programme, which we made to give exposure to wrongdoings.*

As one German newspaper pointed out, the exposure of wrongdoings within CCTV was selective. Many sensitive news stories received no follow-up
reports for the same reason. If the CCP’s control over CCTV NCD could be made into an analogy of ‘carrots and sticks’, then it is the intrinsic nature of CCTV to love the carrots and put up with the sticks, even though it obstructed organizational development.

Alongside the attitude towards ‘carrots’ and ‘sticks’, CCTV’s policy on news production was contradictory in nature. The new slogan of CCTV NCD was ‘correct public opinion orientation, effective communication, public accountability and sustained innovation’ (daoxiang zhengque, chuanbo youxiao, gongzhong xinren, chixu chuangxin). Political correctness always took priority over the effectiveness of communication, accountability and innovation.

Looking back from the two management circles’ perspective, political correctness and CCP whitewash remained the highest priority among the responsibilities of the inner circle. As mentioned at the end of the editorial in the earlier example, public accountability and innovation were supposed to be the job for the outer circle. Just as the inner circle was superior to the outer circle, according to their employment status and administrative ranking system, the priority of their jobs were ranked following the same logic. Unfortunately, the ultimate goals of these two circles were sometimes contradictory.

Even though whitewash was unavoidable as part of its role in political propaganda, neglecting professional standards and public accountability has,
nevertheless, caused a serious degradation of reporting skills and standards of CCTV journalists in many other aspects. In comparison with other world-class media, and even local media, CCTV was not ‘comprehensive, accurate and in time,’ as their new slogan boasts. Even compared with Phoenix TV in Hong Kong, CCTV was beaten to coverage of both ‘9.11’ and the Second Iraq War.

Chinese Media, especially CCTV, was not completely out of the control of the CCP, even though deregulation has been the main characteristic of media reform from the 1990s. Given the sensitivity of news production, CCTV NCD and its flagship programme Focus (Jiaodian Fangtan) were under direct instruction to serve party propaganda. It is ironic that Focus (Jiaodian Fangtan), the origin of most innovation and reform momentum, was the place under the closest control of the CCP. The ‘love the carrots and put up with the sticks’ attitude is a typical embodiment of organizational culture as the result of interaction and negotiation between ‘external adaptation’ and ‘internal integration’. Most importantly, it has a knock-on effect on the group’s professional judgment and accountability as a media organization.

5.3.3 Over-managed or Under-managed?

...Our chief editor was criticizing the lack of logic in our programme last week. He said: ‘if it was 5 years ago, when Mr. X was controller, there is no way that our programme last week could be broadcasted without re-editing. You guys can’t imagine when I started working for Horizon years ago, all the programmes were reviewed together. Programmes would be shown to all your colleagues at the channel, and all the comments—good or bad were made to your face. I even wanted to kill myself once my programme
got criticized. But we all felt that we learnt a lot from it. Particularly, the pressure from the group review made us all mature quickly by learning from each other. It has been too easy for you guys now...

He was right, group reviewing was history in CCTV NCD now. Inside the production team, we still try to discuss our programme broadcasted the week before. But the pressure was different, and the degree of criticism from immediate colleagues was far lower than it would have been from outsiders. We hardly know anything about other production teams and how they work. The previous producer we had was also a producer for two other programmes. The three programmes were regularly gathered together to discuss programme quality, and television production skills. But when he left, so did his policy. (14th Oct. 2003 Diary)

The point the chief editor made was not just that programme quality control was not as strict as before. He did point to a very important aspect of CCTV’s management—a lack of policy consistency. Earlier in this chapter, I discussed the lack of control and normality of management inside production teams. The producer has authority over almost everything within the team. Therefore, the policies of production teams vary and to a great extent are subject to the personal styles and charisma of producers. Once a producer leaves his policy ends. These situations were the same at the departmental or channel level, just as mentioned in my field diary. When a controller left, so did his policy on quality control. 'It is a place where individual consciousness, not institutions do the work. When it comes to programmes or projects covering a long time span, it is very risky to have producers who have totally different taste and different vision', one Horizon (Dongfang Shikong) veteran stated.

As mentioned in the discussion of breaking news reporting, innovation, entrepreneurialism, professional standards, etc. were all highly subject to
individual professional conscience. What was worse was that good policies and practices emerged from the bottom of the management hierarchy but were not integrated into part of the organizational knowledge or institution. Neglect of the outer circle and lack of coordination between the two circles led to a damaging loss of organizational knowledge.

The split between two management circles also led to a lack of central production coordination and resource dispatch to CCTV departments and channels. Unnecessary and vicious internal competition and wasting of time and human resources became unavoidable. It was a common observation that several correspondents and film crews from different CCTV programmes battled each other for one press release. A single interviewee was booked by three production teams from CCTV News Channel alone. In the competition for viewer ratings, programmes saw each other as competitors not cooperators. The possibility of sharing information and ideas on the same topic was blocked and neglected. The current production model is surprisingly similar to the small-scale peasant economy once common in Chinese history. It produced a class and culture of the ‘warlord’, despite the state-ownership of CCTV.

As part of the organizational culture conundrum discussed in Chapter Two and Three, with the unfreezing of the old highly centered culture, originally designed to improve efficiency from excessive red-tape, ironically, the PRS became a victim of a lack of central coordination. To use a Chinese phrase, CCTV, especially the outer circle, is ‘a plate of loose sand’.
5.3.4 ‘I am a star presenter now, where do I go next?’

The previous examples of production all point to defects in the production management system of CCTV News Channel. When it comes to the management of people, a lack of understanding of the media as a different profession from government sectors, and a traditional official-oriented ideology are the main restrictions to its human resource management. Meanwhile, the split between the two management circles is another barrier to healthy professional development inside CCTV, especially when the majority of its employees are off quota.

During the course of my fieldwork at CCTV, I constantly came across cases where good presenters, researchers or editors were promoted to producer position (the premise in most cases was still that they were employed with quota), even though their expertise were not in management. As a result, many good presenters gave up their careers as presenters and moved backstage to manage a production team. Some individuals still tried to present and manage a team at the same time. One presenter-producer confessed that:

...I do not enjoy being a producer, even though it is a symbol of acknowledgement and promotion for me. I see myself as a presenter and that is where my expertise lies. But being a producer and presenter at the same time, I have to think about management issues as well as the programme I present. I find that management takes too much of my time. Once there was a row between two team members. I spent half an hour talking to each of them, in which case, I was left only half an hour to prepare for the live broadcast that day.
Looking back, he emphasized that: 'A professional development opportunity cannot be replaced with rights to management decision-making.' One well-known presenter from *Horizon (Dongfang Shikong)* referred to this phenomenon as the 'professional glass ceiling' of Chinese television. He said that there was a misunderstanding of the Western 'presenter-centered production', where the presenter is the biggest selling point of a show and the centre of attention and support. What happened at CCTV was to make the presenter into the power and decision centre of the team, where he/she would have to make decisions on the daily management of the team.

The immaturity of the Chinese television industry is one reason for this trend. Having served the government for nearly 40 years before being re-categorized as an industry, television in China is still struggling to find its way as a profession in its own right. Consequently, apart from the existing administrative promotion according to the administrative ranking system, there is a very rudimentary professional development system, both in terms of financial return and social and professional status. As a result, when people with different skills mature, there is no equivalent professional title or status within the organization that they can pursue as they move up the career ladder.

The discrepancy of development progress between the two circles has been another cause. Ten years of reform and the success of *Focus (Jiaodian Fangtan)* and *Horizon (Dongfang Shikong)* nurtured a group of new professionals in news production. Good presenters, cameramen, editors and journalists made themselves known with the growing popularity of their
programmes. However, inside the organization, the administrative ranking system still dominated the inner circle; while in the outer circle, professional development and the career ladder were not well defined. Therefore, apart from being promoted to an administrative position according to the existing danwei/ work unit ranking system, there were no other positions for more senior people in production.

High staff turnover and the loose structure of the outer circle made it difficult to retain more senior and experienced staff. Unfortunately, this resulted in a failure to systemize the production staff. After ten years of personnel system reform, a lack of development in television production as a profession became a constraint on the personal development of the majority of CCTV employees. It also restricted the development of professionalism at CCTV in general. Nevertheless, the development of the outer circle along with the key production force following the success of Horizon and Focus has surpassed the rate of change in the inner circle. While the outer circle calls for reorganization and respect for media professionals, the inner circle, containing the management core, are still attached to the Party’s political administrative structure.

5.3.5 ‘It is hard to find frogs with three legs, but easy to find people with two legs.’

Human resource management was in an even worse condition compared to the majority of its ‘loose layer,’ as described in Chapter Two. In a further aspect of the organizational culture conundrum of CCTV, the vast majority
employed since 1993 were still struggling to be properly integrated into the
CCTV culture after ten years. Having worked for CCTV for a decade, one of
the director-editors told me that 'for most of us, there is no emotional
attachment to CCTV, everybody else working for a danwei in China
addresses their work place as 'our danwei', but none of us do so when
mentioning CCTV'. Her smile looked carefree, but her tone was slightly
bitter. Obviously it was not true that she claimed that employees had no
emotional attachment; but it was true that this attachment was not the one of
which they had dreamed.

CCTV grew rapidly from 1993, both in terms of programmes and employees.
The consistent shortfall of staff was not interpreted as the growing importance
of talents to the development of CCTV. On the contrary, as the CCTV brand
name draws an ample repertoire of human resources, there are always plenty
of people fighting to get into CCTV even on a temporary basis. Yet,
manpower seems never to have been more available. Confused between
people and talent, one producer said in a group meeting that: '...it's hard to
find frogs with three legs, but easy to find people with two legs. If you don't
want to work here, just go...'.

The atmosphere inside CCTV, both CCTV-9 and CCTV News channel, was
very hostile, cold and lacked communication and trust. Many people
mentioned that during the first few weeks working at CCTV, they all
experienced a so-called 'silence period,' when 'there is no one friendly to talk
to you, no one to tell you what to do, you don't even know when you will get
paid and how much it will be...’. When asked to explain CCTV’s culture, many employees described it as a ‘let-it-be’ culture. Many people gave up their previous jobs in local media and came to Beijing to join China’s top television network, expecting an opportunity to fully develop their potential. Finally, they realized that the most difficult task was to learn to survive without help. Even more difficult was to find a way to show your talent, when there was no one interested in your ideas.

Consequently, there are always plenty of people on CCTV’s employment waiting list, but there are always complaints about a shortage of talented staff on quality production. Given the temporary and risky nature of employment staff turnover has been really high. Unlike ten years ago, CCTV is no longer the Mecca of Chinese television. Many people consider CCTV to be a ‘jumping board’ or a ‘business card’ for their next decent job. It has become the ‘training centre’ for the Chinese television industry. Failing to get employed with ‘quota’ after many years, some very successful TV professionals left CCTV finally for Phoenix in Hong Kong or Oriental TV in Shanghai. Some former employees now run their own businesses. For CCTV, this is a great knowledge loss.

Many employees left CCTV claiming that there was no culture that they felt they could join. There was once an article online If Dou Wendao was still working for CCTV\(^\text{60}\), which questioned CCTV’s culture and the consequence of the brain-drain. Dou Wentao is currently one of the best-known talk show

presenters in China, famous for his straight talking and down-to-earth presenting style. Dou used to work for CCTV, but his talent went unnoticed. In the late 1990s Phoenix TV invited him to work in Hong Kong, offering him an opportunity to design a brand new talk show according to his own personality and style. What were the arguments as to why he was not spotted at CCTV during the years he was working there? Was it that his style did not fit the CCTV culture, or were there just too many talents working in CCTV, and he did not stand out?

The case of Dou is ubiquitous in both the East and West, but in considering it one must be mindful of the hierarchical, guanxi bounded, highly unprofessional, homogenous and hostile culture of CCTV. A ancient Chinese saying states: ‘There are a lot of swift horses out there, but there are not many people who can spot them’. In an industry where talent counts more than anything else, CCTV’s unique culture makes exploiting talent even more difficult.

5.3.6 Case Summary

The CCTV News Channel case study focused on the heart of CCTV’s role as a news media organization and a Party propaganda tool. As the cradle of the PRS, and the most progressive part of CCTV during its transition, the problems and conflicts observed in this case are more representative of the current development of CCTV. From a grander perspective of political influence on news production to a micro level analysis of individual
development, my observations and findings converge on conflicts between
the following four aspects:

1. Management adaptation to Party control and the pursuit of media
   professionalism both in terms of production and personnel
   management.

2. Autonomy for producers on internal affairs and a lack of central
   coordination among production teams in news reporting.

3. The misalignment of the centre of production force and the centre of
   production decisions, especially when fast reactions were necessary.

4. The essential role of the outer circle in production and a lack of respect,
   and support for the development of media professionals.

Given the sensitivity of news production, CCTV News Channel as the centre
of this was also the centre of Party control. Always maintaining political
correctness as the highest priority, a professional standard of news production
(i.e. fast reaction and public accountability) were sacrificed when in
contradiction to Party requirement. However, constantly acknowledged and
protected by the Party, serious problems of media professionalism were
neglected. When juggling between the Party standard and professional norms,
sometimes there must be a compromise. Unfortunately, as it was
institutionally integrated into the Party hierarchy, CCTV had to compromise
in its pursuit of professionalism. Central coordination of production forces
and resource allocation was scant in terms of daily production. Production
teams competed with each other on repetitive reporting rather than
cooperating to achieve what the news channel boasted was 'comprehensive, accurate and in time'.

With the split of the two management circles, even though the inner circle was more official-oriented rather than production-driven, the power of making production decisions was still centered on the inner circle. The outer circle, where the key production force lies, had less autonomy on the really important decisions of production. The PRS gave autonomy to producers for personnel and financial decisions within the team. However, when it came to the key production decisions, the producer role was significantly reduced to that of a follower of Party guidelines.

Closely related to the party, the inner management circle was still attached to the administrative ranking system of the CCP. While marginalized to the outer circle, the majority in the key production force did not have a career path to follow within the organization. Very few of them had the chance for a promotion to producer at the bottom of the inner circle. For the majority, the prospect of individual career development within the organization was blocked by a 'glass ceiling'. Even more worrying was that the majority of the production force was pushed to the outer circle of the organization, maltreated and devalued by the inner circle.

In a media organization like CCTV, where production was regarded as inferior to management and constantly devalued, the innovation, knowledge and skills that emerged from the key production force were carelessly
neglected. Talented employees were not spotted, nurtured and developed, and good ideas and policies were not noticed by the management circle, and therefore lost with the high staff turn-over. Ten years ago, CCTV invited new talents to join the organization as new blood, which was a breakthrough in CCTV, and even Chinese, broadcasting history. Unfortunately, ten years later, constantly coming and going, new talents failed to be integrated into the core of the organization.

All in all, after ten years of development, the PRS has reached a bottleneck. While the inner circle comfortably sits on its Party hierarchy, the outer circle, where the key production force lies, is left to find its own way out, battling with party control, vicious internal competition and an unpredictable future. The PRS, designed to improve efficiency to avoid over-management and red tape, has gone to another extreme—being under-managed, under-coordinated and under-developed.

5.4 Cross Case Analysis – from PRS to Shantouism

The above two case studies provided scattered snap shots taken from within the CCTV in the tenth year of its most important reform: the PRS, known as the milestone of its real transition. In order to summarize the scattered findings, in the following section, I integrate my participative observation and formal interview data from many other CCTV Channels and departments into a cross case analysis of the current development of the PRS after ten years of reform at CCTV. In this section I borrow a terminology referring to a
commonly observed phenomenon inside CCTV—Shantouism to discuss how
the PRS failed to achieve what it was designed to do, and finally turned into
Shantouism through the transition process.

Shantouism (Shantou Zhuyi), or cliquism with Chinese characteristics, was
coinined by Chairman Mao in his 1942 speech on the Yan’an Rectification
Movement. Originally, Shantouism described political or apolitical bandits
who took possession of a suburban (normally mountainous) area and ruled by
their own wills with a strict internal hierarchy, to protect their own advantage
and compete with other bandits. The phrase used to describe typical Chinese
cliquism featured in one of the greatest Chinese novels in history—Tale of
Water Margin (Shui Hu Zhuan). The novel presented a group of bandits,
known as the Chinese Robin Hood, gathered together in a Mountain area
called Liang Shan in Shandong province at the time of the Song Dynasty. The
group formed a power focus that was out of the control of the then central
government.

I have borrowed this terminology and put it in an apolitical organizational
context. In CCTV’s case, Shantouism refers to a widely observed and current
phenomenon discussed in the following pages of this chapter. The discussion
of this term includes a lack of central coordination and the ‘unfreezing’ of an
integrated organization, departments or channels into a number of various
shantous (individual production teams, departments or channels), under the
leadership of their line manager or producers. Inside each shantou, we see the
abuse of the power of producers and line managers within their management
responsibility, vicious competition between departments and programmes, and loyalty to their own heads rather than to CCTV.

Many other traits of Shantouism, which were not directly linked to the CCTV-9 or CCTV News Channel cases, but provided by informants from other CCTV departments or channels, include: setting up private or departmental coffers, favouring people within their own cliques, employing non-qualified staff to save money on production, and fabricating staff numbers for more financial allocation and jobbery. A recent policy introducing rotatory positioning of cadres above chuji (vice-bureau level)\textsuperscript{61} was a direct response to Shantouism, especially following the revelation of corruption involving several top CCTV executives. This policy was designed to shorten the time of cadres at chuji or above in one particular department or channels to avoid the possibility of cliquism, coffers and corruption.

Both the CCTV-9 and CCTV News Channel cases demonstrate strong evidence of the PRS turning into Shantouism, although from different perspectives. At CCTV-9, I saw highly varied cultural artifacts and management styles among production teams, a lack of transparency in daily issues, under-developed production forces, the employment of student interns for daily production, and bullying by inner circle members of outer circles members. At CCTV News Channel case, I witnessed production, especially breaking news production, suffering from a lack of central coordination and a strong chief editor's office, vicious competition among production teams,

\textsuperscript{61} See Table 4.3 in Chapter Two.
repetitive reporting and the wasting of resources, as well as highly varied and inconsistent policies.

Shantouism was not restricted to the level of the production team; it was a commonly observed trend throughout the organization. However, it certainly first emerged from production teams with the introduction of the PRS. As the PRS began with the autonomy of producers, let us examine the producer’s role first.

Beginning in 1993, CCTV implemented the PRS in order to create autonomy at the lower level of the management hierarchy to improve efficiency and allow the freedom for innovation. The downwards movement of the decision-making centre from administration to production did improve efficiency, production enthusiasm and creativity. The revolutionary successes of Horizon (Dongfang Shikong) and Focus (Jiaodian Fangtan) were the most compelling evidence of the PRS’ achievement. Although it was not highlighted at CCTV News Channel, in both the channels discussed here, and all other channels observed or informed from interviews, producers certainly have a lot of control and decision-making rights within their own team, especially regarding personnel and financial issues.

However, the PRS was nevertheless an experiment. In fact, it was a contingent measure compromising the need of manpower and the restrictions of the old institution. The explosive growth of CCTV since 1993 amplified all the unexpected difficulties and loopholes of the PRS. While creating a
producer title in Chinese television, a producer role in production and providing power and freedom for producers, the creators of the PRS did not envision the importance of defining the role, regulating the producer's power or providing training in management skills. Ten years after the reform of the PRS, many CCTV employees still sniff at the term 'producer' as merely CCTV rhetoric. It is 'only another way of addressing a keji (an administrative ranking level under vice-bureau level) cadre in the administrative ranking system', one employee said in an interview. Apart from being at the bottom of the administrative hierarchy and a broker of internal politics, both the producer concept and the producer role were left undeveloped since its creation.

With the split of the two management circles along the employment status, the producer, as the bottom of management hierarchy and the head of the production team, became the single connection between these two circles. The producer's role and the change from the PRS to Shantouism could only be understood from both the perspectives of outer circle and the inner circle.

Inside each production team, the producer is the individual who decides the destiny of all team members. In fact, nearly 90% of the team members were introduced to the producer through various kinds of connections. There were no clear rules on the entry barrier or the structure of a production team. Autonomy means the right to define their own rules in their own teams. Where there is no professional standard, traditional influences become
unavoidable. The low entry barrier resulted in an unlimited increase of people joining CCTV, and a variable quality of human resource.

Many unqualified, untrained people were employed by CCTV simply because they had very strong guanxi. However, ‘it is easy to let them in, but difficult to let them go,’ one producer said.\textsuperscript{62} According to a senior executive from the organization’s Human Resource Department, among the people who left CCTV eventually, only a few were officially laid-off. Many of them chose to go independently. Therefore, the consequence is similar to the situations discussed above. On the one hand, there was a constant shortage of qualified production people, while on the other hand, there was an unlimited growth of people working at CCTV. At one point, according to an informant from CCTV’s Human Resource Department: ‘nobody knows exactly how many people are working in the CCTV off quota’.\textsuperscript{63} The desired opportunity to work at CCTV was devalued, as unqualified staff ruined the reputation of CCTV journalists and CCTV production. The vicious circle of ‘grandpa outside and grandson inside’ became unavoidable.

Many unqualified people were employed by CCTV deliberately to save money. During my fieldwork period, I came across many different polices enforced by different producers. Some chose to spend more money on production, while some preferred to save money and sacrifice the programme’s quality. Lacking supervision and professional norms, the destiny of any programme was solely subject to its producer’s professional

\textsuperscript{62} From a confidential interview.
\textsuperscript{63} From a confidential interview.
judgment and consciousness. This also explains why cultural artifacts vary across throughout CCTV.

Within the production teams, a professional career path was not developed, even though a generation of television professionals became famous through the successes of *Horizon* and *Focus*. The professional development for the majority of staff working at CCTV was limited. According to a 1997 survey by Prof. Guoming Yu, 96.3% of the then producers at CCTV were formally employed with quota. Only 3.7% of them were hired originally from public recruitment (Yu, 1998:298). Even for the lucky ones who got promoted into producer positions, many people found that it was the only choice rather than the best choice for their professional career.

The human resource flow was always a closed loop both at the inner and outer circle. In the outer circle, people joined a programme simply because they happened to have contact with the producer of the programme. One might be an accomplished journalist on business and finance topics, but could end up joining a programme that made cultural documentaries. At the inner circle, only those employed with quota could be promoted inside the organization. Between inner and outer circles there was an invisible wall.

The producer role, as seen from the outer circle, was unchallenged, unsupervised and unprofessionally defined. With excessive autonomy within the team, the producer's role could be easily abused without close supervision. With unanimous staff loyalty, and unlimited power, producers ruled their
teams like their personal Shantou. While producers enjoyed unregulated autonomy in their own shantou, no attention was paid to what happened between the shantous. As discussed in terms of CCTV-9, there was no unification of cultural artifacts (i.e. business logos, office design, business emails, and maintenance) at any level or reflecting a professional business standard.

Despite the design of CCTV’s new building, which is amongst the most novel and creative in Beijing’s skyscraper jungle, what happened down on its production frontline struggled to keep the standard. What is worse was that a lack of central coordination on production plans and cooperation among production teams, significantly affected efficiency in the allocation of resources. While the production ‘body’ in the outer circle developed under increasing competition in the domestic market, the management ‘head’ preserved in the inner circle hierarchy is barely able to coordinate this development.

The split and uneven progress of reform between the two circles, and in fact the mere existence of the so-called circle, was undoubtedly the centre of the conflict. The progress of the outer circle with the early success of the PRS was constantly embattled by bullying and exploitation from the inner circle. While production pursued innovation, accountability and professional development, management had to cope and adapt to political correctness and Communist Party control. The possible efficiency of their autonomy within their own team was counterweighted by internal politics and a lack of
coordination between the production teams. Like a reconditioned car, externally CCTV has the best bodywork. However, the engine does not keep up with the progress of the wheels, and without central empowerment, the wheels can not keep alignment and therefore go slowly and will not last long in the future.

From the PRS to Shantouism, institutional changes had a direct impact on the changes of organizational culture. Unfortunately, the new cultural elements brought into CCTV by huge success of Horizon and Focus, like the spirit of management innovation, public accountability, dried up when the new workforce failed to be integrated into CCTV's inner core. The result of this negotiation is an organizational culture conundrum.

5.5 Chapter Conclusion

This chapter is an ethnographic account of CCTV's transition and organizational culture conundrum based on six months of participative observation within the organization. In two case studies, I analyzed the development of the PRS after ten years of reform, moving from what has been called the 'old' and 'new' faces of CCTV.

Although seemingly fragmented, my observations and findings converged into the following key aspects of the current development of the PRS: the producer's role, production team structure and management, professional development, the misalignment of management and production, and, finally, a
lack of coordination of between two circles and among production forces. Synthesizing all of these findings; I argue that the PRS failed to achieve its primary goal. Instead the PRS encouraged the growth of damaging *shantouism* with the organization.

Any organizational change cannot be understood simply by analyzing the current situation. This is especially true to at an organization like CCTV with nearly half a century of history. As a heavily embedded organization, hardly any intraorganizational changes are not influenced or related to its social-economical context. As discussed in Chapter Two, the PRS was a compromise between total Communist Party control and the apparent financial need and benefits of going commercial. Despite not being prepared in terms of institutional arrangement to adapt to the market economy, its success in a highly protected advertising market disguised potential problems. The CCTV ignored the importance of speeding up professionalization. In the meantime, as the above mentioned hierarchical, *guanxi* bounded culture, and *Shantouism* indicate, throughout a highly under-defined process of change, the ethnic values and traditional cultural conventions of Chinese society formed the underlying rules in the gap between Party control, commercial pursuit, and professional standards.

Under the confusing and chaotic transition map of CCTV, we can nevertheless envision interactions between these four power leverages along party control, commercial expansion, professional development and the social and ethnic value system. Since each aspect has its own system of value
judgments, for the sake of further analysis, I call them Party logic, commercial logic, professional logic and social and ethnic logic. The interactions between these four aspects will help us to understand the transitional process from a wider and historical perspective. In the following chapter, I will analyze CCTV in its transition as an organization embedded in a complex network of these four logics.
6.1 Introduction

As the other side of the meta-triangulation from the previous chapter, this chapter takes a functionalist approach in analyzing the organizational culture conundrum of CCTV, examining the institutional and environmental influences on organizational culture. In compliment to the ethnographic study that interpreted cultural values and the native’s understanding of CCTV’s organizational culture, this chapter will focus on the external impact of the power relationships between the four logics identified at the end of the case studies.

It has been said that any theoretical account of media organizations and occupations has to take account of a number of different relationships within and across the boundaries of the organization. Television as a mass communicator occupies sensitive and central positions in the social network. As a result, its operation and decision-making are under pressure from various external ‘power roles’, including clients (such as advertisers), competitors (other media in the main), authorities (especially legal and
political), experts, other institutions and the audience (See Table 6.1). The relationships between these power roles are often active negotiations, exchanges and sometimes conflicts, latent or actual. How the system works in fact, depends on the coalition of all these roles and relationships and on their collective impact on the mass communicator (Gerbner, 1969).


<table>
<thead>
<tr>
<th>Power roles</th>
<th>Typical sources of power</th>
<th>Typical functions</th>
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<tr>
<td>Internal to</td>
<td></td>
<td></td>
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<tr>
<td>media</td>
<td>Clients</td>
<td>Resources for investment, subsidy</td>
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<td></td>
<td></td>
<td>Specify conditions for supply of capital, facilities, operating funds</td>
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<td>Supervisors</td>
<td>Organizational hierarchy</td>
<td>Formulate policies and supervise implementation</td>
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<tr>
<td>Colleagues</td>
<td>Solidarity</td>
<td>Set standards; protection</td>
</tr>
<tr>
<td>Competitors</td>
<td>Scarcity</td>
<td>Set standards; vigilance</td>
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<tr>
<td>Auxiliaries</td>
<td>Services</td>
<td>Supply, distribution, access</td>
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<td>External to media</td>
<td>Authorities</td>
<td>Legislation and enforcement</td>
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<tr>
<td></td>
<td>Appeal to authorities, interests, and</td>
<td>Demand favorable attention</td>
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<td></td>
<td>publics for support or protection</td>
<td></td>
</tr>
<tr>
<td>Experts</td>
<td>Specialized knowledge</td>
<td>Impart information, skills, set standards</td>
</tr>
<tr>
<td>Patrons</td>
<td>Attend to media message</td>
<td>Form publics that patronize media</td>
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Looking from another perspective, all these power roles collectively form institutional pressures upon mass media. Mass media on the other hand are
institutionalized by socially constructed rules derived from participants and from their environment. Therefore, organizational phenomena or media organizations are ‘embedded’ (Polanyi, 1944: pp.46-53; 1957:30; Polanyi, Arensberg, and Pearson 1957: 250; Granovetter, 1985) in a network of complex social relationships (Hamilton and Biggart 1988:57).

The concept of ‘embeddedness’ refers to the social structural, cultural, political, and cognitive construction of decision situations in economic contexts. It points to the indissoluble connection of the actor with his or her social surrounding. Richard Whittington (1990) has reminded us that ‘failure to recognize the social ‘embeddedness’ of organizational phenomena has serious implications for the management of strategic change. In fact, not only change, but organizational culture—the momentum or stumbling block to change—is also closely related to, and mostly a result of the interactions of the relationship between organizations and their social structure. As discussed in Chapter One, external adaptation and internal integration (Schein, 1991) are the dual processes in which organizational culture is formed. The process of external adaptation, in particular, points to influence of social-economical influence on organizational culture.

Given the fact that both organizations and their culture are embedded in networks of institutionalized relationships, in order to understand an organization’s culture, it is important to analyze the particular social structural institutions in relation to the organizational life. In fact, institutionalists have long been studying the influence of social institutions on
organizational life and change. As argued in Chapter Two, even though we have discussed the limits of ‘institutional determinism’, nevertheless, the institutional view offers a good perspective to understand how social structures shape organizational infrastructure and life, which complements a pure symbolic culturist view on organization.

In this chapter, instead of breaking the process of understanding external adaptation into different tasks (Schein, 1991:249), I will analyze the external adaptation process from the four logics summarized in chapter five. In the following analysis, I borrow the concept of ‘institutionalized organization’ from institutionalists to see how different logics helped to shape the particular culture of CCTV. In particular, I will discuss how these logics interact with each other and how they influenced the organizational culture conundrum of CCTV.

6.2 Social Structures and Logics of CCTV’s Transition – to Introduce the Four Logics

An analysis of CCTV-9 and CCTV News Channel in Chapter Five demonstrated interactions between these four power leverages along party control, commercial expansion, professional development and the social and ethnic value system. For the sake of further analysis, I call them Party logic, commercial logic, professional logic and social and ethnic logic respectively. By ‘logic’, I refer to a set of rules, norms and standards under a particular system of value judgment. Party logic looks at CCP’s influence on CCTV
resulting from propaganda principles, administrative and regulatory structures and management ideology. Commercial logic examines the new direction of reform and transition that CCTV is currently undertaking towards marketization, commercialization and an ambiguous industrialization (Guo, 2004). Professional logic discusses management issues in television production, professional values and standards, and the media’s role in society. Social and ethnic logic looks at the influence of social and cultural norms, conventions and the value system of Chinese culture and history. In the following section, I will look at the specific role of the four logics in shaping CCTV’s infrastructure, strategy and its organizational culture.

Zhao (1998) once identified Party logic and market logic as the two defining logics of Chinese media. She argued that the simultaneous operation of both these two logics is the source of all the problems of Chinese media. This argument gives a lot of insight into CCTV’s organizational culture conundrum. Qian (2002) also argued that the institution of Chinese Television is developing into a game between ‘Party’ and ‘Market’. However, in both cases, the ‘market’ referred to was hardly the commercial market in its real sense. In both case, the characteristics of a market economy were neglected, such as equal competition, openness, justice, etc.

With consistent interference from the Party logic, the media market rules and regulations and competition are twisted. Ruthless commercialization and profit-maximization have been carried out with no respect to market rules. Consequently, there is no open, impartial and well-regulated market, and
therefore hardly a market logic. Even within the Chinese media research field, there are still debates on the nature of the current transition among 'commercialization', 'marketization' and, even more problematic, 'industrialization'. Therefore, in this thesis I borrow Zhao's (1998) perspective of analysis, but I use the term 'commercial logic' rather than 'market logic'.

Party logic discusses the founding body—the CCP's influence on CCTV from ideology to administrative and regulatory structure. From the establishment of CCTV in 1959 until now, Party logic is no doubt the most influential and controversial force that guides all aspects of the organizational life of CCTV. Moreover, as once the most dominating logic, it is hard to ignore its influence at any stage of CCTV's transition. Commercial logic studies the new direction of reform and transition that CCTV is currently undertaking. Even though the commercialization of CCTV only began formally in the early 1990s, it is obviously by far the dominant logic of the new development and reform. This chapter will look at the influence of both these two competing logics and the consequence of their interaction.

From government sector to market player, the transition of CCTV is fundamental. This is especially true in a Chinese context, where capitalism and the market economy have never successfully developed (Weber, 1951). The transition is especially painful not just because of the tug-of-war between party logic and commercial logic. There is another aspect of the interaction between the party and commercial logics within the process of external
adaptation. This features the fundamental ideological and cultural unfitness between a traditional social structure and ideology and the management arrangement of a modern enterprise. In this thesis, social and ethnic logic will target this aspect of the transition to analyze how Chinese culture elements as ‘informal institutions’ influence the process of organizational adaptation; and how particular organizational phenomena are related to typical social and ethnic cultural elements.

Professional logic looks at organizational management issues, including the industrial development of television production and the regulation of the Chinese television industry coupled with a consideration of media professional values and standards. Since television in China was a government sector for a long time, it has only officially been regarded as an industry from 1992. Rather than looking at how the professional logic is depicted in CCTV's transition, I will focus on the organizational consequence of the missing professional logic.

The fundamental professional values for the media as a new industry were throttled in the tug-of-war between Party logic and commercial logic. Only recently established, the industrial infrastructure of Chinese media is still under further construction. Especially when thinking about the transitional period, in the absence of a mature industrial institution and professional regulation bodies, many conflicts between commercial logic and Party logic remain unresolved. I will discuss the following aspects of the consequences of the missing professional logic:
The profound influence of party and commercial logic in the coding of organizational culture given the absence of an established professional standard of performance and production.

A twisted market competition order as the result of the absence of professional regulation body and the dominance of Party logic over commercial logic.

Moral crisis of media practitioners under the commercial influence.

The development of CCTV reflects an interesting trajectory of the leverage between Party logic and commercial logic. Moreover, it is not a true depiction without taking into consideration the influence of the missing professional logic and the invisible but over-arching social and ethnic logic. During the first twenty years or so of CCTV’s history, the only logic of the Chinese media, including CCTV, was the Party logic, as the CCP was in charge of the financial, personnel, ideological and administrative arrangements of CCTV. Up until 1978, when the Chinese economy as a whole was becoming more market-driven, and when fully-subsidizing all the media units became a heavy burden, CCP began to allow media organizations to exploit market opportunities to support themselves. But the CCP still reserved control over ideological and administrative aspects. However, with the rapid development of the Chinese economy, the financial success and huge expansion of the media sector, the role of the media to ‘educate people’ seems to have been overtaken by its role to ‘entertain the mass’ and exploit commercial opportunities.
By 1992, the media sector was formally regarded as an industry rather than a government sector. For a while, commercial logic began to overtake Party logic. However, in terms of ideological and administrative control, Party logic still has a strong influence. Although regarded as an industry, given the lack of a mature infrastructure and regulatory body, for a long time, professional values and standards had been neglected, and therefore were not taken into consideration in the leverage between party and commercial logic. Researchers have widely observed and criticized the double profile of the Chinese media, particularly CCTV. Zhao (1998) argued that while the media are inextricably linked with business through advertising sponsorships and other market relationships, news organizations themselves have expanded into noninformation and nonentertainment businesses to broaden their bases of revenue in a way that is 'analogous to the diversification of investment by media consortia in capitalist societies'" (Yu & Zhu, 1993:11).

Right from the start of the transition, being separated from government sectors, the Chinese media industry lost its clear self-identity as media, and therefore in the industry as the whole, there is a lack of professionalism both in management ideology and daily practice. Even though the media have been regarded as an industry, systematic arrangements are needed to assist the transition of Chinese media organizations from government apparatus to well-established modern enterprises. Because of the over-domination of party and commercial logic and the missing of a professional logic to balance the two, there was a great mess in CCTV at the organizational level during the 1990s. It was not until 2000, with its entrance into World Trade Organization
(WTO), and the changes in the domestic media market, that the need to establish a modern enterprise system in the media industry became more obvious and pressing.

Table 6.2: CCTV Dominating Logics Leverage Timeline

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<tr>
<td>Party logic</td>
<td>Party logic &gt; commercial logic</td>
<td>Party logic &lt; commercial logic + Professional logic (watchdog role)</td>
<td>Professional logic starts to balance between Party and commercial logic</td>
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During CCTV's transition, especially when the whole organization sways between party and commercial logic and the future vision is uncertain, what became more and more clear on the organizational level is an informal arrangement under the social and ethnic logic. In other words, there is an invisible hand, which works as an informal institution in the vacuum between party, commercial and the missing professional logic. Looking at the organizational life in the transitional period, when further institutions are under construction, informal institutions like culture and conventions take over automatically, which may or may not assist the transition process. In this thesis, I have used the term social and ethnic logic to discuss the Chinese cultural elements found in the CCTV case study. Here, Chinese culture is not China-specific geographically; it is rather common cultural traits for all Chinese people as an ethnic group. Therefore, I adopt the term 'ethnic' rather than 'national'.
6.3 Party Logic: an All-rounded Impact

In his classic book on communist mass media, Sparks (1998:22) pointed out an important feature of capitalist democracy: a distinction between political and economic life as different and separate spheres of activity. As a very significant contrast, in communist society, political influence penetrated every aspect of economic activities, and therefore it was 'totalitarian' in the extreme. The defining characteristic of the Communist media system, is that it is a product of a political system. This birthmark is easily identified in organizational infrastructure, management ideology, funding ethos, content production, and broadcasting style.

In a similar vein, Schein (1992:211) argued that the ‘most important thing for cultural beginnings is the impact of founders’. In other words, the origin of an organization plays a very important role in the formulation of culture. In the case of CCTV, the founding ethos and mission ‘to serve the Party’ could be regarded as an over-arching tone, which was carried throughout the history of its development. Its role as a Party apparatus has had a profound influence on its management ideology and administrative structure. In the meantime, the Party logic has become so predominant that it even took over the professional norm and standard for television practitioners. This aspect of the influence of Party logic will be discussed later in this chapter. In the first nearly 40 years, the Party logic was the sole and most important standard of the performance of CCTV. In this chapter, I summarize the profound influence of the Party
logic into 3 main aspects: 1. CCTV and Party propaganda. 2. CCTV and Party management and administration. 3. Party logic in reform process.

6.3.1 Party Logic in Propaganda

As Schein (1992:212) observed, 'organizations do not form accidentally or spontaneously. Instead, they are goal-oriented, have a specific purpose'. As discussed in Chapter Two, the Chinese media has been heavily-handedly manipulated for the propaganda purposes of the CCP ever since it's incipiency. The central concept that underlined the Party's domination over the media in the CCP's own language, is the 'party principle' (dangxing yuanze). According to Zhao (1998:19), it includes three basic components: that the news media must accept the Party's guiding ideology as its own; that they must propagate the Party's programmes, policies and directives; and that they must accept the Party's leadership and stick to the Party's organizational principles and press policies.

The primary responsibility of news is to help to form and cement public opinion in line with official policies. Criticism is allowed but confined to the exposure of technical problems at the operational level. The policies themselves are not to be questioned. Positive reporting is considered necessary for maintaining social stability whereas the amount of negative or critical reporting is carefully controlled to avoid fueling social frustration and political upheaval. As a result, the official media in China tend to present the
bright side of issues while ignoring or hiding the dark side (Zhao, B., 1999: 294).

In 1982 a national television conference attended by directors of central and provincial stations defined television as first and foremost an institution of propaganda. As Zhao Bin (1999: pp. 293-294) observed, television’s huge popularity and reputed power to influence ‘attracts the most attention and supervision from the governing authority’. For the same reason, television lagged behind other media both in social and cultural criticism and was slow to undergo institutional reform compared to other industries in China.

Right from its establishment in 1955, like other media in China at that time, CCTV was under the direct control of the Chinese Communist Party (CCP). As the only TV station representing the central government, the party principle has continued to be even more significant to the management and organizational culture of CCTV. According to the CCTV website:

CCTV is an important institute for news and public opinion in China. It is an important mouthpiece for the Party, government and Chinese people. CCTV is a very important battlefield of culture and thought in China. It plays a multiple role in news communication, social education, entertainment, and information services. It is the main channel of the information for the Chinese public and a key window for mutual understanding between China and the world.\footnote{Translated from CCTV’s website, available at: http://www.cctv.com/profile/intro.html (Accessed on 10\textsuperscript{th} Nov 2004).}

The specific wording of ‘mouthpiece’ and ‘battlefield’ defines CCTV’s primary identity, which indicates a culture featuring obedience, truthfulness, sensitivity and vigilance. By placing ‘Party’ and ‘government’ in front of
people, this indicates that CCTV’s programming is driven by the Party rather than by the people for the people. As ‘a key window for the mutual understanding between China and the world’, CCTV is undoubtedly the main conduit of press exposure for the central government, which guaranteed its dominating status in information and public opinion.

6.3.2 Party Logic in Management and Administration

As discussed in Chapter Two, under the CCP’s danwei/work unit system, television stations like any other danwei, were assigned administrative ranks, and were under the strict control of personnel quota. Both human resource management and career development were within danwei / work unit system. Although under the Party administrative ranking system, CCTV was more a beneficiary than a victim of this system, compared to its competitors in the domestic market. However, the old institution planned 45 years ago with no difference across many different industries and professions can not keep pace with the changes in a changeable and rapidly developing industry such as media. This is even more apparent when CCTV is compared to its competitors in the domestic market. On the other hand, the possible variety of production formats and the diversity of career paths normally seen in a mature media industry are restricted and simplified within an out-dated system based on a planned economy.
As discussed in Chapter Five, at a more obvious level, the restriction of the quota and employment model has caused a bottleneck for CCTV’s rapid expansion and future development. Two management circles were unhealthily divided between people employed with and off quota. Both management and production were strongly influenced by official-oriented ideology, administration and the Party needs always come before production standards. On a more latent level, I have discussed the lack of growth of professional development in the production sector, and the unusual fact that production experts have to be promoted into administrative positions (producers) in order to move up the career ladder.

Even though the media was officially categorized as a tertiary industry, under the strict danwei/work unit system and administrative ranking, media management still followed the old government sector management styles. Throughout the development of CCTV, Party logic has been the defining logic, which has both restricted the development of the media as an industry towards professional managerial systems and towards a professional career path for media practitioners. The intrinsic conflicts between Party logic and a healthy industrial environment will be analyzed further in the later section on ‘professional logic’.

6.3.3 Party Logic in Reform Process

The Chinese television industry is regarded as one of the ‘last bastions’ against reform in China, given its political sensitivity, and central role in
keeping social stability. For the same reason, every step towards deregulation, commercialization and marketization was a reactive measure to the changing social economical condition manipulated from the top-down rather than a voluntary pro-active approach initiated from the bottom-up. In his book *Ten Years: Start from Changing the Voice of Television*, Sun (2003:2) observed that all changes in the major reforms of Chinese television started in the Spring when the annual Party congress was held. Sun especially emphasized that all decisions on change in television were top-down. He was clearly attributing the success of *Horizon (Dongfang Shikong)* to the leadership of the CCP rather than to internally driven reform. But his book also revealed that the right to change was never in the hands of the managers of CCTV themselves, changes needed to be made top-down by the Party.

In fact, both the decision for media organizations to take more commercial opportunities and the broadcasting policy to give more business information and entertainment all originally stemmed from a change in Party propaganda policy. Or rather, the degree of tolerance has increased for relative separation (and intermeshing) between economic dynamics and political dictates (Lee, 2003). According to Deng’s famous Cat logic: No matter a white cat or black cat, the good cat is the one that catches mice. The political focus of the CCP moves on from endless debate on the nature of socialism in China to the very practical question: how to improve the productivity, and living standard of Chinese people. The Chinese media, which was first an advocate and then a follower of the CCP’s policy, was forced into the stormy commercial sea. From the ‘weaning period’ of Chinese media beginning in the late 1970s, to
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the change of the propaganda style, every major step towards deregulation was initiated through a political decision, rather than an internally generated change force.

The ‘weaning period’ policy was a forced solution resulting from financial pressure. The change of broadcasting styles came clearly from the need to defend CCTV’s market dominance and, therefore, give new impetus to its role in party propaganda. In this sense, the commercial logic is intertwined with party logic and it serves the party logic. The ‘official model’ of propaganda was increasingly unpopular to the audience in a fast changing Chinese society in the late 1980s. In the meantime, with the rapid development of television stations on all other municipal levels and the marketization of the Chinese economy, the old sermonic ‘education’ and political propaganda style of broadcasting of CCTV became gradually out of place. This is especially true when CCTV’s programming was compared to the more entertaining programmes provided by other TV stations at lower administrative rankings.

From its establishment until now, Party logic has continued to be the defining logic of CCTV. Even though from the early 1980s, as a result of commercialization and marketization, CCTV’s propaganda and ‘class struggle’ role has been gradually phased out and replaced by excessive market exploitation and mass entertainment, in its official publications CCTV never forgot to emphasize its role as the major ‘mouthpiece’ and ‘battle field’. In fact, even the change towards commercialization and marketization was
conducted according to official policy change and under the close supervision of the central government.

6.4 Commercial Logic: a Double-edged Sword

Starting in the late 1970s and expedited in the 1990s, the marketization and media reform gradually phased out the dominating 'mouthpiece theory' of media behaviour. Although under close supervision and interference of the Party, Chinese television embraced the market and went through successive phases of commercialization, starting with the early experiments with commercial advertisement in 1979, at the very beginning of the late Deng Xiaoping's leadership. Confronted with the huge advertising profits resulting from the marketization of the Chinese economy, and faced with hungry audiences reacting against the Cultural Revolution and the Party's puritan ideology, most television networks have thrived in the market place.

Despite consistent control over television journalism, a plethora of programmes emerged and thrived in this unprecedentedly deprived market. Zhao (1999) observed a misleading and rather self-contradictory mixture of programmes on the Chinese television screen: hard propaganda, soft propaganda, pure entertainment, fashion shows, popular music, various local

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65 According to Zhao Bin (1999), the first television commercial, featuring an herbal alcoholic drink, appeared on the evening of 28 January 1979, broadcast by Shanghai TV. Guangdong TV followed suit on 15 April airing commercials promoting imported products including a Swiss-made watch. CCTV started its 'commercial' information programme in December of the same year.

66 See previous note in Chapter Two.
versions of dating programmes and crudely made home-shopping programmes imported from outside the country. Despite content changes, the business scopes of the media as an industry have been expanded to a great extent. The various business activities of media organizations resulted in an organizational infrastructure change and a fundamental change of values and working ethos. Without a strong tradition of professionalism, CCTV, like many other Chinese media organizations, has become a hotbed for corruption; this will be discussed later in terms of professional logic. In this section, I will focus on the profit driven programming, unlimited business involvement and commercial expansion of CCTV.

If the Chinese media in general are the collective winners from marketization, CCTV is undoubtedly the biggest individual winner, ‘taking a distinctively and thoroughly commercial route in programming and broadcasting’ (Zhao, 1999). All of CCTV’s channels, without exception, carry commercial advertisements. Ironically, CCTV-1, as the most censored channel, also demands the highest advertising price among all Channels in Mainland China. Moreover, both the number and the length of TV commercials seem to be on a constant rise. CCTV-2 (the major channel on business and economics) even made programmes devoted to long extended commercial promotions from the early 1990s until now. Early programmes like *Gonqiu Rexian* (Market Place), *Shangwu Dianshi* (Business Television) and *Shang Qiao* (Business Bridge) all included a strong and often crude advertisement segment. Later programmes, like the most recent *Qian Yan* (Fashion), take the format of a connoisseur of the latest fashion product.
In addition, there are other forms of business involvement, including sponsored national TV competitions, hotlines, and homepage commercials. For example, CCTV ‘Chunlan’ (air conditioner) Cup National Youth Singer Competition; CCTV ‘Golden Partner (pharmacy)’ Cup Model Competition. The best known commercial model is the hotline. The most notorious and extreme example is the recent hotline competition run in September 2004 on CCTV-4 by the programme *Focus Today (Jinri Guanzhu)*. It invited audiences to bet on the casualty numbers in the Russian school hostage crisis by text message.

The trend of commercialization and marketization did change the television screen, and bring the needs of the audience, especially the younger audience, to prime consideration in programming. It has been widely acknowledged that the emergence of some (if altogether too rare) media programs and genres, sensitively addressing public concern in regard to consumer, environmental, and social issues was directly related to the increase of market consciousness (Zhao, 1998; Rosen, 2000). Compared to the old ‘official model’, today broadcasting styles are much more lively and more accessible to ordinary viewers. Management activities became more diversified. However, the point is, no less than any other media in China, CCTV has been ‘uncritically enthusiastic’ (Zhao, 1998: 70) about almost all forms of commercialization. Although party logic is still constantly reaffirmed, the commercial imperative has become important operationally and realistically to CCTV. As Zhao
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(1998) lamented, the Chinese media in general submitted to the power of money ‘crassly’.

The newly designed CCTV website reserves a considerable amount of space in the middle of its home page for various advertisements. Among the slogans some examples are: ‘new technology to cure hypertension’, ‘Korean Fashion City open for renting’, ‘project to make you 10,000 monthly’. With this unselective approach towards commercialization, much of CCTV’s business involvement has strayed too far from its identity as the national broadcaster and major public opinion leader.

As it desperately embraces commercial opportunities, today it is hard to see the serious productions like its early documentaries, ie. *The Yangzi River* (*Huashuo Changjiang*). Educating and inspiring the masses are not as important compared to retaining its market share and profits. Despite the sheer increase in quantity of television shows, programming is still monolithic, concentrating on meeting low-brow demand. Television soap operas, focusing on martial arts and love stories, dominate daytime programming. Numerous Chinese social critics bemoan the fact that the Chinese television industry is falling down the slippery slope to trash TV (Zhao, Y., 1998; Zhao, B., 1999; etc.).

Even within popular genres, creativity and innovation are hardly seen. As the national broadcaster and the most sophisticated television stations in China, CCTV’s example has a tremendous influence on smaller local stations which
tend to 'clone' CCTV output. Most of the popular CCTV programmes cloned ideas from popular foreign programmes. The best known Happy Dictionary (Kaixin Cidian) and Lucky 52 (Xingyun 52) are Chinese versions of ITV's Who Wants to be a Millionaire?. The most recent Entering Shangrila (Zoujin Xiangge Lila) is the Chinese version of Survivor. There are also various talk shows bearing strong influence from Western styles. News investigation programmes largely imitate 60 Minutes by CBS. The current cloning trends among Chinese television stations are summarized in the following maxim among Chinese people: 'CCTV clones European, American, Hong Kong and Taiwan programmes, local TV clones CCTV (Yangshi chao oumei gangtai, shengshitai chao yangshi).'

6.5 Professional Logic under the Influence of Party and Commercial Logic

It is hard to define media professionalism in general, given the fact that media occupations are weakly 'institutionalized' compared to other professions like law, medicine or accountancy (McQuail, 1994:198). Unfortunately, there is no unanimously acknowledged standard for good media practice, and therefore it is difficult to judge without comparison. In this section, I am going to look at the Chinese media industry in comparison to the current development and fundamental assumptions of the media industry, media management and journalism practice in the West. This section analyzes elements that lead to a relatively low level of professionalism and its implications for the particular organizational culture of CCTV in transition.
Although professional logic is one of the most important forces among the external adaptation of CCTV, it was not for that reason that CCTV is developing towards becoming a professionally acknowledged world-class media. In fact, in this fledgling media industry struggling within the old institution while embracing excessive commercial opportunities, CCTV seems to have lost its way towards professional development. Some scholars have frankly criticized China for having too little, not too much, media professionalism (Lee, 2003). In the above section, I concluded that there is a serious lack of professionalism in CCTV's daily management and its culture. The previous chapters revealed the two logics that dominate CCTV's daily operation. In this section, I will discuss the absence of professional logic as a result of the marriage of the authoritarian power and the undisciplined market (Lee, 2003).

Before 1979, any professional standard was entirely replaced by party logic. Party logic was the dominant influence on the production, personnel management and professional development of the media sector. When the market economy was introduced to China, and especially after the media was officially categorized as a tertiary industry, the influence of Party logic changed from financial control to attempts to influence the market structure and levels of competition. As both the beneficiary and victim of Party control, CCTV's daily management structure and ideology are still subject to heavy CCP and central government interference. From 1983 onwards, commercial logic gradually became CCTV's dominating logic. Commercial influence and
the crass pursuit of profit led to a moral crisis among some CCTV staff and managers. Shortsighted managerial arrangements to achieve lower costs and a quick sell have driven programme quality to a very crude level. In the meantime, human resources and personnel management suffered the consequences as well.

6.5.1 Professional Logic under the Shadow of Party Logic

6.5.1.1 Production and Programming

As the CCTV News Channel case study indicates, under the ‘party principle’, good programmes are those, which can speak for the Party, spread Party policy and receive acknowledgement from the central government. In examining CCTV’s yearbooks, its most important achievements are defined and recorded in these terms, for example: ‘CCTV was praised by … for its performance in 1997 Hong Kong Hand-Over Ceremony report’, ‘Premiere Zhu Rongji paid a visit to Focus (Jiaodian Fangtan) and commented highly on the achievement of Focus’. As the ‘carrots and sticks’ analogy shows, carrots from the Party were not only loved and welcomed but also documented and cherished by the CCTV’s management circle, as part of their political achievement as Party officials.

To encourage this perspective, the CCP organizes professional awards and competitions. Therefore the standard and norms for good television programmes are predominantly focused on ideological functions and political
correctness and judged first through a political eye and only secondarily from media professional and artistic perspectives. As Zhao (1998) argued, more than any other media in China, CCTV’s programming is completely ‘leader’ oriented rather than ‘audience’ oriented. The CCTV News channel is a clear demonstration of the direct influence of Party leaders on daily programming.

In terms of news production, political transparency was taboo; therefore ‘on-site’ reports were regarded as too risky and beyond the control of censorship. According to a cameraman for Lined-Up, a current affairs programme: ‘There is no such things as a real live ‘line-up’. All the telephone interviews are pre-recorded and censored before transmission.’ Every production team has a sheet of weekly and monthly sensitive topics listed by the chief editor’s office and stuck on their wall. As noted in the previous chapter, at any given time, topics could be a high-level official’s misbehaviors, serious coalmine accidents, or over-sensitive political issues. None of the production teams are allowed to cover or probe these topics in their programmes. Otherwise, their programmes will not pass the final censorship. As the CCTV News Channel case study demonstrated, the fundamental laws of news reporting, such as ‘timeliness’ and ‘immediacy to the audience’ were secondary to political stability. The CCP replaced the general watchdog role of the media with the political mouthpiece role. The Chinese media’s response (including CCTV) in the early stage of the SARS epidemic in 2003 is the best example.

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67 From confidential interviews with Lined-Up crew members.
Things are even worse at CCTV-9, whose top task is to make the government look good as the ‘first window to the outside world’. Joan Maltese who worked in CCTV-9 in 2003 as a foreign expert on English language described her work as follows:

> With the exception of a handful of mostly upbeat field reports and government-issue propaganda, our news all comes from wire services. Pull it off the computer, shape it to suit the party line, and shunt it off to the censor, at least one of whom is onsite around the clock. No communication with remote bureaus or foreign-based reporters, no exclusives, no contacts, no fussing with time differences, no pressure…(Maltese, 2003).

However, with the success of *Focus (Jiaodian Fangtan)* by CCTV from 1993, Chinese media in general has made great progress in their watchdog role. Since then, many investigative current affairs programmes have made huge successes both in terms of viewer ratings and advertising income. Nevertheless, criticism is still carefully managed and focuses on lower level officials. There was once an industry maxim that said ‘*Focus* only kills flies but not tigers’ (Li, 2002:32). Nevertheless, we cannot ignore the changes within the CCP, and the Anti-corruption Campaign launched throughout the 1990s. In essence, *Focus (Jiaodian Fangtan)* is a successfully managed mouthpiece, that said the right thing at the right time. Even insiders do not think that CCTV played the so-called ‘watchdog role’ well. There was a popular ditty I came across when I was doing my fieldwork, which satirized the hypocritical watchdog role of CCTV.

> I am a dog (flunky) of the Party, *(Wo shi Dangde yi tiao gou)* guarding the door everyday. *(tiatian shou zaizimenkou)* I will bite when I am asked to *(jiaowo yaoren jiu yaoren)* and stop when I am told off. *(jiaowo zhukou jiu zhukou)*
Nevertheless, as argued before, 'pleasing the Party' is the most important goal of CCTV, and acknowledgement and affirmation from the CCP is valued most. Even though, the watchdog role has improved, there is still no investigative autonomy and independent voice in CCTV. Even though brainwashing is no longer the case in terms of broadcasting guidelines and styles, public accountability and rights to information are still vulnerable and subject to the sway of Party opinion (Lee, 2003). The situation of Focus is a typical and complex case representing CCTV’s culture and problems in transition.

As discussed in Chapter Five, CCTV was seriously condemned for its slow reaction time in reporting ‘9.11’, the Iraq War, and the SARS epidemic. In ‘9.11’ reporting, when CNN, Phoenix TV, and many other TV stations around the world all terminated their previous schedule to show live footage, even providing telephone interviews from correspondents in America to complement the lack of tape filming, CCTV simply broadcast brief news item on its international channel. Only early next morning was the final cut of news on ‘9.11’ broadcast on CCTV-1, the channel with the highest viewing rate. When reporting the Iraq War, CCTV’s performance only helped to portray the competing reporter from the Phoenix network as an ‘iron rose’. When the young female reporter from Phoenix TV sent her reports back from the frontline in Iraq, the famous CCTV reporter was on his way back to Beijing for some unexplained reason. Public response has widely criticized this contrast between the two networks.
In terms of entertainment production, the long-standing policy for the Chinese media is to educate the masses by entertaining them. There is therefore a carefully manipulated political whitewash mixed into all CCTV entertainment production. It is a convention that CCTV televises Happy Gatherings (lianhuan wannhui) to celebrate many traditional festivals throughout the year. Among others there is the annual Spring Festival Eve Happy Gathering (Chunjie Lianhuan Wanhui); Rice Ball Festival Happy Gathering (Yuanxiaojie Lianhua Wanhui); National Day Happy Gathering (Guoqingjie Lianhuan Wanhui); May Day Happy Gathering (Wuyijie Lianhuan Wanhui).

In the early 1980s, when the cultural life of the Chinese people was still relatively indigent, CCTV’s ‘Happy Gatherings’ were of critical value to the nation and therefore institutionalized as part of the festival rituals. Given the significance of these key entertainment programmes, they have been under the close supervision and ideological scrutiny of the CCP.

The most watched CCTV entertainment is the Spring Festival Eve Happy Gathering, which boasts an audience of 1.6 bn from all over the world. The programme, originally valued as part of ‘Chinese Spring Festival culture’ in the early days of television, seems to have been carefully packaged to market Party ideologies (Zhao, B., 1998). In her 1998 paper on Spring Festival Eve Happy Gathering, Zhao Bin examined ways in which officially sanctioned ideologies are inserted into popular entertainment. In the 1997 Spring Festival Eve Happy Gathering, national pride was boosted in programmes celebrating the return of Hong Kong, the late Deng Xiaoping was commemorated with a
song called ‘The Story of Spring’, and the Chinese Navy was praised by another song ‘the Great Wall in the Sea’.

After 20 years, *Spring Festival Eve Happy Gathering* is now facing a great challenge to keep the programme on-air and popular. On the one hand, new and fresh forms of programming that attract all walks of life are being exhausted; on the other hand, other forms of entertainment free of political influence are sweeping the Chinese market. Party logic is still fighting to control possible ways to ‘educate people while entertain them’, but how effective it can be remains a pressing question.

### 6.5.1.2 Personnel Management

The overall aim of personnel development in post-Mao China was to nurture people who were ‘both Politically ‘Red’ and Professionally Excellent (*Youhong Youzhuan*)’. However, Zhao (1998) pointed out that in the tradition of Party journalism, the only standard of discipline is political correctness. Different from Western media organizations in general, journalistic creativity and investigative initiatives are not valued, especially immediately after the Tiananmen Square Protests in 1989.

For many years before 1993, political standards alone evaluated journalists and media officials; they were criticized or fired only because they had made

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68 *Politically ‘Red’ and Professionally Excellent* is a set phrase in China to indicate a typical role model of the best professionals for any occupation.
a political mistake. The political standard was the only standard of both self-discipline and control from above. Because political loyalty has come before and even replaced professional integrity, professionalism and ethics were not stressed. Journalism organizations and media officials were preoccupied with the political management of journalists, not their ethical behaviour. With little professional autonomy and few prospects for an aspiring journalist to develop professionally, or to undertake enterprising, investigative reporting, morale was generally low.

Apart from basic media functions, and professional values, Party logic played a dysfunctional role in the industrial development of the media and the professional development of media practitioners. The Chinese administrative ranking system and employment quota not only defined each danwei, but also defined the career and political life of each employee. In the case of CCTV, before the latest Producer Selection System initiated in May 2004, one had to be formally employed under the quota to be eligible for the producer position, which is the lowest level of CCTV administrative hierarchy. In other words, one must be a formal employee of CCTV to be able to get promoted and move further along the career ladder. Ten years after the introduction of the PRS, it became possible, although extremely difficult for people without the employment quota to be considered as candidates for the producer position.

Given the political importance of CCTV-9, not only formal employment, but also party membership is essential for promotion to the administrative level. Normally employees start as deskbound news writers. From there, they can
move up to directing, presenting or field reporting. The third and final level is the position of producer/censor. Communist Party membership is helpful for the first two levels and essential for the third. The executive tier is populated by Party members who have attained their status mostly through longevity. 69

Many people who joined CCTV on temporary contracts in 1993 were still on a temporary contract in 2004. They explained their frustrated feelings of being treated unfairly, and seeing their peers, who were not necessarily more capable but employed under the quota, promoted to the producer position. The consequence is that many employees left CCTV to join Oriental TV in Shanghai or Phoenix TV in Hong Kong, while others started their own companies. In Sun's book Ten Years: Start from Changing the Voice of Television, he touched upon this issue and expressed his regret at seeing employees leave.

For those who were lucky enough to get promoted to the level of producer, it is sometimes still not ideal in terms of personal development. As the case in Chapter Five shows, career development within CCTV is highly monolithic. Even though the media is now officially regarded as an industry, media organizations in general still carry on with their old infrastructure as government sectors. Media professional skills are highly simplified; many important roles in production have only just been recognized by CCTV. At CCTV-9's Programme T, the role of 'researcher' was only just introduced in 2003, and the the job description consisted of just three sentences. The

69 From confidential interview with employees of CCTV9, see also Joan Maltese, 'Special' for NewsMax.com, Friday, July 4, 2003.
Producer's role, which the BBC defines with a 300-page handbook, was still a 'concept' or 'rhetoric' determined by external supervision and regulation. Many common media skills, like presenting, were not recognized as a professional title at CCTV.

6.5.1.3 Market Order and Competition

As a result of the uneven development at the industry level discussed in Chapter Two, the relationship between CCTV, its competitors and regulators is also twisted by CCP's ubiquitous influence. A blurred line between politics and market order puts CCTV in an unparalleled position in the domestic market. Some of its policies may sound odd at the first, but with an understanding of the relationship between CCTV and its regulating body SARFT, their purpose becomes clear.

What can be a political scandal in the West, but surprisingly common in China, is the fact that the relationship between CCTV and the regulator of the Chinese media industry is mutually beneficial. According to Qian (2002: 175), in 1994, CCTV turned in 1.1bn RMB to SARFT, which equals 20% of the government subsidy. In 1997, CCTV turned in nearly 8bn RMB to SARFT. CCTV's contribution became an important resource for the operation of SARFT and Chinese radio and television. Many observers think that protection and assist from the government is necessary for the sake of political stability (Qian, 2002). In fact, it is the result of an awkward
relationship between the regulator and the regulated body, which is harmful for both a healthy market mechanism and the robust growth of CCTV itself.

6.5.2 Professional Logic in Relation to a Dominating Commercial Logic

6.5.2.1 Media Professionalism and Ethics

From 1979 when the CCP cautiously promoted so-called marketization, even though the speed and scope of marketization was considerably slow compared to other industries in China, the media industry did not seem to have learned any lessons. What is worse was that the media, as a newly acknowledged industry in China, did not have a healthy management infrastructure or an independent set of codes of conduct. Under these circumstances, especially with its favored market position and ultimate authority in shaping public opinion, media corruption was inevitable (Chen, 2004).

Zhao (1998) observed that the Chinese media in the 1990s were deeply confused over guiding principles and professional codes of conduct. This confusion will increase as commercialization becomes reinforced to a higher and greater level. After 20 years’ step by step commercialization, under the marriage of media power and commercial profit, various forms of extensive media corruption have emerged within the Chinese media industry. The blurring of advertising and editorial functions, bribery, fabrication, and ‘red
envelopes’\textsuperscript{70} among other things are widely observed in the media industry (Zhao, 1998; Chen, 2004; etc).

In the case of CCTV, just as in many other fields in China, where ‘power’ meets ‘money’, corruption has become ‘not an aberration, but the very way the system works, deeply embedded in the government itself’ (Zhao, 1998). Zhao Bin’s research (1999) has revealed concealed advertising as a result of deals struck between the producer and commercial sponsors behind the scenes. That was the origin of the saying ‘you pay to get on TV’. In the most notorious example, the former Director in General of the Spring Festival Gala Zhao An was arrested in 2003 for passive bribery. Following this in 2004, Feng Ji, the former CCTV Director of Film and Drama was arrested for the same crime.

However, corruption and misbehaviour within the Chinese media industry were not just a result of an influential dominating commercial logic. All of these cases indicated a dangerously low level of media professionalism and ethics in the Chinese media industry. As one of the top four media organizations in China, CCTV is a typical example. For a long time, the Chinese media were under the close supervision of the CCP. Even a decade after the media was formally established as an industry, there is still no law concerning its practices in the media arena.

\textsuperscript{70} Originally the term ‘Red envelope’ refered to a traditional Chinese New Year convention where older generations give young children ‘red envelopes’ containing money. In this context, ‘red envelopes’ refer to a relatively small amount of money offered as bribery.
A serious lack of law and regulations forms one side of the problem. If the regulations are not effective, self-regulation is an even worse situation. More importantly, as part of the CCP’s ruling infrastructure, for a long time, media organizations did not have an independent set of professional standards, a code of conduct or ethics apart from Party principles. Therefore, a sense of self-regulation, was never developed. Under Party and commercial guidelines, CCTV does not have its own value system or voice as media. There is also a discrepancy within CCTV’s organizational culture that is deeply confused between the two over-arching and distorting logics.

6.5.2.2 Employment and Personnel Management

With the extensive commercialization of CCTV, quick money seems to be a popular choice for producers who have the autonomy to dispense finance and personnel within their own teams. During my field research, I came across many cases where untrained or unqualified people were employed, as mentioned in the CCTV-9 case. Many producers regarded personnel training and supervision as too expensive. A serious lack of professional development and supervision, as shown in both case studies, was reported repeatedly throughout interviews with people working in different sections of CCTV.

A CCTV news producer revealed that when he first joined CCTV a decade earlier, all newcomers were allocated to a senior supervisor to be trained for a certain amount of time varying between six and twelve months. What happens now across CCTV is that everybody hired is required to take on
responsibilities immediately. There is no institutionalized program to recruit or cultivate talent and no formal training for new hires or interns across the organization. Given the limit imposed by the employment quota, employment fluidity is very high at CCTV. This high fluidity is also one argument that prevents CCTV producers from investing in their hires.

All in all, over the years of commercialization, strict party control has gradually loosened up in the following aspects, including production (except news production) and personnel, especially lower level employment and business involvement. In fact, when opportunities are related to profit-making, controls and responsibilities have been further relaxed.

Originally integrated into the Party code of conduct, CCTV and the Chinese media did not have an independent set of professional standards with which to start. Also, being a government sector, there was a great neglect of the need for and significance of media professional development. All in all, media professionalism and professional development of media as an industry suffered the consequences of the two dominant logics of Party control and commercialization. CCTV’s operation and performance was drifting between its identities as a Party mouthpiece and a profit generator, without a consistent understanding of media as a profession, and media as an industry.
6.6 Social and Ethnical Logic

According to Therivel (1995: 73-92.), a farming society with a stable feudal structure would be one where tradition counts more than novelty. From 1979, China introduced the reform of state-owned enterprises. Even after more than 20 years, the current Chinese campaign for 'modernization' is still not necessarily a process of change in Chinese people's fundamental mentality or behaviour. State-owned and heavily protected enterprises and organizations are still in serious need of emancipation from the restrictions of some fundamental ideologies.

In the introductory chapter of this thesis, I discussed the importance of understanding the popular wording of '(reform with) Chinese characteristics' to researchers on China and the Chinese economy. Both the CCTV-9 and CCTV News Channel cases provide abundant evidence of prevailing Chinese culture traits in many organizational phenomenon and arrangements, from communication styles, codes of conduct in a team to organizational structure. In this chapter, through social and ethnic logic, I refer to the social cultural norms, conventions and value systems embedded in Chinese history and culture that worked as an informal arrangement throughout the uncertain transitional period.

Hofstede (1999:34) noticed a strong continuity of management culture within a particular society, which may vary cross-culturally. Other researchers have also drawn attention to the underlying distinguishable ethnic 'logics' such as:
perceptual, cognitive, and interpretive patterns that are temporally stable in the histories of societies (D'Iribarne, 1997) and ‘national assumption sets’ (Kung-Shankleman, 2000: 13) that permeate every aspect of organizational behaviour. In return, it is argued that corporate cultures act out themes and patterns in the wider culture (Hampden-Turner 1990; Hampden-Turner & Trompenaars, 1993).

The two case studies in Chapter Five offered scattered but notable examples of the informal organizational arrangements used as default measures either in the gaps left between party control, commercial expansion and professional standards, or in the confusion caused by the complex intermeshing of these three logics. Both cases touched upon many aspects of Chinese social and ethnic values, such as Shantouism, official-oriented management ideology, being guai/obedient, and the law of average. In the following section, rather than repeating the earlier examples, I summarize the scattered evidence into two main aspects, and discuss how it influences CCTV's transition. These two aspects are:

- Hierarchy and hierarchical Culture
- Guanxi effect and Shantousim

### 6.6.1 Hierarchy and Hierarchical Culture

Most Asian cultures retain more hierarchical structures and traditions than those in the West. This is especially so in China, where Confucianism originated. In his seminal book *Culture's Consequences*, Hofstede (1984)
rated Confucianism-influenced countries very high on the power distance dimension. One of the focuses of Confucianism is the five hierarchical relationships, on which social stability is based. These five relationships are called ‘Wulun’, or ‘five basic relationships.’ These five relationships refer to relationships between father and son, ruler and ruled, husband and wife, elder brother and younger brother, and friend and friend (the latter pair is equal in position). Hofstede stresses the importance of an individual’s place in the hierarchy of social relationships. A person’s fulfillment of the responsibilities of a given role ensures the smoother functioning of society.

Social hierarchy and the relations of subordination and superiority are considered natural and proper. Apart from the performance of assigned duties, filial submission, loyalty, decency, or reciprocity are also required (Xing, 1995). Confucian principles provide the basis for Chinese society and organizational bureaucracy, respect for officialdom and seniority, rituals of etiquette, ceremony, and various types of business relationships. In an organizational context, work is organized through mutual understanding and acceptance of the informal cultural boundaries in terms of administrative status, age difference, and difference in experiences. Within Chinese society this hierarchical tradition has a great impact on interpersonal relationships in families, among clans, between groups and within the danwei/work unit.\footnote{In China, danwei, or work unit, refers to those urban workplaces through which the CCP-state administers and controls economic activities and arranges the jobs and lives of people. For more information, see previous discussion in Chapter Two.}
The cultural characteristics of CCTV related to hierarchy consist of the following three aspects: official-oriented ideology in programming, being guai/obedient to officials and seniors and symbolic meanings attached to time, space, communication styles and other daily operational details.

In a general social context, local government officials were traditionally 'Father and Mother officials' (Fu Mu Guan), which vividly reflects their absolute authority and guidance of the local common people. In the relationship between the ruler and the ruled, the ruler enjoys absolute dominance according to the Confucius Wulun. This is also why Confucianism was welcomed and respected by successive feudal ruling classes over the past thousands of years. Skipping capitalism and stepping into communism directly from a feudal society, the strict official-oriented ideology is still traceable in many social relationships and transactions. The media as the mouthpiece of the government is the typical embodiment of this official-oriented culture both in terms of its products and production organization model.

In terms of media product, the pre-1979 'official model' of broadcasting is an extreme but clumsy example. Although this has gradually become more delicate and skillful, official oriented programming both in news and entertainment is still regarded as one of the most surefire traits of CCTV production. Given CCTV's position at the top level of television stations representing the central government, bureaucracy and hierarchy are the
dominating style, not only for content production, but also in daily management culture.

The hierarchical environment at CCTV is so obvious that one easily feels it when stepping into the organization for the first time. As mentioned in my first impression of CCTV-9, the general way to address anyone older, higher in status or employees who joined CCTV earlier, is 'laoshi', meaning ‘master/teacher’. As the underlying rule accompanying hierarchical culture, as discussed in CCTV-9’s case, the shared consensus on a code of conduct inside CCTV is to ‘follow suit,’ be guai to your seniors, and obey any commands you are given.

In terms of communication and knowledge sharing, this invisible caste system put people off communicating with each other freely, let alone sharing ideas without reservations. Junior/less experienced staff may not be willing to disagree with their laoshi(s)/seniors in order to keep the balance of hierarchy. This may lessen the possibility of creating positive results or innovative ideas through ‘creative friction’. When interviewed one recent recruit complained: ‘everything visible or invisible reminds you that you are not important in this team. Therefore your ideas are not valuable. Under these circumstances, you sometimes don’t want to bother’.

When it comes down to daily operational details, one can easily tell the status of people in an office by whether they have their own desk or whether they share with others; whether they make the effort to talk to other people and
whether they come to the office early or late everyday; and as well the ranking of their names on the official published contact list (see Appendix 4).

Undoubtedly, the dominating hierarchy at CCTV is the two management circles developed under differentiation of employment status. Officially, there is an ID card system categorizing employees with different status positions revealed by differently coloured ID cards—white, pink or blue. People with white and pink card are employed under the government employment quota, while those with blue cards are employed temporarily by a certain department or channel. The different colours of the ID cards indicate different levels of access to CCTV’s resources. Despite the fact that the ID card system is only a contingent measure to cope with the explosive work force, the idea to differentiate access to CCTV resources according to differing employment status is deeply rooted in the traditional hierarchical culture.

6.6.2 Guanxi Effect and Shantouism

Fukuyama (1995) categorizes China as a low trust country, where it is not impossible but highly difficult to build up trust without a guanxi/connection. Many observers have acknowledged the guanxi/connection effect as a vital factor in doing business successfully in China (Yeung & Tung, 1996:60). In CCTV’s case, we will see how this penetrating guanxi effect in Chinese society influences CCTV in transition.
As discussed in the earlier study of CCTV-9, one of the first questions a new employee would be asked by co-workers, either directly or indirectly, was ‘who recommended you here/did you know our producer before?’ With everybody tied up in networks of guanxi, the whole organization and work culture was obscured with layers and layers of networks below the surface (Sun, 2003:60). When who you know matters more than what you know, there is an obvious managerial problem. Sun stated that the intangible network will bring unnecessary difficulties to management in the long term, and will distort the relationship between colleagues (Sun, 2003:87). Indeed, with this huge intangible network, if one connection does not work, it will influence the whole situation.

According to many interviewees, communication between colleagues is full of understatement, and the process of decision-making lacks transparency. In one interview, a CCTV producer complained that it does not matter whether he really needs somebody to fill a position, if there is a strong recommendation from the top, he could not say no, due to the fear of the consequence of this refusal.22 Similarly when there was a need to slim down, he had to make his decision based on a comparison of each employee’s connection (guanxi) background, and the length of the time they served in the team. Most of the time, it was not the least able whom he fired; it was the most vulnerable and new employee who suffered the consequence.

22 From confidential interview with a CCTV producer.
Many interviewees have argued that they cannot feel safe and loyal to their team. The relationship between team members is very cold, and sometimes hostile, especially to new-comers. As noted previously, some new-comers even adopt the term ‘three weeks silence’ to describe the situation when they first started working at CCTV. They explained that during those three to four weeks, no one spoke to them actively or sociably. They felt that they were not welcomed, and that other employees were checking them out, as if they were trying to work out their background network before they started talking to them in a friendly way.

When it comes to the later developed Shantouism, the guanxi effect is nevertheless one of the intrinsic forces moving CCTV towards this cliquism with Chinese characteristics, despite the fact that it is also a consequence of the structural and cultural split between two management circles and the lack of any regulation of the producer’s role. The guanxi effect played a key role in the loyalty of employees within CCTV. In most cases, it is the personal attachments within the group that work as the surviving link rather than one’s overall contribution to CCTV. Both guanxi effect and Shantouism shed light on many issues in CCTV’s transition, including the employment model, team management, internal politics, and employee loyalty and morale.
6.7 Embedded Organization and Disoriented Media – a Confusing Picture of CCTV’s Transition

It is true that after a decade of reform, CCTV has made considerable progress in terms of programme genre, quality, content and variety. However, it is still far from the sophistication and standard of quality of world-class leading media organizations. In fact, with Party logic as the sole defining logic, CCTV’s operation and transition demonstrated a serious lack of media professionalism and understanding of the management of media as an industry and the media role in society. When CCP started deregulation under financial pressure, commercial logic and social and ethnic logic came into play, embedded in complex power relationships, CCTV has been disoriented as a media organization. This thesis argues that the fundamental cause of the disorientation is the immaturity of the Chinese media as an independent industry and profession.

Among the other three logics, apparent support of party logic for improved professionalism as the Focus case shows, has in fact been only partial at best. At the intraorganizational level, as seen in the case of CCTV News Channel, the general news production guidelines of CCTV encourages employees to ‘love the carrots and put up with the sticks’. On the one hand, CCTV enjoys the privileged situation provided by the CCP and celebrates any affirmation from the Party. On the other hand, they struggle to sacrifice their professional standards to please the Party. When in contradiction, media’s responsibility in
society, such as accountability and information provision, must give way to Party needs.

When it comes to the personal development of media professionals, the existing quota system and *danwei* work unit administrative rankings created a major barrier between the old guard in the inner circle and newly developed media professionals marginalized into the outer circle of an increasingly 'unfreezing' organization. The picture of human resource management is more confusing when the influence of social and ethnic logic comes into play. With the lack of regulation and any systematic definition of management arrangements and production roles, traditional cultural conventions and norms has come to permeate every aspect of organizational life. Informal institutional arrangements under social and ethnic logic have only driven CCTV further away from a systematic construction of selection, nurturing, supporting and encouraging media professionals.

Under the influence of commercial logic, the positive side is an increasing awareness of programme variety and audience compared to the dull, unilateral broadcasting style of the 'official model'. However, in pursuit of higher standards of service and quality, CCTV demonstrates a confusing and self-contradictory approach. Self-contradictory, because on the one hand it is totally against media professionalism and professional ethics; while on the other hand, CCTV aims to be one of the world's leading media organizations. Confusing as it is, the whole management circle has bowed to the pressure of
viewer ratings in order to attract advertisers, while they turn a blind eye to
market order, positioning and the customer.

In its internal evaluation, CCTV depends heavily on viewer ratings. Every
channel since then publishes weekly rankings of their programmes' viewer
ratings. In contradiction, in production and programme research, there is no
emphasis on the key values of programmes in the relevant genre. Questions
like 'what do we know of the market?' and 'what kind of people would watch
our programme?' are left unanswered. According to a news magazine
programme producer, their audiences are firstly the censors and political
leaders, and then as large a share of the mass audience as possible. This
ignores the fact that more often than not, political leaders and the mass
audience have incompatible values and orientations.

During the period when I was working at CCTV, I attended a meeting about
the choice of topics for the following weeks, in which the producer
emphasized that our principle of topic selection is simply 'aiming high'. He
then carried on explaining his understanding of the market: we only care what
the majority of the Chinese people think and like to watch. Our topic should
be either highly significant political issues or things related to daily life of the
common people.

What I saw at CCTV-9 was even worse. As the only channel broadcaster in
English to represent China to the outside world, CCTV-9 enjoys a free ride
from the state. Therefore it does not bother with money issues, such as
advertising revenue and marketing surveys. With no pressure to compete for advertising income and no challenge to its preeminence as the main news resource for its audience, CCTV-9 functions under the vague assumption that most of their viewers are foreigners living in China and Chinese who want to improve their English (Maltese, 2003).

Some observers argue that there is no valid comparison between CCTV and other Asian and Western television networks like Phoenix, BBC, CNN and PBS given the uniqueness of CCTV’s political nature. It is certainly true that the uniqueness of CCTV lies in its problematic culture, which is embedded in its political, social and historical settings and integrated into daily organizational life.

6.8 Chapter Conclusion

This chapter has examined the power relationship between the four logics identified from the ethnographic research presented in Chapter Five. While analytically distinct, none of these four logics or types of leverage is in reality separate or isolated. On the contrary, they often combine, overlap, negotiate and sometimes compete with one another. Even though none of the four logics is superior to any other, given the shifting requirements in the CCTV’s period of transition, the leverage might give certain logics a dominant position in shaping the new organizational rules (cf. Karpik, 1972).
From 1979 to 2003, Party logic has been the most influential logic throughout the transitional period. Even though the influence of commercial logic has brought significant changes to CCTV, throughout its transition the continued existence of Party logic and institutional residue has distorted commercial logic, squeezed out professional logic, and in a way nourished negative elements of social and ethnic logic. However, despite the overwhelming influence of Party logic, both Chapter Five and Six clearly show that there are also reciprocal actions between these four logics, especially the two competing logics, Party and commercial logic. The initial changes stemmed from the Party’s reaction towards financial pressure and social changes, which finally led to a second round of reforms breaking the boundaries of the ‘old’ institutions.

During the process of transition, although often neglected, social and ethnic logic worked as the default through informal arrangements in the vacuum left between Party and commercial logic. The ebb and flow between formal and informal institutional arrangements is reflected best in the movement of PRS towards Shantouism. Nevertheless, the power forces in any particular period of CCTV’s transition are not static and unilateral. This reveals that the organization is not passively embedded in these formal or informal institutions. The interactions and negotiation between these logics and institutions provide the principal insight into an understanding of organizational change and organizational culture.
Chapter Seven Dynamics between Organizational Culture and Change in CCTV’s Transition

It's not so much that we're afraid of change or so in love with the old ways, but it's that place in between that we fear... It's like being between trapezes. It's Linus when his blanket is in the dryer. There's nothing to hold on to.
—Marilyn Ferguson (1980)

7.1 Introduction

Based on the previous discussions of organizational culture and CCTV’s transitional process, this chapter theorizes CCTV’s transition into a model of dynamics between organizational culture and change. The chapter starts with a brief review of literature on change, and how the CCTV change model fits into the existing literature. Then this chapter goes on to introduce the model of CCTV’s transition, which draws on both four logics identified from ethnographic research in Chapter Five, and the three stages of change processes discussed in earlier chapters.

Based on Ferguson’s four processes of change (Ferguson, 1980), this chapter argues that CCTV’s transition has reached a point in which a paradigm change is needed in order to achieve the real transition. However, given the complex dynamics between the four logics, this chapter concludes that paradigm change will not be exempted from a difficult round of negotiation with the other three logics, especially the over-arching Party logic. But the most crucial step towards a successful paradigm change at CCTV is a
reunification of the split organizational culture with a central theme of media professionalism.

7.2 Review of Literature on Change

7.2.1 Kurt Lewin’s ‘Force Field’ Model

The literature concerning organizational change tends to fall into one of two main categories, one that emphasizes organizational efficiency and the other, that emphasizes social change. The literature which emphasizes achieving organizational efficiency bases its assumptions on the work of Kurt Lewin. Kurt Lewin (1951) proposed a ‘force field’ analysis model to understand organizational change. Force field analysis proposes that an organization is typically in a state of equilibrium. There are two forces, which maintain organizational stability: driving forces and restraining forces. The driving forces are those elements of the organization, which support a desired organizational change. Keeping the organization in equilibrium are the restraining forces. If the two forces are equal, the organization will remain static. Change occurs when one of these two forces becomes stronger than the other (disequilibrium). Once the change has occurred, the organization reverts to a new state of equilibrium, which reflects the desired change.

Lewin’s model of organizational change consists of two basic concepts. The first asserts that an organization’s natural state is static or unchanging. Lewin describes this state as being ‘frozen’. When the organization is in a state of
change it is malleable or it 'thaws' and then reverts to a static or 'frozen' state. The second asserts that an organization can be successfully divided into two groups. One that seeks change and one that opposes change.

From the beginning of this thesis, I adopted Lewin's term of 'unfreezing' to describe the split of two management circles and the increasingly fragmented subculture formed by each individual production core around producers. At the first sight, CCTV's uncompleted reform programme, the PRS, clearly led the organization into two groups, the inner circle and the outer circle. The inner circle represents the restraining forces, while the outer circle represents the driving force. It was true that when the outer circle, the driving forces which welcome change, succeeded in media reform towards professional development, the inner circle—the restraining forces protected by employment quota and old danwei work unit system—tried to marginalize the new blood of CCTV.

However, Kurt Lewin's 'force field' model is not sufficient to explain the transitional process of CCTV mainly for the following two reasons. First, as it's been widely criticized, the clear cut between the driving force and the restraining forces and the two groups is not realistic. The over-simplification and negligence of what lies behind the scenes is precisely what cultural research attempts to correct. In the meantime, Lewin's model predicts that an intervention, which will strengthen the driving forces or weaken the restraining forces, will result in the desired change. By accepting Lewin's model the attention shifts away from the process of how organizational
change occurs and focuses on how to create an effective change intervention.

Second, Kurt Lewin’s ‘force field’ model does not give sufficient weight to
the environmental influence within his categorization of ‘driving’ and
‘restraining’ forces. In this case, it puts the organization into an ideal and self-
contained situation that is contradictory to the concept of ‘embedded’
organization.

7.2.2 Marilyn Ferguson’s Four Change Processes

In contrast to Kurt Lewin’s ‘force field’ model, Marilyn Ferguson’s four
processes focus on the process through which change can occur. According to
Ferguson (1980), change can occur in at least four different ways: change by
exception, incremental change, paradigm change, pendulum change.

*Change by exception* occurs when people allow exceptions to their beliefs,
but do not change their own beliefs. For example, new information, which
contradicts one’s firmly held beliefs is seen as an exception rather than a
refutation of those beliefs. *Incremental change* is gradual and happens
imperceptibly. Usually, it refers to a collection of small changes that
ultimately alter our belief systems. *Pendulum change* is when an extreme
point of view is exchanged and its opposite adopted. Pendulum change
ignores the past, ascribing no positive attributes to the previous points of
view. The new belief is often as zealously held as the old. *Paradigm change*
is a process of re-thinking and re-evaluation of premises, based on integrating
new information or beliefs into an existing worldview so that a new view
emerges. As Ferguson (1980) pointed out, it is only *paradigm change* that promotes transformation. And for transformation, or true organizational change, to occur, the beliefs that control behaviors must undergo a more profound change in mindset.

From 1979 to 2003 CCTV's change process demonstrated characteristics of a mixture of these processes described by Ferguson, apart from *pendulum change* and *paradigm change*. One might describe the pre-1979 period, the traditional official model of broadcasting, as what Lewin would call a ‘frozen’ image of CCTV. During this particular period, party logic is the sole dominating logic. Party principles are the guiding principles of programming, while the *danwei* work unit system and administrative ranking system are the defining institutions of personnel and welfare system.

From 1979 to 1993, the change period was a typical *change by exception* process. During this period, Party logic bowed to the inevitable social changes and the financial pressure to commercialize ‘the last bastion’ against reform. In this period, change began with the acceptance of business activities as an ‘exception’ to other traditional media functions, while still remaining control on other aspects of media operation. Therefore, from 1979 to 1993, Party logic was still the dominating logic both in terms of programming and the way the media worked and was managed. All levels of the Chinese media remained part of the government sector, and they were attached to administrative ranking systems. During this period, the exceptional condition was the way the media subsidized their traditional political functions through
commercial activities. The fundamental beliefs of the media and media practitioners continued to be dominated by the over-arching party logic.

From 1993 to 2003, the change process was one of *incremental change*. Especially after Deng’s famous Cat analogy of 1992, gradually commercial activities were accepted as part of the media’s new function as an industry.73 While the CCP and Chinese media industry gradually accepted and promoted commercial logic, changes inside CCTV gradually went beyond control of the change designers of the PRS. As discussed in Chapter Six, a confusing picture of small changes under negotiations between Party logic, professional logic, commercial logic and social and ethnic logics turned the PRS into *Shantouism*.

Ferguson’s four change processes offers a good insight for analysis of the change process of CCTV’s transition, but nevertheless it is a broad-brush summary of types of changes that can occur. These are possibilities that could offer fragmented snapshots of different stages while failing to bring the whole picture together. Unfortunately, this model is limited and does not provide answers to further questions, ie. Why do certain changes occur and others do not? In what order do different types of changes occur? What is life like inside organizations with differing change processes?

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73 Deng Xiaoping’s famous ‘Cat logic’ goes like this: No matter if it is a black or white cat, the good cat is the one who catches mice. It is an analogy between social systems and cats, which highlights the importance of improving productivity and the living standard of common people as the most important criteria of the social system rather than the ideological differences.
In CCTV’s case, one might question why pendulum change and paradigm change did not occur, if they can occur, and if so when? In the following analysis of my model of dynamics between organizational culture and change, I intend to answer the above questions.

### 7.3 Dynamics between Organizational Culture and Change in CCTV’s Transition

Base on a six-month period of ethnographic, four logics were identified from organizational cultural experiences in CCTV at the end of the third stage of CCTV’s transition. A functionalist approach adopted for the meta-triangulation of this ethnographic research shows how institutional, historical, social, and cultural influences contribute to the formation of the four logics of CCTV’s organizational culture. Chapter Six focuses on how CCTV and its transition is ‘embedded’ in a complex network of these four logics.

This thesis argues that the current picture of CCTV seems confusing without a good understanding of the matrix of intertwining leverage between the four logics. Figure 7.1 considers the leverage between different logics at different periods of CCTV’s history. In this figure, I use 1 to 5 to indicate the degree of influence of each particular logic from absolute power down to non-existence. Given the abstract nature of each logic, the numbers should only be understood relatively in comparison with the degree of influence of other logics, rather than absolutely in its numerical value. I have used different
colored lines to represent each stage of CCTV’s transition and the power relationships between the four logics at a particular stage.

In the pre-1979 period CCTV can be described as being in the ‘frozen’ situation using Kurt Lewin’s terminology, where Party logic was the sole dominating logic, with a limited degree of social and ethnic logic aligned with the Party’s hierarchical culture. In this period, CCTV was a strict party ‘mouthpiece’ and a ‘battle field’ of ideology, as CCTV’s website states. Broadcasting style was known as the ‘official model’. Organizational infrastructure was integrated into the Party’s danwei/ work unit system. Personnel management was under close control with the employment quotas, which resulted in the ‘iron rice bowl’. Commercial activities were absolutely
taboo. Media was not an independent profession but a government apparatus serving political needs. The whole institutional arrangement became known as the ‘old institution,’ as mentioned in previous chapters.

From 1979 to 1993, as discussed earlier with Ferguson’s *change as exception*, CCTV started to ‘unfreeze’, with the introduction of commercial logic into the media sector. A milestone in this introduction is the official categorization of the Chinese media as an industry. Even though commercial activities were accepted and introduced as ‘exceptions’, Party logic was still the dominant logic of this change period. Main commercial activities were still restricted within limited television advertisements. The pressure from a hungry audience after Cultural Revolution with increasingly demanding material and spiritual needs pushed CCTV to change its ‘official model’ of broadcasting and improve the range of programmes. Increasing the number of entertainment programmes and introducing a series of good quality cultural documentaries made by CCTV marked several milestones in Chinese television history.

In this period, changes started with ‘exceptions’, but interactions between the four logics cannot be neglected. The introduction of commercial logic as an ‘exception’ was CCP’s reaction to financial pressure, rather than a proactive change. The improvement along professional logic in terms of programme variety and CCTV’s awareness of its audience was a result of both social change and commercial imperatives.
The third stage of CCTV’s transition, from 1993 to 2003, started with another change by exception, namely the introduction of the PRS. Initially it served as a compromise between the increasingly serious manpower bottleneck and the rigid employment quota and danwei/ work unit system under the Party logic. However, the influence of the PRS is three-fold: First, ‘new blood’ joining CCTV brought a new voice of television into China. The immediate success of Horizon and Focus improved CCTV’s professional image as a media organization, and nurtured many television professionals. Second, ten years’ co-existence of the PRS and the ‘old institution’ kept ‘unfreezing’ CCTV into two management circles, and produced a highly fragmented organizational culture. Third, increasing the autonomy entitled to producers without efficient supervision and regulation allowed the extreme exploitation of commercial opportunities and negative influence of social and ethnic logic towards shantouism and being guai/obidient.

Under this condition, a series of small changes as a result of negotiations between the four logics brought the transition into the incremental change period. Although the four logics intertwined as a complex network in practice, I have summarized the interactions between them individually.

Although competing as nip and tuck throughout the third stage of transition, party and commercial logic sometimes align with each other. In fact, the commercial development of the media industry was later integrated into an official policy. However, the existence of the ‘old institution’ runs against a healthy commercial environment by favoring CCTV over provincial and even
smaller local television stations. CCTV, as a highly favored and protected media organization within China, reaps the largest profits from the advertising market. This is why there is a strong 'grandapa' culture within CCTV. When political status plays a role in the market economy, it is very hard to maintain a healthy relationship between them.

Most importantly, the rocketing advertising income glossed over the serious lack of professional development both in production and the organizational management system at CCTV. Even though the success of the PRS did improve the professional image of CCTV, as discussed in Chapter Six, the process of incremental change demonstrated a serious lack of professional ethics and understanding of the media as an industry. Production, especially news production, was still in constant negotiation with Party censorship and the official-oriented ideology. Pleasing the Party was still a higher priority than serving the public. Viewing figures were introduced as an important standard for programme evaluation, while at the same time, business awareness of market and audience are still at an elementary level. Nevertheless, its monopoly status in the commercial market guaranteed by Party logic significantly decreased CCTV's pressure to improve its role and its vision as a professional media organization.

Elements from social and ethnic logic are not unique to CCTV's case, but the interaction between social and ethnic logic and the other three logics during the transitional period did bring some unique problems, which reflected the unique organizational culture of CCTV. Between the deregulation of Party
logic and a very weak professional logic, the negative social and ethnic norms exploited the cracks in the institutional rules and arrangements. Excessive commercial pursuit and misbehaviour both by media practitioners and organizations turned the frontier of change into a hotbed of media corruption. In return, the mixture of cultural elements created a further barrier for the transition towards professional media enterprise and the organizational cultural conundrum.

In the ten years of reform of the PRS, managerial innovation grew from the imperatives embedded in Chinese media practices that maintained fundamentals of Party logic (Fang, 1996). From a media professionalism point of view, the process of transition certainly expanded the practice of CCTV as a media organization in comparison with the ‘official model’, and its strictly Party mouthpiece role. In the meantime, the reform of the PRS did nurture a group of Chinese television professionals. But, at the macro level, the expansion was limited within the function of media as a Party-run corporation, rather than media as a public sphere. Therefore, it is the consumers rather than the public that CCTV’s transition targets (Pan, 2005). At the micro level, on the one hand, the reform failed to integrate the media professionals into the inner core of CCTV, without a compatible institutional infrastructure and increasingly split organizational culture between the two management circles. On the other hand, the pursuit of material gain and financial profits made a serious dent in media professional ethics. The impact of crass commercial logic on media professional logic has been serious and it is likely to be long-lasting.
In a nutshell, the general trend of reform is an uneven change mostly at the periphery of the old institutions struggling to penetrate into the heavily guarded inner core. This trend can be found at both the industry level of Chinese media and the organizational level as in CCTV’s case. Pan (2005) modeled a similar trend in Chinese journalism reform according to Giddens’ (1984) center versus periphery distinction of social institutional change. Following Giddens, Pan (2005) argued that:

...the centre of China’s journalism institution is constituted by the social relationships and practices that have been ‘established, ‘enduring’ or ‘routinized’ under the party-press system, while the peripheral region is constituted by activities of the non-party organs, non-routine journalistic practices, and newly emerged subsidiary outlets supported by the market.

In CCTV’s case, the PRS first emerged outside the old party administrative system, and first was tested on a morning programme, which then was regarded as low risk. Given its swift success and huge potential commercial value, gradually it was accepted and promoted by the Party to television stations all over the country. Ironically, as successful as the PRS was, after ten years of reform it was still struggling to become ‘certified’ and stabilized as an integrative component of the Party administration system.

7.4 Next Stage of CCTV’s Transition – Paradigm Change?

Throughout CCTV’s transition, Party logic remained heavily guarded and constantly fortified despite the introduction of commercial logic. Struggling to survive in the middle of the tensions between commercial exploitation and
the Party controlled media system, the professional ideals of CCTV and its television professionals were pursued in a highly restricted manner, in order to reduce political, as well as financial, risks in media change (Pan, 2005). In the cracks of institutional changes, social and ethnic logic added another discourse for further negotiation towards the professionalization of media conduct.

Drifting among Party, commercial and social and ethnic logic, CCTV demonstrated a confusing trajectory of how an organization with no independent professional tradition claims to transit into a world class professional media organization. Inside CCTV, management innovation and media professionalism failed to penetrate into the inner core of the organization. A professional culture was not integrated into a shared value system between the two management circles. From an institutional point of view, this resulted from a very immature Chinese media industry created in response to commercial pressure, rather than in response to the need to realize the media's role in society. To prevent CCTV from being trapped in the diverse, discursive and fluid triangle formed by Party, commercial, and social and ethnic logics, this thesis argues that the only way to create a new balance is a breakthrough towards professional logic (see Figure 7.2).
In a similar vein, Friedson (2001) argued that professionalism is the third logic of media for differentiating between political control and commercial pursuit. However, as in any other profession, an institutional infrastructure is a political and economic negotiation during a long and complex process, which is often subject to social systems and cultural traditions (Larson, 1977; Neal & Morgan, 2000). According to Ferguson’s four change process, a break through towards Party logic can be seen as a paradigm change, which necessitates a rethinking and re-evaluation of the media’s role in Chinese society. Also, it demands the re-structuring of media organizations to accommodate production, efficiency, creativity and innovation, normalization and standardization of media professional ethics and a code of conduct. Most importantly, as Ferguson (1980) argued, paradigm change is the only process
that promotes transformation. To assist a real transformation of CCTV, the premise is a change of mindset of organizational members in both inner and outer management circles, which is namely, a reunification of a new organizational culture highlighting media professionalism and ethics.

However ideal a paradigm change sounds, it has to be considered under the current framework of organizational change at CCTV. In the case of such an embedded organization as CCTV, its social, historical and political birthmark will constantly renegotiate the process of paradigm change towards a much more independent and normalized professional logic. As long as CCTV is still attached to the Party administrative ranking system, a small group of the old guard at the core of CCTV will support the dominance of Party logic for political benefits. This also explains why a pendulum change is not realistic in CCTV's case.

Although the result was Shantouism, managerial innovations like the PRS nevertheless set a good example for guerrilla warfare waged at peripheral and individual levels by individual journalists and media managers (Pan, 2005). As a compromise between increasing pressure from the manpower bottleneck and the quota system, the PRS was not a well-planned and coherent project with a clearly specified destination from which to start. It was the practitioners who were first compelled to take non-routine actions when facing changing conditions. Its success proved the possibility that non-routine actions initiated by media practitioners from the institution's periphery could be co-opted by the Party-state authorities. In fact, as the reporting of breaking
news at CCTV News Channel demonstrated, the daily operation of CCTV is supported by many professionally conscientious television professionals. Many of their efforts were later recognized and affirmed by Party authorities, even though many of these television professionals are still waiting to be integrated into the organization under quota.

Most of the time the changes that align with both professional logic and Party logic were the result of a cooperation between both media professionals and Party authorities. In this way, both parties mutually recognized their roles and their actions are contingent upon the premise that each abides by the rules that define those roles. Changes occurred when media practitioners consented to the legitimacy of Party control and submitted themselves to such control, while the Party authority recognized the imperatives for change and was willing to co-opt manageable changes into the orbit of its political control (Pan, 2005).

A significant difference in the period of paradigm change will be a more proactive attitude towards professional construction. For a long time during CCTV's transition, professional logic will have to devise non-routine practices to 'break through' the confines of the party-press system on the periphery of the formal institutional arrangements. As widely observed, non-routine practices were allowed and institutional space for such practices was not obstructed if practitioners obeyed the rules of not threatening the authority of the Party and not jeopardizing the career and authority of the media managers (Pan, 2005). In the foreseeable future, professional logics will still
need to survive within the peripheral circle of the organization and resort to the tactic of 'hitting line balls' (*da cabianqiu*), as Scott's (1990) 'arts of resistance' suggested. In this *paradigm change* process, media practitioners will have to strive to preserve their ability to make further contributions to media professionalization and keep nurturing and cherishing a professional culture. Even though for the time being these efforts will still be limited to the periphery of the institution, the accumulation of a 'critical mass', which should be expected in a reasonable period of time, may eventually realize an organizational transition.

### 7.5 Chapter Conclusion

Many researchers have commented on the two guiding principles of China’s media reforms: ‘crossing the river by groping for the stones’ (*mozhe shitou guohe*) and maintaining the fundamentals of the party-press system (Pan, 2005), which were reflected in the first three stages of CCTV’s transition. However, it would be negligent to ignore the interactions, negotiations, turns and twists of the ever murky and uncertain change process. This thesis has explored this by explaining CCTV’s transition through an organizational cultural lens by going through the ups and downs during the process of reform.

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74 ‘Hitting the Line Ball’ (*Da Cabianqiu*) is a term adopted from table tennis. It means playing the ball to the very edge of the ping-pong table in order to score legitimately.
Lingjie Wang---Chapter Seven Dynamics between Organizational Culture and Change in CCTV's Transition

Base on a multi-paradigm organizational culture study of CCTV in transition, this chapter theorized CCTV's transition into a dynamic model between organizational culture and change. The four logics summarized from the data analysis at the end of Chapter Five's ethnographic study were reinforced by a functionalist approach to organizational culture study in Chapter Six.

Throughout 1979 to 2003, CCTV’s transitional process can be summarized as a movement from a 'frozen' state of 'institutional equilibrium' based on the principles of the Communist Party-press system (Liu, A., 1971), to change by exception to incremental change. Changes were initiated as 'exceptions' and gradually interacted with existing logics creating new and sometimes unexpected incremental changes. Each stage was characterized by a constant negotiation and a tug-of-war between the four logics. Even though CCTV's organizational culture and change process are both embedded into a specific Party-state hierarchy, against an institutional determinist view, this thesis argues that the dynamics between organizational culture and change have brought a different insight to the transition process and revealed the implications for further change.

Although confusing, uncertain and complex, the first three stages of CCTV’s transition from 1979 to 2003 nevertheless displayed a disoriented media without an independent professional soul. It drifted between the institutional forces triangulated by party, commercial and social and ethnic logic. A very immature media industry only recently detached from the political infrastructure was partly responsible for the lack of understanding of the
media as an industry and the media’s role in society. The ever-existing political-economic-ideological complex under the over-arching Party-state hierarchy is the ‘glass ceiling’ for further development of media professionalism, and the growth of media professionals.

This thesis argues that any further transition of CCTV will have to include a *paradigm change* with professional logic as the central theme in order to achieve real transition towards becoming a world-class media enterprise. However, this process will certainly involve the ‘art of resistance’ and continuous efforts by both media managers and practitioners. Above all, a *paradigm change* has to sprout from a shared mindset, which nurtures, cherishes and promotes the organizational culture of media professionalism.
Chapter Eight  Discussion and Conclusion

8.1 Introduction

This chapter concludes the thesis with the following three sections: 1. Discussion of research findings 2. Contribution to knowledge and practice. 3. Implications for future research.

8.2 Discussion of Research Findings

Based on an ethnographic research conducted inside CCTV at end of the third stage of its transition, this thesis presented a real picture of CCTV’s transition behind the sky-rocketing advertising income figures. Instead of relying on an image of the organization presented by CCTV executives, I chose to observe it from the bottom of the administrative hierarchy. This position allowed me to collect authentic data on the impact of change on daily production activities and people working on the organization’s frontline. Using thick description and detailed story telling, this thesis provided abundant cultural artifacts as well as evidence for reflecting shared values and assumptions, while simultaneously revealing conflicts.
The data analysis section identified four logics: Party logic, commercial logic, professional logic and social and ethnic logic. Each logic represents a set of subconsciously accepted and unspoken assumptions, or gestalt worldviews that influence media functions, infrastructure, management ideology and daily operation. This thesis argued that it is the interactions, coalition, negotiation, and ebb and flow between these logics intertwined that presents a complex and confusing picture of CCTV's transition. A truthful understanding of CCTV's organizational culture and change could only be achieved through the process of untangling the complex power relationship between these four logics.

Although these four logics were summarized from an interpretive study of CCTV's culture, experienced as the 'natives' do, nevertheless they reflect the institutional embeddedness of CCTV and suggest implications for organizational transition. This thesis argued that the specific institutional setup of CCTV is a typical reflection of the deeply rooted Party logic in various discourses. Being doubtful of the post hoc accusation of 'institution' and 'Chinese characteristics' for being responsible for the major stumbling block of the progress of economic transition in China, this thesis acknowledged the partial truth of this accusation but downplayed the 'institutional determinism' in this argument. The previous chapters present a detailed analysis of how a dominating Party logic twisted commercial logic, squeezed out professional logic and facilitated the recharging of negative elements from social and ethnic logic.
Since Zhao (1998)’s book *Media, Market and Democracy in China*, many researchers of Chinese media reform have followed the ‘Party logic’ and ‘market logic’ that she proposed. For example, Zhao Bin (1997) adopted the terms ‘party mouthpiece’ and ‘money-spinner’ to describe the change of roles that occurred in the Chinese media during the process of transition. Qian’s (2003) book also discusses the Chinese television system under the influence of ‘politics’ and ‘market’. Quite a few other researchers share a common view that Chinese media reform so far reflects the collaboration between ‘authoritarian power’ and ‘undisciplined market’ (Pan, 2005; Lee, 2003, 2005, Chan, 1993, 2000, 2004; etc). For a long time, the discussion of journalist reform and Chinese media transition was bounded by this two-dimensional framework.

The two dimensions proposed by Zhao (1998) certainly offered a critical framework for an objective scholarly analysis of Chinese media reform. This framework stands in stark contrast to the large body of research blindfolded by the swift commercial success of the media industry, and those who bowed to the Communist Party’s ideological control. However, studies following this two-dimensional view share two common shortcomings: First, they are pessimistic and lack constructive elements. Second, these studies focus on the structural change of the media industry, but neglect the micro level impact of change on individual organizations, especially media practitioners.
Starting from a micro level analysis, this thesis complements earlier research by its special focus on the micro level impact of structural change on daily production and individual media practitioners. A detailed ethnographic account of their daily practices and how their shared value systems evolve in response to structural change discloses a more revealing picture of how Party and market forces interact with each other at the intraorganizational level. Most importantly, following a close look at the consequence of power relations between the Party and Market, this thesis identified a seriously under-developed professional logic and the neglect of social and ethnic logic throughout CCTV’s transition. Further analysis of the dynamic model between organizational culture and change reiterated how media professionalism grew but remained fundamentally restricted by these two competing logics.

Friedson (2001) argues that professionalism is the third logic independent from political control and commercial pursuit. Following Friedson (2001), this thesis presented a strong case of how a reconstruction of organizational culture with a strong professional theme could encourage a breakthrough in CCTV’s transition.

With the development of the PRS as the central line of enquiry, this thesis also demonstrated an uneven development both at the industry level and the intra-organizational level of Chinese media reform since 1979. Other researchers of Chinese media reform have also touched upon this subject’s characteristics. Among them, Pan (2005) made two distinctions between a
‘center’ and ‘periphery, ‘front’ and ‘back’ in the development of media reform. With the dynamic model between the organizational culture and change of CCTV’s transition, this thesis provided a processual analysis on how and why media reform developed into an uneven status as the result of bounded management innovation.

From 1979 to 2003, CCTV’s transition represents a general trend of Chinese media reform characterized by the limited development of professional logic under the shadow of an over-arching Party logic, a twisted Commercial logic and a neglected, but recharged, social and ethnic logic found in the cracks between institutional changes. As a highly protected organization with limited degree of deregulation, CCTV’s achievements within Chinese media reform are striking. However, in terms of sustainability, this thesis argues that a systematic reconstruction of organizational culture with a central theme of media professionalism is the only way to guarantee a paradigm shift towards a real transition.

8.3 Contribution to Knowledge and Practice

The contribution of this thesis is threefold: 1. Contribution to organizational cultural research. 2. Contribution to Chinese media research. 3. Contribution to practice of organizational change management in Chinese media industry.

Upon reviewing the two contradictory schools of organizational culture theory, I argued that the elements of organizational culture emphasized by
these two schools actually do interact with each other. The interaction occurs because the external and internal variables cannot produce predictable ‘results’ through cause and effect. They must be filtered through the organizational symbols, and cognitive systems of the organization and the people who work there. Similarly, the ‘root metaphor’ of organizational culture, the organizational sense of ‘who we are and what we do,’ does not come from thin air and it is not static. There is a continual give and take with the ‘variables’ identified by the other school of researchers. Meanwhile it is important to recognize the fact that this interaction is complex, because it does not proceed in only one direction and it is not deterministic or predictable in its effects.

By highlighting the dualistic nature of the concept, this research enriched the concept of organizational culture in the following three aspects: First, organizational culture is reflected both in the structural side and the ideological side of an organization. Second, organizational culture is represented both by objective (non-people related) and subjective (people related) aspects. Third, organizational culture needs to be analyzed from both macro and micro perspectives. Therefore, this thesis supports the argument for a connoisseurship in organizational research. In this specific case study connoisseurship helped to encompass both the richness of the concept offered by interpretive study and the emphasis of institutional embeddedness of a functionalist study.

The considerable methodological problems and research issues associated with ‘connoisseurship’ are solved by a sequential meta-triangulation of
research paradigms adopted by both an interpretive study and a functionalist study. This research project offered one of only a few empirical studies with an application of meta-triangulation of research paradigms in the organizational culture research field.

Within the field of Chinese media research, this thesis offered a unique perspective on the most secretive but also the most representative organization in Chinese media. The CCTV case study and especially the ethnographic research offered valuable insight into the organizational consequences under the social economic change of the Chinese media industry. With a special focus on the impact of change on the lower level of television practitioners, this thesis stands as a complement to the existing large body of research on the social and political changes of the Chinese media industry in general. As a typical representation of Party controlled media in transition, the CCTV case offered insight on the real picture and impact of change from inside the organization. The four logics and their interactions presented in this thesis significantly enriched the current and prevailing two-dimensional discourse of analysis.

As clearly declared in the introduction and methodology chapters, in order to present the authentic organizational culture of CCTV, this research did not follow any preset research agenda to seek clinical prescriptions. However, research findings based on a thorough understanding of the dynamics between organizational culture and change provided strong implications for the practice of organizational culture and change management both for CCTV
and the Chinese media industry in general. Specifically, this study’s contribution to practice can be operationalized in the following three aspects with a central focus on promoting media professionalism: First, speed up the stipulation of law and regulations regarding media practice and the professional ethics of media practitioners. Second, institutionalize media industry and management practice, especially practice in relation to production management and personnel management. Third, eliminate the difference in the speed of development of the two management circles by acknowledging and integrating innovation that emerged in the outer circle into standard organizational practice.

8.4 Implications for Future Research

It is often the case with scientific investigations that more questions than answers are produced. Given the limitations of this research and the further questions raised, future research can proceed in the following areas: 1. Testing the four logics and dynamic model theorized in this research with more case studies within the Chinese media. 2. Theorize media professionalism in the Chinese context.

The major limitation of this research lies in the fact that it is a single case study. Although CCTV is the most typical representation of Chinese media in transition, the triangulation of several cases from a variety of sub-media industries could significantly improve the generalizability of research findings. Future research could test the four logics and the dynamic model between organizational culture and change by applying them to examples in Chinese film, publishing, press industry etc.
Through the proposition of professional logic, this thesis revealed a path-breaking new research area both in theory and practice. Theoretically speaking, for the immature Chinese media industry, future research can pursue a model with which to develop the media from being an occupation to a profession in the specific Chinese context. Certainly, an institutional set-up for any profession is a far-reaching process full of political and economic conflicts, which is also subject to specific social and cultural systems (Larson, 1977; Neal & Morgan, 2000). This model will need to be able to answer the following questions: First, under the strong influence of Party and commercial logic, to what extent could Chinese media balance the need to serve the Party, the market and the public at the same time? Second, as the result of negotiations between social power relationships, how could institutional arrangements guarantee the independence of media practitioners and the public supervision of media organizations?

Practically, future research can pursue questions like: How to nurture media professionalism among both media practitioners and media executives? What can Chinese media professionals learn from Western exemplars? To what extent can they integrate what they learned into CCTV’s culture and how successfully they can do it?
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Appendix 1: Interview Questions

1. How long have you been working for CCTV?
2. What is your contract status?
3. What is your typical day like?
4. What is your main responsibility?
5. What are the difficulties you came across during the time you work for the CCTV, and why do you think it was like that?
6. What concerns you most?
7. What characters did you recognize in CCTV’s culture?
8. What are the best memories you had about CCTV, and what are the worse ones?
9. How do you describe your relationship between your colleagues and you and CCTV?
10. What would you describe CCTV?
11. What are the surviving logics of your job, and where did you get to know them?
12. What are the main changes you know during your time working for CCTV?
Appendix 2: Interview Transcript Excerpts


- Here in CCTV, not just the new comers feeling the hostility, it is the same among the veterans. (在央视, 不光是新人遭到排斥, 人与人之间总是互相排斥的.)

- For those newly graduated, it is impossible to get the opportunity working in CCTV if you don’t have any guanxi. (刚毕业的学生, 如果不认识人, 哪可能进来啊!)

- Programmes, channels and departments inside CCTV are more of a vicious competitive relationship than a cooperative relationship. For example, one department controls all the programmes resources exchanged from foreign and local TV stations. To protect its programme from being surpassed by other programmes on viewing rate, they refuse to give access of the programme resources to other production groups. (台里各部门之间各自为政, 栏目与栏目之间是恶性竞争的关系. 例如编辑部控制着所有央视与国外电视台协议交换的节目, 但是编辑部为了自己栏目的收视率, 拒绝把节目资源与其它栏目共享.)

- Reform process from 1993-1998 could be called ‘deregulation’, when producers were entitled autonomy in its internal decisions. During this 5 years, PRS matured gradually, while at the same time, its drawbacks became more recognizable. Since 1998, more regulation was introduced on the power of producers. The period of reform after 1998 could be called ‘re - regulation’. (93-98应该
Inside CCTV NCD, there isn’t much change recently. The pace of change slowed down after 1993. (就评论部而言，这10年来转型地感觉不大，几乎没有什么变化。)

To CCTV, the start from the reform was not from its first income from television advertisement, but the first time that the achievements of Horizon was documented in the report of the Department of Propaganda of the Central Government. (对于中央电视台来说，也许拿到第一笔广告费，却不能称为改革地开始。真正地开始也许应该从东方时空的成绩被第一次写进中宣部的报告中开始。)

Excerpt 2: Editor in Chief, Programme C, CCTV News Channel (18th Nov. 2003)

- CCTV to me is just my business card and my bank account. Apart from that, I don’t have any personal attachment with it. In fact, I am outside of the CCTV institution. For many of us working outside the institution, we have to work hard, but there is no opportunity for us to compete on the same platform with those inside the institution. We don’t know what the future holds for us, therefore there is no sense of belongings for us in CCTV. (央视是我的名片，我的存折，除此之外，央视和我没有任何关系。央视实际上是两个体制并行。我们是体制外的人。...央视制度外的人就是这样，拼命工作，却总也没有机会跟体制内的人同台竞争，也不知道未来在何方。内心对央视没有归属感。)
Reforms designed by people inside the institution always put people outside the institution as the target of reform. It is to say that people outside of the institution are the victims of the reform, therefore never have the opportunity to compete with those inside the institution on the same platform. However, for us who is outside the institution, we were grateful that we had a chance to join the CCTV from a local TV station. For us, from a local station to CCTV is like Triple Jump, therefore we value this opportunity and work hard for it. (Since 1993’s PRS reform), we brought vibrancy to CCTV. To explain the situation with a metaphor, within the institution of CCTV, it is still like a stagnant pool of water, even though the wicket is still locked, the waves outside the pool has brought some new blood into the pool. But it is still ripples across stagnant water.

Such a huge TV station as CCTV, the management style, however, is like management of a feudal Chinese family business. It is a typical ‘rule of men’. Inside CCTV, the line managers or producers have the say inside their own force-field. Take Quality Control as example; there isn’t a written standard on programme quality or a guidebook. The whole process is therefore subject to the personal taste and professional judgment of the particular person in charge. In our channel, the former censor was more critical and strict then the
current one. Programme quality is therefore not as good as before.
Management culture and production standards are therefore subject
to personal taste, and Christmas of the line managers. The
characteristic of CCTV's management is therefore 'rule of men'
rather than 'rule of law'. 整个央视，这么大的电视台，管理模式
却是‘家族式’的管理。在封建大家族里，所有的事都是一个
大家长说了算。典型的‘人治’。 在央视，大小事都由部门或
者栏目的头说了算。以质量控制为例， 质量控制方面没有成文
的制度，全在制片人的工作态度和审片主任个人。以前的审片
制度更严格，跟现在比， 质量控制方面有所下降。'人治’ 而
非‘法治’在这方面有所体现。 但是由于央视上下没有统一的
制度，各部门和栏目都因制片人或部门主任的不同个人风格，
和魅力而有不同的文化氛围。这一点， 也许是央视和其它企业
之间的不同。)

Excerpt 3: Previous Editor, Programme T in CCTV News Channel (8th
Nov, 2003)75

- ...working for CCTV is just a way to make a living. Most of us can
not get recognition from CCTV. It is like a concubine, you gave all
your youth, beauty and love to your husband, but as a concubine,
you will never get recognition from the family and therefore cannot
be berried in the family cemetery.

- Among 12,000 people working in CCTV, about 7000 of them are
informal employees, which means that CCTV does not have
contracts with them, so they do not have any guarantee from the job,
they are also the ones who keep CCTV brand name. Most of them
are the best ones in Chinese TV, they either come from TV stations
in their hometown. (not all of them, some of them are just relatives

75 Interview conducted in English.
or friends with people already working in CCTV). Most of these people works really hard to keep the job, but they are the ones get the least from CCTV apart from their salary. The salary might be a little bit higher than other places, but the feeling of working just for money is no good. Most of them (hard to fine figures of it) have a very low loyalty for CCTV. They came to CCTV with dreams of a good career, but sometimes, it is only a dream.
Appendix 3: Interviewee Background

Among people interviewed during my pilot study and field research, there were people from different backgrounds and different positions. Given the nature of this research, I cannot offer individual names and positions of them. Possible Details of my interviewees are as follows:

CCTV Producers: 7
CCTV Editors/Directors (including Chief Editors): 29
CCTV Presenters: 5
CCTV Cameramen: 6
CCTV Production Managers: 4
Previous CCTV employees: 15
Academics: 16

Among the people listed above, there are overlaps when one person takes two or three different positions.
Appendix 4: CCTV 9 Programme T & CCTV News Channel Programme C Structure

<table>
<thead>
<tr>
<th>Title</th>
<th>Sex</th>
<th>Age</th>
<th>Education</th>
<th>Employment status</th>
<th>Service Time</th>
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<tbody>
<tr>
<td>Producer</td>
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<td>31ys</td>
<td>BA from BBI</td>
<td>Taipin</td>
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<tr>
<td>Presenter &amp; Director A</td>
<td>F</td>
<td>31ys</td>
<td>BA from Beijing University</td>
<td>Taipin</td>
<td>7 ys</td>
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<tr>
<td>Presenter B</td>
<td>F</td>
<td>33ys</td>
<td>MBA from overseas university, BA from BBI</td>
<td>Bupin</td>
<td>1 y</td>
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<tr>
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<td>No higher education</td>
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<td>1.5 ys</td>
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<tr>
<td>Presenter C</td>
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<td>34ys</td>
<td>MA from overseas university</td>
<td>Zupin</td>
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<tr>
<td>Presenter D</td>
<td>M</td>
<td>35ys</td>
<td>(overseas Chinese)</td>
<td>Zupin</td>
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<tr>
<td>Director B</td>
<td>F</td>
<td>22ys</td>
<td>Master Student from BBI</td>
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</tr>
<tr>
<td>Director C</td>
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<tr>
<td>Researcher (Intern)</td>
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<td>19ys</td>
<td>Undergraduate Student from BBI</td>
<td>Zupin</td>
<td>2 months</td>
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76 Order of the list follow the order of CCTV-9 Contact List.
### CCTV News Channel Programme C Structure

<table>
<thead>
<tr>
<th>Title</th>
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<th>Age</th>
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<td>Prouder*</td>
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<tr>
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<td>BA from BBI</td>
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<tr>
<td>Vice-Chief Editor*</td>
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<td>BA from Hebei University</td>
<td>Bupin</td>
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<tr>
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<tr>
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<tr>
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<td>BA from Xiangtan University</td>
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<td>MA from University of International Economics and Trade</td>
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<td>BA from BBI</td>
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</tr>
</tbody>
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*Horizon or Focus veterans.

Order of the list follows the order of CCTV News Channel Contact List.