

ASSESSMENT OF PUBLIC SERVICE BROADCASTING: ECONOMIC AND MANAGERIAL PERFORMANCE CRITERIA

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Abstract

This article discusses the rationale and purposes of the expanding assessment of public service broadcasting from the perspectives of performance evaluation in public administration and media management. The author argues that increased assessment of public broadcasters is part of a movement toward better oversight of a range of public social services that is designed to improve service effectiveness. The article explores economic and managerial approaches to assessment that are increasingly augmenting traditional content and audience assessment practices in public broadcasting. It introduces and illustrates a variety of types of economic and managerial measures that provide insight into the operations and effectiveness of public service broadcasters and explores what they reveal to assessors and managers and the implications of those measures.

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Public service broadcasters face a growing necessity to justify their operations and performance as a means of improving credibility and legitimacy, as well as to meet strengthened reporting and assessment requirements placed upon them by parliaments and national regulatory authorities. This article explores management assessment of public service broadcasting organizations, the rationale for assessment of public organizations, and issues of what can be assessed and how. Although some sorts of assessments have been made of public service broadcasters since their inception, the types of oversight given have been rather indifferent to the success of overall operations and programmes and instead have concentrated on whether broadcasters met basic service requirements.

In the twenty-first century, however, public service broadcasters are increasingly being asked to provide evidence of effective use of resources to justify their economic activities *vis-à-vis* commercial broadcasters. This has come about because the digital age is fundamentally changing mediated communication, not merely providing new media and channels of communication. The digital age is increasing communication choices, producing smaller audiences for each channel, and permitting mobile as well as fixed communications. But it is also making audiences far more active participants in the communication process. Digital media are shifting control over communication toward individuals in the audience. They are providing audiences the ability to choose how, when, and where communication is received, and also to filter and personalise information in a way to determine what communication is received.

Rather than tying the public more closely to civil society, the primary characteristic of the digital age is the breaking down of collective society and the promotion of a form of isolated, self-centred individualism. The changes produced by digital communications in many ways contradict and impede the ability of public service broadcasters to carry out their primary tasks of serving collective social needs, providing information and services that audiences need to be effective members of society, and improving the communications received by the public.

Because digital media are inherently designed to serve narrower audiences and individual needs, have significant investment and operational costs, and relatively low demand among consumers, efforts are increasingly being made to transfer much of the costs to users. Although this fits the commercial operations mode quite well, it runs counter to universal service principles inherent in public broadcasting. Thus, the digital age has not merely produced new opportunities for public service broadcasters but is challenging the roles that they play and their capacity to provide services. Most broadcasters are straining to provide a broad range of services, spreading financial resources and personnel perilously thin, and producing a loss of focus. This situation is particularly problematic because public service organisations exist with the consent and support of citizens. Should the public lose its will to continue funding and attending to public service broadcasters, even the futures of the organisations are at risk.

It is sometimes easy to ignore this risk because there is a permanency myth in modern society when it comes to social institutions. There is a bourgeois tendency to attribute immortality to organisations, to assume that structures, policies, and operations are indestructible. But we need to be mindful that across the developed world, the public has supported significant reduction of the public role in telecommunications, post systems, postal banks, state-organised retirement and social wel-

fare systems, and airlines and rail systems. It is not unthinkable that in some nations it may seriously be suggested that the management of public service broadcasting be privatised with competitive bidding for the right to manage the companies.

Opposition to oversight and demands for change is strong within public service broadcasting (PSB) organisations. The same rhetoric that has been heard for nearly eight decades about the sanctity of public broadcasters and the roles they play is used whenever discussion of PSB takes place and little recognition is given to the changing environment and how it alters some of the roles public broadcasting plays. Discussion takes place within highly defensive postures from public broadcasting personnel and a desire to do everything possible in media, ranging from digital television to mobile content provision, from the Internet to digital audio broadcasting. And there is a general unwillingness to make choices among potential activities. The situation is compounded because there is confused or absent direction from parliaments and governments and many public broadcasting organisations lack effective leadership, vision, and strategy.

This article explores the nature of performance assessment, its applicability to social service entities, and measurement of economic, financial, and managerial performance. The context for such assessment is public administration management and media enterprise management. It recognises that public service broadcasting is operated for purposes other than profit maximisation but that it must still contend with economic and financial forces that must be effectively managed in order to provide the best possible service to society. The applicability of this assessment approach is not limited to specific nations but is most appropriate to public service broadcasters whose operations are guided by the philosophy and administration most typically found in Western Europe and increasingly found in broadcasters in some other European states.

The article itself does not conduct an assessment of public service activities but introduces economic and managerial assessment concepts and methods that can be used by those assessing specific firms or making comparative assessments. The concepts involved include the most relevant concepts for assessing economic and managerial performance in firms (Brinkerhoff & Dressler 1990; Van Horne 2000; Fraser & Ormiston 2001).

The concepts are illustrated by examples from European public service broadcasters that are designed to show the kinds of information produced with the methods and implications of those kinds of information for individuals making assessments. Data for the examples were gathered from the annual reports of a number of public service broadcasters and other sources. Because economic, financial, and managerial assessment is based on individual broadcasters and results for individual broadcasters vary, the results shown are not generalisable but the methods can be applied to other public service broadcasters. Because the data are exemplary and not generalised, no sampling techniques were used in selecting the public service companies from which data were acquired to illustrate uses of concepts and methods.

The Role of Performance Assessment

In this environment there is a growing internal necessity to justify operations and performance that coincides with the strengthened assessment requirement

being placed by national authorities that are part of a broader trend to assess public services overall. Public broadcasting organisations need to understand that they are not being singled out for assessment but that it is now being required for many public services ranging from hospitals to schools, from child welfare agencies to homes for the elderly (Swiss 1990; Newcomer 1997; Letts & Grossman 1998; Kearney & Berman 1999). The development of assessment methods and requirements has grown stronger in the past three decades with the increasingly managerial approach introduced in higher education programmes in public administration.

In the past, some assessments processes existed for PSBs but they were rather weak. Stronger methods are now being required by national governments and the European Commission as part of competition, social, and cultural policies.

Assessment of public services is a process that examines institutions and their practices, rather than the philosophy, purposes, and functions of public services. It examines organizations, their structures, and their effectiveness in meeting its obligations and desires. Institutions make all kinds of strategic and operational internal choices involving activities, organisation and division of labour, and use of various resources (Heinrich & Lynns 2000). These choices and their outcomes are the focus of assessment. Thus assessment should be viewed as oversight of public service *broadcasters*, not public service *broadcasting*. Examining and questioning the ways in which broadcasters operate is not the same as questioning public service broadcasting itself.

Current assessment requirements take place within an understanding of the maturity of public service operations and the historic contexts in which they have operated. Public service broadcasters were relatively small organisations until the beginning of television broadcasting. In the 1950s and 1960s, as regular TV broadcasting emerged, there was a dramatic growth in revenues. Broadcasters typically created large, centralised organisations with large numbers of employees. As broadcasters expanded and offered more channels, particularly in the 1970s, parliaments, commissions, and regulatory bodies began questioning the efficiency of PSB operations and inducing structural changes. In the 1980s and 1990s policy changes created more commercial broadcasting, and efforts to increase operations and efficiency in PSBs were promoted both externally and internally.

Today, public service broadcasters operate in mature markets and there is little potential for market growth. They are challenged by opportunities and demands that they provide more services in the digital age. However, these are being presented without new financial resources in most cases. And there is a need to ensure that existing activities are operated efficiently and continue to be relevant to the needs of the public.

It is in this environment that regulators and boards of public service broadcasters are increasingly implementing assessment procedures to determine the performance of the broadcasting organisations they oversee. In doing so they are implementing regular reviews of the activities and seeking measures that provide insight into the performance of the organisation and its operations. Such performance measures involve measurable indicators of the degree to which objectives and goals have been fulfilled. Indicators are specifically related to requirements, objectives, and goals that have been stated by the organisation's mandates or managerial strategies and by general managerial requirements for enterprises.

Assessments typically begin with a review of the requirements and objectives and making a self-analysis of how they have been met. This is usually followed by a review by the overseeing organisation. In the past, assessment of PSB performance tended to involve traditional performance measures such as hours of service provided, hours of original programming produced, amount of news and public affairs programmes and cultural programmes, amount of programmes for children and minorities, amount of domestic and imported programming broadcast, amount of first-run versus rerun programmes, the degree of universality of audience service, the audience produced, and the amount of hours of viewing.

In the contemporary environment, these content-oriented and audience-oriented assessments are now being augmented by requirements for economic and effectiveness measures that focus on the performance of the management of public service broadcasters. These economic and effectiveness performance measures are justifiable because public service broadcasters are large, well-funded organisations that need oversight to ensure effective internal use of resources and to help manage increasing efforts to produce additional income that reduces dependence on license fees and state funding, to create funds to develop and improve the organisation and its services, and to create reserve funds for major investments such as digital television.

Despite the perception that PSBs are poor organizations struggling against the odds to serve public needs, they are actually large, well-funded enterprises with immense resources and financial strength. In 2000, for example, the revenues of public service television broadcasters in the European Union alone were twice those of Rupert Murdoch's News Corp. worldwide, 40 percent higher than that of Bertelsmann, slightly higher than the Walt Disney Co., and just behind those of Time Warner. European public service broadcasters have combined assets nearly double those of commercial broadcasters in the region, thus evidencing considerable financial strength and capabilities if they are effectively used.

Admittedly, there are wide differences in the amount and sources of funding and financial situations among individual public service broadcasters (McKinsey 1999) but claims that public service broadcasting is somehow generally disadvantaged do not ring true.

In dealing with management of broadcasters one must make distinctions between for-profit and not-for-profit institutions because they are driven by different motives although they encounter similar issues. The concept of profit carries a poor connotation among public service proponents because it is associated with the goals of commercially operated entities. Most PSB personnel typically think of their firms as *non-profit* institutions, but they are better characterised as *not-for-profit institutions* for which profit or annual surplus is a necessity. The distinction is not merely one of semantics. Not for profit means that its primary goals do not involve making profits that are passed on to owners, but that the institution still makes and uses surpluses (profits) to fund its development and improvement of its activities.

In terms of management, the primary issues faced by managers of commercial broadcasters are maximising audience (both in terms of programme share and average daily share), maximising advertising revenue (in terms of average income per programme and viewer or listener), maximising effectiveness in use of resources,

and maximising profit (in terms of programme profitability and average profit per broadcast hour). Public service broadcasting managers face issues of maximising service of social, political, and cultural needs and maximising effective use of resources provided. Like their commercial counterparts, public service firms work to maximise their audience (both in terms of programme share and average daily share) as a means of providing service rather than attracting advertisers. They also increasingly face the issue of maximising outside revenue through programme sales, advertising income, etc.

To effectively manage these new roles and tasks, regular assessment of performance is necessary. The concept of assessment itself is not new to public service organisations but past assessment approaches and methods have tended to be narrowly defined toward content and coverage. These traditional assessment measures have primarily focused on the social, cultural, and political roles of the organisations, but those measures do not adequately account for performance relating to the other managerial issues and requirements placed on public broadcasting organisations in the contemporary environment (Table 1). As a result, managers and regulators are increasingly moving toward the use of economic measures of performance.

Table 1: Assessment Measures for PSB Managerial Issues

Managerial Issues	Assessed by
Maximising service of social, political and cultural needs	Traditional PSB assessment measures
Maximising effective use of resources provided	Economic performance measures
Maximising audience (average daily share and programme share)	Economic performance measures
Maximising efficiency (use of resources; production of reserves)	Economic performance measures
Maximising outside revenue (maximising advertising income; maximising programme sales)	Economic performance measures

Types and Uses of Economic Performance Measures

There are three major types of economic performance measures that are appropriately applied to assessment of public service broadcasters: market share measures, productivity measures, and financial measures.

Market Share Measures

Market share performance is indicated by the degree to which the overall group of television viewers or radio listeners attend to public service broadcasters. The basic measures of market share are the same as those traditional for commercial broadcasting (Beville Jr. 1988.)

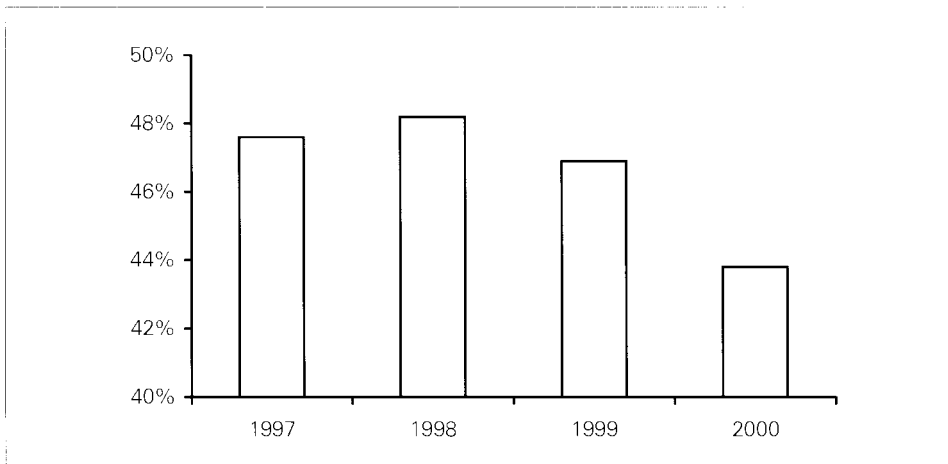
Most public service broadcasters have provided basic viewer and listenership data in annual reports and basic assessments for a number of years, but the meaning of such data has grown more salient as the number of competing channels has increased and reveals whether PSBs are maintaining the ability to serve their mandates or are being marginalised. Changes in market share indicate whether competitiveness has been maintained, improved, or diminished and how market structure is

affected by the entry, exit, or improved competitiveness of other broadcasters.

In the contemporary multi-channel environment of broadcasting, market shares for public service broadcasters should be considered as the combined performance across the portfolio of channels they offer. This is because PSBs ideally do not compete with each other but offer a coordinated package of programming that serves differing audiences simultaneously in order to serve the wide needs of the public. Broadcasters pursue strategies in which each additional public service channel is established or focused to serve narrower needs within the public, and thus different channels provided by the same public service broadcaster cannot be expected to perform equally.

Once the market share for a public broadcaster has been established, one can review trends and changes in viewership or listenership to determine success in reaching and serving the public, as illustrated in Figure 1 with the example of Swedish SVT. The example shows a clear downward trend (with a decline of about 10 percent in the period) that warrants attention and explanation in an assessment. Such a decline could be the result of programme choices, increased competition, or other factors, so the reasons need to be investigated. Managers of PSBs and their assessors can use such market share data to ask questions about how and why the firms' performances in gaining audience attention are changing and the implications of such changes.

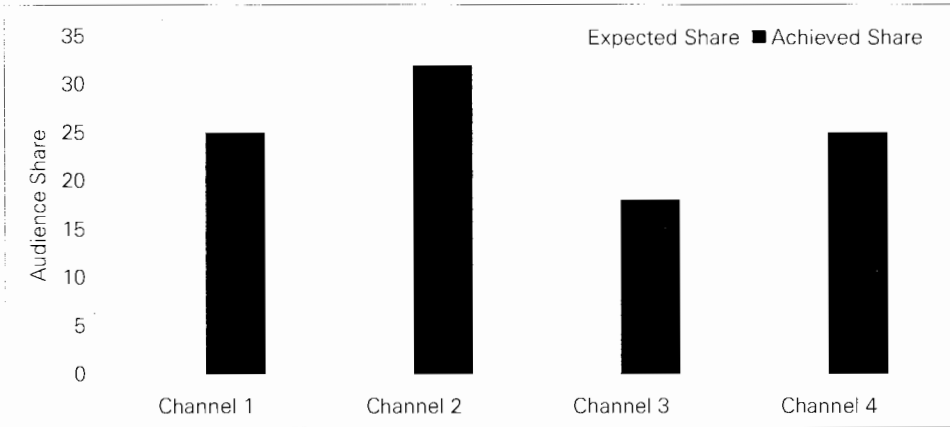
Figure 1: Sveriges Television Average Daily Viewing Share, 1997-2000



Source: Sveriges Television, annual reports 1997-2000.

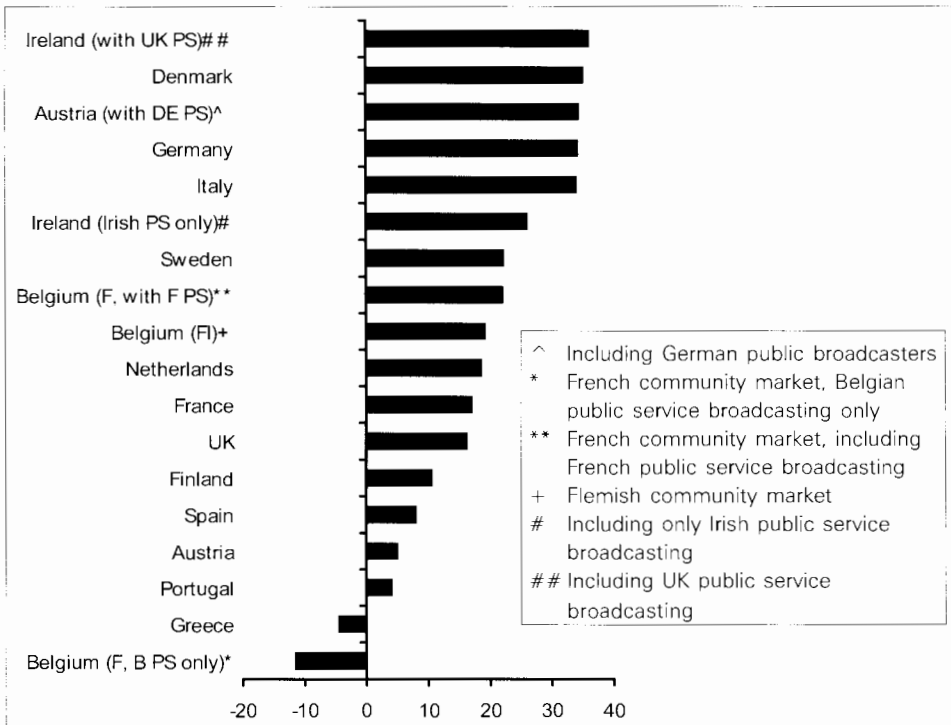
These basic market share numbers, however, do not account for the number of competing channels and thus do not consider the share performance within the context of what can reasonably be expected of a broadcaster given the economics of audience fragmentation. A minimal level of market performance can be established through market share expectation analysis (Picard 2001). This form of analysis mathematically creates an expectation share based on the average share possible given the number of channels available in the market and allows comparison of performance of a broadcaster against its expected share, as illustrated in Figure 2.

Figure 2: Example of Expected and Received Share



With this type of analysis the amount of over-performance or under-performance can be calculated, thus providing clearer assessment information about the broadcaster's market performance. An application of the method to national PSBs based on 2000 data, for example, revealed that across the EU public service broadcasters in all nations except Greece were performing above expectation (Figure 3). Such analysis can be used for individual channels as well.

Figure 3: Over- and Under-performance of EU PSBs



Source: Picard 2002a.

Another market share indicator of performance is market position analysis, which ranks performance against other competitors. The position of a nation's public service broadcaster among all national broadcasters in terms of market share can thus be seen as illustrated in Figure 4. Market share analyses can also be used to track and assess performance in terms of the share of the television advertising market received by a public service firm that is partially funded through advertising.

Figure 4: Market Position of Television Operations of EU PSBs, 2000

Market Position	
Austria	1
Belgium (F)*	1
Belgium (Fl)+	1
Denmark	1
Finland	1
France	1
Germany	1
Greece	5
Ireland	1
Italy	1
Netherlands	1
Portugal	2
Spain	1
Sweden	1
United Kingdom	1

* French language community
+ Flemish community

Source: Picard 2002a.

As a general rule, trends in market share performance are interpreted as growth of market share indicating good performance, stability and maintenance of market share indicating acceptable performance, and decline indicating undesirable performance. This assumes stability in market conditions and those definitions must be tempered if conditions are changing, as is the case in the use of market share expectation analysis because of the expansion of commercial television.

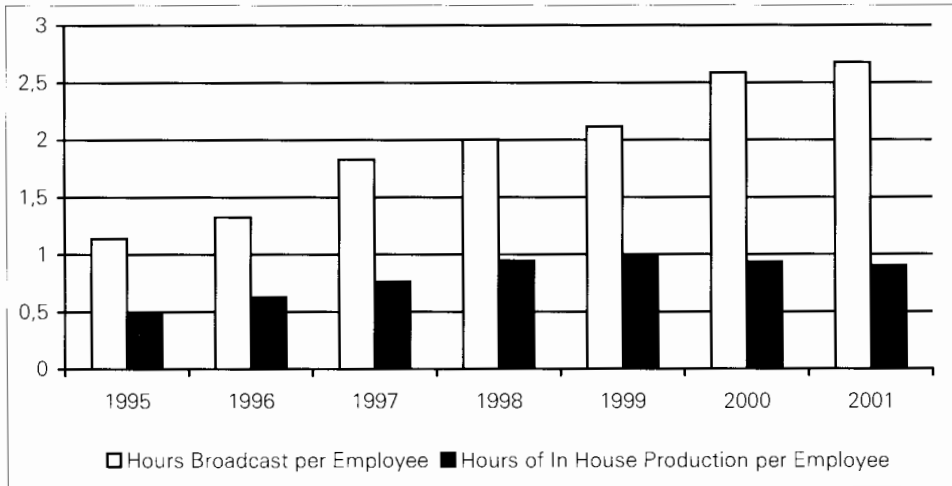
Productivity Measures

Productivity measures are used to determine how effectively resources such as personnel, capital, and assets are used. Measured over time, they provide an indicator of the effects and performance of managerial choices because achieving higher measures of productivity indicates that a company is using resources more effectively in creating products or services (Brinkerhoff & Dressler 1990; Prokopenko 1987). Productivity measures are also being used by communication regulators to determine performance (Kennett & Uri 2001).

The performance of public service broadcasters in terms of making effective use of their employees is an appropriate measure for consideration in assessments. Hours of programming per employee or hours of internally produced programming per employee are useful indicators. As shown by the example of Danmarks Radio (DR), that firm has increased its overall productivity in terms of total hours

broadcast and a slight decline in productivity for in-house productions after steady growth in the second half of the 1990s (Figure 5). Increases in productivity show more effective use of the resources measures, whereas declines reveal areas for concern and attention.

Figure 5: Productivity of Danmarks Radio (measured by hours broadcast and hours of in-house production per employee)



Source: Calculated from DR annual reports.

Measures of productivity based on financial performance are regularly used for commercial firms but the results for public service broadcasters are less useful because most revenue is fixed by legislation (license fees, state funding) and the level not affected by managerial performance. In a PSB, however, measures such as turnover per employee or value added per employee can be applied to the commercial income produced through such activities as advertising sales, programme sales, merchandising, etc., to indicate whether more or less value is being produced per employee through those activities.

Financial Measures

Financial measures are key indicators of whether a firm is becoming or remaining a viable enterprise. Although a wider variety of financial measures are important for commercial firms, a number of measures are critical for public service organisations as well.

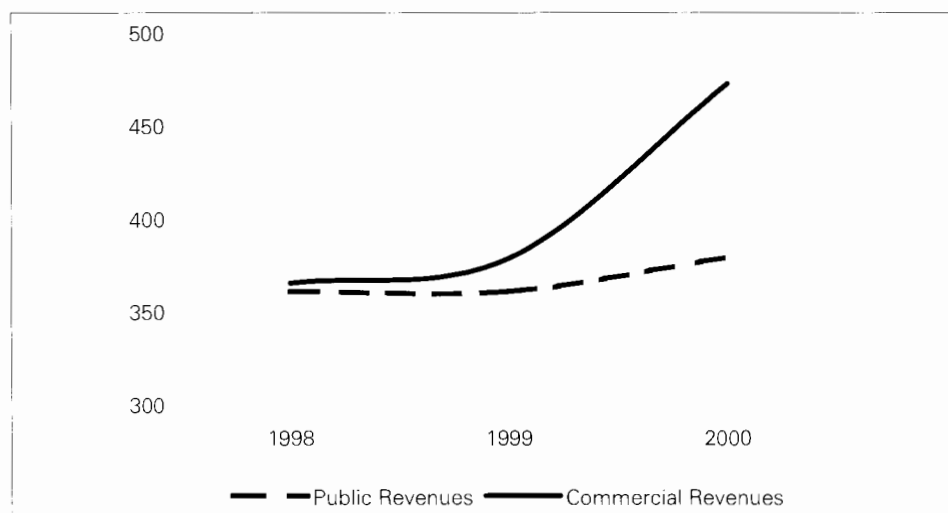
Operating data provide a view of company financial activities during a given period and are compared to previous periods to determine changes in income and expenses. Information from company balance sheets is necessary to understand the financial strength of the firm and its continued viability. Both types of measures provide understanding about strategic and managerial choices and identify areas that need attention (Sherman 1995; Van Horne 2000; Picard 2002b).

Public broadcasting organisations annually make reports of their financial activities and balance sheets, but insightful uses of the data are typically not made because they are often viewed merely as a legal and technical accounting require-

ment rather than a source of meaningful data to assess and improve performance. When data are used to explore trends or combined in ways that are not normally done for the mere accounting requirements, they can provide powerful means for understanding organisational developments.

Trend measures on items such as growth of revenue are important in understanding the success of firms in the market. Such measures are less important for public service than commercial broadcasters because most PSB revenue does not involve sales income. However, as public service broadcasters have increased revenue-producing activities to supplement license fees and state support, these measures are appropriately applied to the range of commercial income from advertising, revenue sales, merchandising, etc. to determine its success or failure in those activities. The growth and increasing importance of commercial revenues from advertising, programme sales, etc., is illustrated in case of the Austrian public service broadcaster Österreichischer Rundfunk (ORF), which has shown strong and beneficial increases in its performance in gaining outside revenue (Figure 6). Although the contributions of public revenues and commercial activities were roughly the same in 1998, by the year 2000 commercial revenues had successfully been increased to provide about 25 percent more funds than the public sources.

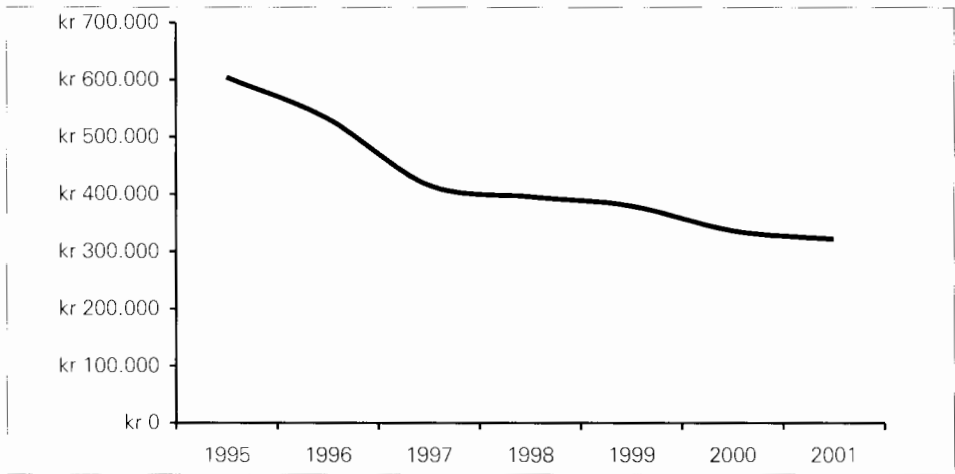
Figure 6: Revenues of Österreichischer Rundfunk (ORF), 1998-2000
(in million Euro)



Data Source: *European Audiovisual Observatory 2002.*

Change in expenditures is an important figure for both PSBs and commercial firms because it is related to financial controls and company choices. Reported expenses can provide significant understanding of company activities when combined with other operating information. An example of this is seen in the performance of Danmarks Radio (DR), which has had its expenditures per hour broadcast decline by one-third in recent years (Figure 7). The result was achieved through a combination of increases in hours of broadcasting and control on expenditures as the hours increased.

Figure 7: Danmarks Radio Total Expenditures per Hour of Television Broadcast, 1995- 2001 (in Danish crowns)



Source: Calculated from data in Danmarks Radio annual reports.

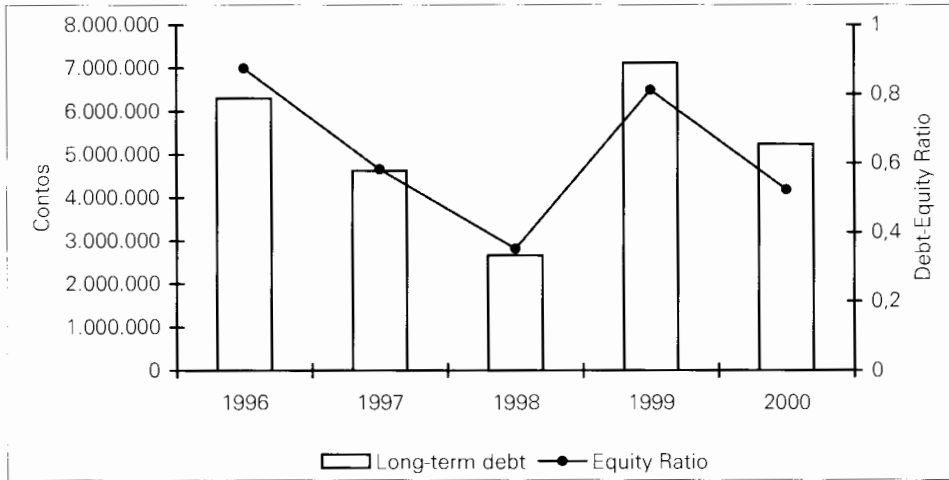
Another view of changes in expenditures can be obtained by focusing on the costs of personnel in the organisation. Managers and assessors reviewing increases or decreases in costs of personnel as a percentage of total expenditures changes would immediately want to know if they occurred because personnel costs rose or because other expenditures declined. These changes are not necessarily indicative of bad performance, but the reasons why they occurred and if they were part of planned expansions of activities, new labour agreements, or the consequences of not adequately controlling costs need to be known.

Changes in results of the PSB are important measures because they show whether the enterprise is producing surpluses that can be used for other PSB purposes, is breaking even or is spending more than it receives. At the very least the goal is to break even, because spending more than received as income in a financial period means that the money must be taken from reserves or that debt must be taken on to cover the loss. Producing a surplus is most desirable because it can be used for reinvestment and development of new services. Normally both the operating result and net results—which include adjustments due to items such as interest and taxes—are normally considered.

Results and growth or contraction of debt and assets are also appropriately applied to public service broadcasters because they indicate the strength of the firm, its ability to finance development, and its ability to survive. A healthy firm ensures that the debt load it carries is well within its abilities to repay and that it can manage the debt even if there are downturns in revenues. Assets exceed liabilities in healthy firms and are equal to or less than the liabilities in weak and struggling firms. Managers of public service enterprises thus need to pay attention to such items to ensure effective operations and the future of the firms. Current assets should exceed current liabilities and the quick ratio should remain above the 1:1 ratio that indicates the point at which a firm's current financial position becomes weak.

Companies also need to attend to their solidity by ensuring their equity exceeds their long-term debt. This type of debt is typically acquired to fund major investments, such as buildings and capital equipment. An illustration of changes in solidity is seen in the case of Radio Difusão Portuguesa (RDP) whose long-term debt was reduced from 1996 to 1998 but increased in 1999 (Figure 8). The debt-equity ratio remained below 1:1 throughout the period and at times reached very healthy levels in .3 to .6 range.

Figure 8: Long-Term Debt and Debt-Equity Ratio of RDP (Portugal), 1996-2000



Data Source: RDP annual reports, 1996-2000. Debt/equity ratio calculated by the author.

An important financial measure that permits assessment of managerial choices is capital reinvestment. Reinvestment is the return of profits or surpluses to further develop the company and its activities. Even in commercial companies an adequate portion of profits must be reinvested or the company will be denied resources needed to help it improve its operations, grow, and remain competitive. The same is true for public service broadcasters. The largest portions of reinvestment typically are in capital expenditures for modernising facilities and equipment, acquiring new technologies, and improving capabilities and productivity.

Benchmarking

Benchmarking is a tool that can be used to compare the performance of a firm against the performance of other firms with similar characteristics or an industry as a whole. Its purpose is to provide managers a point of reference against which to gauge their performance in terms of any number of operational or financial variables (Camp 1994, Fisher 1996, Mendes 1998). When used with firms of similar type, benchmarking can identify differences in performance and focus attention on the factors that created those differences, such as practices of firms achieving better performance that might be adapted to improve performance.

An example of how differences are revealed by benchmarking can be seen in a review of hours of programming produced per employee by Danish, Swedish, and Finnish public service broadcasters (Figure 9). The comparison reveals that

the Swedish broadcaster was able to create more hours of programming (both overall and internally produced) with each employee than its counterparts. Managers and assessors of the Danish and Finnish broadcasters would want to determine the factors that make their Swedish counterpart more productive and whether changes in their operations could produce similar results.

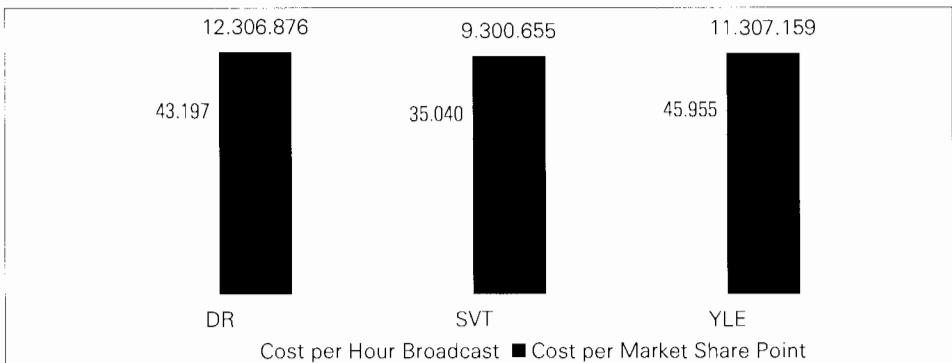
Figure 9: Productivity of Employees (as measured by hours broadcast and in-house production of television per employee in three Nordic PSBs, 2001)



Source: calculated by the author from data in annual reports of DR, SVT, and YLE.

Similarly, a benchmarking of financial and market performance reveals difference among the three companies (Figure 10). It shows that Sveriges Television is able to produce its broadcast hours less expensively than Danmarks Radio and Yleisradio. Managers and assessors of the Danish and Finnish channels would thus want to review the reasons for the result to determine if they could improve their cost performance. When interpreting the results of benchmarking, one must recognise that no two companies are exactly alike and that they have differences in requirements, structures, organisation, and employment.

Figure 10: Cost per Hour Broadcast and Cost per Television Market Share Point of Three Nordic PSBs, 2001, in Euro



Source: calculated by the author from data in annual reports of DR, SVT, and YLE.

Discussion

The kinds of assessment measures introduced in this article provide a variety of ways to determine the effectiveness of operations of public service broadcasters from the economic and managerial perspectives. Each provides a different means of understanding developments within PSBs, whether resources are being used effectively, and the direction of changes in the conditions of public service broadcasters. They are not intended to replace traditional PSB assessments but to provide additional measures that help meet the needs and requirements of the expanded assessments that are increasingly being required.

Economic performance measures provide significant understanding about the position of PSBs within the television use of audiences, their position *vis-à-vis* other broadcasters, their financial strengths or weaknesses, the effectiveness of their use of resources, and make performance comparisons to similar types of PSB operations possible. Their real importance, however, is identification of performance issues and trends that need the attention of PSB managers. By focusing attention on issues, effective internal goals and strategies can be developed to improve performance and the levels of service provided to the public.

PSB managers and assessors, however, need to balance economic performance assessment with traditional service assessment measures. If economic performance dominates assessment, PSBs risk moving their strategic choices closer to those of commercial firms and losing their distinctiveness and unique purposes and goals. Being mindful of that danger, however, use of economic measures provides important evidence of how the public is being served, how the stewards of the public's investments in PSB are performing their tasks, and how that performance can be improved.

Assessment and the use of performance measures need not be feared but rather must be understood as methods to help improve public service broadcasters' operations in the changing contemporary environment. By becoming more effective, broadcasters are able to maintain and improve their services and to improve their use of the public funds they receive.

This article has introduced some types of economic-based measures than can be used in assessment. There are many other kinds of such indicators that are applicable and helpful in giving managers and assessors insight into the condition and effectiveness of public service broadcasters. The use of these measures does not run counter to the social, political, and cultural purposes of public broadcasting and does not require that broadcasters must take on the profit-maximising strategies of commercial firms. These types of measures are tools to help management become more efficient in using resources, in providing the best possible resources to those who are creating the broadcasts, and in providing the best possible service to the public.

Use of such measures also protects public service broadcasters from charges of weak management, because they help direct attention toward the creation of strategies and plans that clarify the role and purposes of the organisations. Above all, they help managers to focus operations and expenditures on those activities that are most important to meeting service mandates.

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