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TVA'S PERSONNEL SYSTEM  
AND ITS APPLICATION TO HVA

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## PREFACE

The problem of our day - as it has ever been, and will continue to be so - is to find workable ways and methods in order to meet our needs. Although, this is a difficult task and calls for strong faith and talent, nevertheless, it is a task which human beings have always undertaken and will have to continue with it as long as human history lasts.

The problem which will be investigated here is in its general sense, connected with this natural course of human progress in its capacity to learn from the experiences of others. It is the problem of how far a particular organization, namely the Helmand Valley Authority, can learn from and utilize the techniques and experiences of another similar organization, in order to meet some of the problems concerning its administration.

The Helmand Valley Authority, which hereafter will be called HVA, is an agency of the Royal Government of Afghanistan. The Authority was created in 1952, under a document which is called the "Rule of Procedure for the Development of the Helmand Valley."<sup>1</sup> The purposes for which the Authority is created are: (1) to conserve and develop the land and water resources of the Helmand River; (2) to provide for flood control of the Helmand River and its tributaries; (3) to provide for the land reclamation and the development of agricultural resources of the said valley; (4) to provide for settlement of the

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1. The text of this document is reproduced in Appendix I.

government owned and other lands; (5) to provide for the industrial development of the Valley; (6) to provide for the national welfare by the creation of an authority for the operation of government properties in and near the Helmand River Basin; and for other purposes.<sup>1</sup>

Although HVA has been operating for six years, yet it still has to cut a long way through the fog of uncertainties and confusions about tomorrow. It has to devise and adapt new techniques and new methods of "how to do" within the framework of its cultural and environmental setting. As an employee of the Authority, the writer is desirous to contribute, as much as can be done in the present situation, by suggesting some solutions for some of the problems with which the Authority is struggling now.

The present study is not concerned with the whole field of public administration. Attention here is focused on a particular branch of the field; namely, the personnel system. In this study our concern is to see how far HVA can learn from and utilize the experiences of the Tennessee Valley Authority in the field of its personnel system, in order to meet some of its own needs in this field.

The Tennessee Valley Authority, which hereafter will be referred to as TVA, is an Agency of the Federal Government of the United States of America, created under the TVA Act of 1933 for the following purposes: (1) to improve the navigability and to provide for the flood control of the Tennessee River; (2) to provide for reforestation and the

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1. Royal Government of Afghanistan, Rule of Procedure for the Development of the Helmand Valley, 1952, Preamble.

proper use of marginal lands in the Tennessee Valley; (3) to control the destructive flood waters in the Tennessee River and Mississippi River Basins; (4) to provide for the agricultural and industrial development of said valley; (5) to provide for the national defence by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes.<sup>1</sup>

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1. U.S., The TVA Act, (1933), Preamble.

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## CHAPTER I.

### INTRODUCTION TO THE PROBLEM AND METHOD

#### The Problem and Hypothesis

Statement of the problem.-- The general problem with which this study is concerned is this: Is it possible for an administrator to transplant an administrative system from the environment where the system has developed successfully to a different environment?

What inspired the investigator to study this problem is the experience of three years of working with the Helmand Valley Authority. Having thus being acquainted with some of the problems of HVA, the investigator believes that one of the most important factors upon which the successful operation of H.V.A. depends is the improvement of its present system of personnel administration.<sup>1</sup>

Reflecting on how H.V.A can improve its administration of personnel, one may think of two alternatives at least. First, H.V.A will attempt to design and construct a system of personnel administration, and will test its workability through the trial and error approach. Aside the fact that this approach is more expensive, the previous experiences of the Authority show that it has little prospect of success. For example, H.V.A in the course of its few years experience has tried to construct new systems in the fields of accounting and auditing, but these systems have failed to accomplish the expected purposes, which is possibly because of the lack of proper experience.

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1. USOM, The Proposed Management Improvement Program for the Helmand Valley Authority, Report Prepared by the United States Operation Mission (Kabul: USOM, 1959), p.4-5 (Mimeographed.)

The second alternative, which the writer proposes in this study, is that H.V.A can learn from other's experiences in similar situations, and thus can correct it's own weaknesses through the process of learning. The investigator proposes the technique of adjustment through learning because of the fact that human institutions, like human beings, can more easily develop their own capabilities through learning from other institutions by adapting their experiences.

The question that arises immediately is whose experiences shall HVA learn from. The writer's answer to this question, which constitutes the hypothesis for this thesis, is that HVA can learn from the experiences developed by the Tennessee Valley Authority, and thus can adopt and adapt T.V.A's system of personnel administration as a model.

The writer proposes the personnel system of TVA as a model for HVA for the following reasons. First, as we have already seen there are general similarities between the two authorities from the point of view of the purpose and the type of work with which the two organizations are concerned.<sup>1</sup> Second, the concept of TVA as a model independent of experience has spread wide on international scale. Proposals are already made as to the international application of TVA's experiences.<sup>2</sup> Third, TVA is a public agency which has achieved greater success in the administration of its personnel policies and programs.<sup>3</sup>

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1. Compare the general purposes of HVA and TVA listed in preface above. p. iv-v and p. v-vi respectively.

2. Herman Finer, The TVA Lessons For International Application (The International Labour Office, Montreal, Canada: 1944), Preface, p.i

3. C. Herman Pritchett, The Tennessee Valley Authority (Chapel Hill: The University of North Carolina Press, 1943), p. 267.

One further question which needs consideration is this: Is it possible to up-root the personnel system of T.V.A from it's environmental setting and transplant it to another environment, where the environmental forces which act and react upon the institution are different? Can we expect the transplanted institution to survive and operate with equal success in the new environment? Professor Marshall Dimock, has already advised students of public Administration to consider "how serious it is to dig up a flourishing tree and transplant it in some one else's back-yard. It takes time to re-establish the root structure, and during that time the tree withers."

Evidently Professor Dimock's statement seems fairly confident of the impossibility of transplanting a flourishing tree to a new environment. However, the assumption on the basis of which the present study proceeds is that the transplanted tree may not necessarily wither away in the new environment. It may survive and re-establish its root structure in the new soil, or may somewhat change its form and adapt itself to the new environment.

Reasons and the scope of the study:-- The writer's choice of picking the personnel system of HVA and trying to suggest some solutions for some of its problems is because of the following reasons. First, personnel administration is the field, which in spite of its very important role in the success of the HVA, has not received proper attention in the Authority.<sup>1</sup> Second, generally, the field of personnel

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1. Other branches of HVA's administration such as accounting, budgeting, organization and management have recently received more attention. For example a year ago HVA received two foreign experts as advisers in the field of management and accounting and auditing. This group has thus far concentrated more attention on improving the organization, budget system, and accounting and auditing aspects of HVA's management, rather than its personnel system.

administration has assumed great significance in modern times both from the point of view of national governments, and from the point of view of its role in international peace and cooperation. This will be discussed in the following section of this chapter.

Within the framework of this limit, the study will proceed along the following lines:

1. To determine whether H.V.A. can successfully utilize the T.V.A. model of personnel system within the framework of its environmental setting, it will be necessary to study first the environmental settings of the TVA and HVA with respect to their effects upon the personnel systems of the two organizations.

2. From there the study will proceed to examine the existing systems of personnel of the two Authorities. The purpose behind the study of the two systems is first, to verify the idea that HVA is in need of an effective personnel system, and second, to establish the model system as it is.

3. To study the impacts of the new environment on the model, the model will then be examined within the context of the new environment, To what extent is the new environment favorable to the successful establishment of the Model? Where it is not, what changes in the model can be suggested to modify and adjust it to the new environment?

The Significance of this Study:-- What is the significance of the problem which is selected for investigation here? In the following paragraphs attempt will be made to answer this question.

The significance of this particular study can be grasped

intelligently if we look at it within the context of the general importance which personnel administration has assumed in modern times. The study of personnel administration is important for two reasons. First, its direct importance lies in its role as the most important factor in the success of modern "big government." Second; Indirectly this problem is significant because of its role in creating a peaceful and cooperative world. Let us elaborate on these two points and see what they mean.

1. The role of personnel administration in the success of modern government: In his book of Theory and Practice of Modern Government the famous English author Finer, says: "The function of the civil service is not merely the improvement of government; without it indeed government itself would be impossible."<sup>1</sup> The truth of this quotation lies in the tremendous change in the role, size and significance of civil service in modern states, which corresponds broadly to the expansion of modern industrial order.

The development of transportation; the introduction of huge machinery in industry; the growth and rapid mobility of population; the mysterious discoveries in science and their application to industry and life; the rise of huge corporations in business with their tremendous power of competition; the rise of huge labour and other professional unions with their conflicting interests; the demand for controlling the concentration of wealth and national resources to the best public

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1. Herman Finer, Theory and Practice of Modern Government, (Henry Holt and Company, New York: 1949), p. 709.

interest; the ever increasing demand for more and more services by government through welfare policies (such as free education social security programs, the protection of the poor); the ever-increasing demand for economic stabilization through governmental policies and control of business cycles; and the promotion of highest possible standard of living, are the few examples of the impacts of the industrial civilization, which have resulted in a continuous expansion in the functions of government.<sup>1</sup>

This continuous increase in the range of functions, and scope of government, has caused the government to step out far beyond the limits of its classical functions. The functions of modern government, as Professor Mund points out, have extended to almost all phases of life; that is, political, economic and social. Government has to protect persons and properties against internal disorders and external aggressions. Government has to establish a fair system of justice for all. Government has to provide the basis for business, to achieve maximum production of goods and services and to harmonize prices and incomes with public interests.<sup>2</sup>

Considering the nature of the task which a "good government"<sup>3</sup> is required to perform, and the complexities involved; plus the variety of decisions which must be taken, and the actual and potential problems

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1. Vermon A. Mund, Government and Business, 2nd ed. (Harper and Brothers, Publishers, New York: 1955), pp. 3-7.

2. Ibid., p.9.

3. Daniel Wit, Comparative Political Institutions, (Henry Holt and Company, New York: 1953), pp. 499-512.

arising there from; and also the necessity of continuity and the required sense of enduring and responsibility for public interest can give us a real sense of the quantitative and qualitative competence needed for the machinery of civil service which is actually involved in performing these functions; and consequently the field of public administration which is directly concerned with creating a civil service as such.<sup>1</sup> Indeed, as Professor Torpey concludes, "Upon the effective administration of personnel depends the success or failure of every management undertaking. Administrative goals, policies and plans fail of accomplishment when inadequate consideration is afforded to the human aspects of organization."<sup>2</sup>

2. The role of personnel in international peace and cooperation:

The development of modern industrial civilization with all its ramifications did not only necessitate the existence of "big government" in western societies, but also it made the world closely interdependent. The problem of interdependence in modern world is not only economic; that is, the exploitation of resources and maintaining foreign markets. Far beyond that, the problem is that of political and ideological interdependence. The question with which modern industrially developed

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1. See Commission On Public Service Personnel, Better Government Personnel, (McGraw Hill Book Company IIVC. New York: 1953).p.72.

2. See also: Norman John Powell, Personnel Administration in Government, (Englewood Cliffs, N.Y. Prentice -Hall INC. 1956) p.53-57.

2. William G. Torpey, Public Personnel Management, (O.Van Nostrand Company, INC. New York: 1953), p. 1.

nations are confronted is that, apart from their economic prosperity, much of their political, social, and ideological survival depends upon their positive efforts to relieve the misery of the great hosts of people living on the margins of poverty elsewhere on the earth. As President Roosevelt expressed the idea at his press conference on November 2, 1942: "There would be rehabilitation abroad, not only for humanitarian reasons, but from the standpoint of America's own interest, for it would mean in the final analysis better purchasing power abroad for American products. It will mean safety in the future from attack and from war and it will encourage the development of democracy ....."<sup>1</sup>

There are thus solid reasons for the people and governments of the advanced industrial countries, not only to look sympathetically on the efforts of their less well equipped and less productive neighbours, but also to help them towards progress and industrial development.<sup>2</sup>

When it is so necessary for the industrially developed countries to assist the underdeveloped ones, then two factors which have a decisive role in the effectiveness of the assistance must be keenly appreciated. First, as Mr. Crossman indicates, it is not merely dollars, food and

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1. New York Times, 25 November 1942. p. 1.

2. For further references see:

Eugene Staley, World Economic Development, (Montreal: 1944), Introduction, Summary and Chap. VIII-IX.

William Adams Brown and others, American Foreign Assistance, (The Brooking Institution, Washington D.C.: 1953), Chap. X-XIV.

United Nations, Measures for Economic Development of Underdeveloped Countries, (Department of Economic Affairs New York: 1951).

See also Article 55 of the U.N. Charter.



machinery which solve the problems of underdeveloped areas. Because underdeveloped countries need the knowledge, experiences and efficient institutions for the proper and rational use of these resources. Without the proper knowledge and the "know-how" dollars only will not solve any problem.<sup>1</sup>

Thus the problem of underdeveloped countries is not merely the absence of capital and other resources, it is also the problem of lack of techniques, institutions, and the "know-how". Underdeveloped areas had either been under foreign domination till recent times, and are too young and inexperienced to establish the required political, social and economic institutions and techniques, or they have developed institutions which are mainly based on the patterns of an agrarian and feudalistic social order, which are too obsolete to meet the requirements of industrial development. As a United Nations Study Group Observes:

"The problems of under-developed countries that may be related to public administration are primarily problems of transition; transition from semi-feudal and traditional to more responsible and rational forms of administration; from an agricultural and extractive economy to an economy of industry and transition, from a colonial regime conducted by foreigners to a national government."<sup>2</sup>

In both cases, one reasonable alternative open for under-developed countries is to learn from the experiences of others developed societies to solve their own problems.

The second factor which has a decisive role in the success of the assistance to under-developed countries is that there should be a

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1. R.H.S Crossman, "T.V.A's for World Peace" New York Times Magazine, Vol. 94, August 24, 1947 pp. 12.

2. Morroe Berger, Bureaucracy and Society in Modern Egypt; (Princeton University Press Princeton, New Jersey: 1957) pp. 9.

a strong consciousness and keen appreciation and the required knowledge and competence plus a sense of sensitivity and responsibility on the part of the government and administration of the under-developed countries to realize their weaknesses and try to improve them. This again presupposes a responsible government, a civil service with enough competence and devotion to public interest, and consequently an effective system of personnel administration to build a civil service which can possess such qualities.

With these evidences on hand one can easily conclude that the problem of personnel administration in our time is one of the most important factors in the success of national government as well as in restoring a cooperative world, and collective security. By the same token we can be justified to conclude further that the problem selected here for investigation is a significant problem of our times.

#### RESEARCH METHOD AND DESIGN

The method of research:-- The present study is both a descriptive and analytical treatment of the subject. It is descriptive in as far as the presentation of facts is concerned. In this capacity the study is meant to describe the facts concerning the various aspects of the personnel systems of TVA and HVA. The writer does not intend to give a comprehensive historical treatment of the various concepts which will be studied here. Neither will the writer attempt to evaluate the two systems. What the writer will try to do is to describe the facts concerning the various aspects of the personnel systems of the two Authorities.

On the other hand human institutions are living matters. They

can not be presented like moving pictures aloof from their surrounding. Neither do facts always speak for themselves, until they are placed and studied within their environmental content, and thus properly interpreted and analyzed. In this capacity, of putting the facts within their environmental settings, and studying the impacts of the environmental factors on the various aspects of the two systems, the study is designed to present an analytical treatment of the subject.

The method, which will generally be employed here, is that of "observation and inference." Wolf, defines observation "as the act of apprehending things and events, their attributes and their concrete relationships, also the awareness of our own mental experiences."<sup>1</sup> He defines inference as "the formation of judgements (beliefs or opinions) on the strength of, or as a consequence of other judgements already formed. It may be, on the ground of observations, or only entertained provisionally either for further consideration, or for the sake of argument."<sup>2</sup>

The Plan of the Study and the nature of the data: The plan of the study is designed as follows: In the first chapter attention will be focused upon the general nature, and the statement, of the problem and the hypothesis. Then we will move to discuss the method of science as used in this study. The discussion will continue further to present

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1. George A. Lundberg, Clarence C. Shrage, Otto N. Larsen, Sociology, (Harper and Brothers. Publishers, New York: 1954), p. 7.

See also: Wilson Gee, Social Research Methods (New York: Appletion - Century - Crofts, INC. 1950), Pp. 185-186 and pp. 230-259.

2. Cited in Ibid., p. 148

See also William J. Goode, and other, Methods in Social Research, (New York: McGran-Hill Book Company, INC. 1952) pp. 119-131.

the plan of the study and the nature of the data used in this study. Thus three questions concerning the what?, why?, and how?, of the study will be answered in this chapter.

Chapter two will consider the question of the environment. Three aspects of the environment will be discussed in this chapter. First, what is the environment, second, what is the significance of "environmental approach" in this study, and third, what are the limits of the environment with respect to this study?

In chapters three and four the discussion of the environment will continue, with specific reference to the environmental setting of TVA and HVA respectively, and the effects of the two environments on the personnel systems of the two organizations.

Chapters, five, six, seven, and eight will describe the personnel system of the TVA as it is. The discussion will continue in chapter nine, where the present personnel system of HVA will be described.

In chapter ten first, a summary of the previous discussions will be presented; second, the possibility of how far can HVA utilize the personnel system of TVA in its own environment will be discussed in order to conclude the possibility of the transplantation or adoption of the personnel system of TVA to HVA's environment.

The data upon which the study is based is of various types. First, reports which have been produced by various experts on the basis of studies and surveys of the two organizations. Second, laws and codes which govern the personnel systems of the two organizations, Third, books and periodical articles written by different observers, both in general and with respect to the personnel systems of the two organization,

and finally the observation and previous experiences of the writer.

PART ONE

THE ENVIRONMENTAL SETTING OF

TVA AND HVA

## CHAPTER II

### THE MEANING AND SCOPE OF ENVIRONMENT

#### The Meaning of Environment:

"The institutions of a state do not develop in a vacuum. They are rooted in their environment."<sup>1</sup>

In the discussion thus far terms such as environment and environmental factors have been continuously mentioned. Presumably the reader is already familiar with the idea of the close relationship between human institutions and their physical and cultural surroundings. In this chapter we are concerned with elaborating on this point, and meanwhile will try to clarify some concepts and establish some standard guide lines along which the discussion of the environmental setting of the two institutions will proceed.

The logical starting point will be to establish a definition of environment. Environment has been defined in varying terms. A standard dictionary defines environment specifically as "the aggregate of all the external conditions and influences affecting the life and development of an organism e.g. human behavior, society, etc."<sup>2</sup> A geography text book defines environment as a whole set of social and natural surroundings which act upon the individual.<sup>3</sup> A text book in

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1. Daniel Wit, op. cit., p. 18.
  2. Webster's New Collegiate Dictionary, Second Edition (G. and C. Merriam Co., Publishers Springfield, Mass., USA: 1956).
  3. C. Langdon White and Others, College Geography, (New York: Appleton-Century-Crofts, INC., 1957). pp. 4-5

sociology defines environment as "all surroundings and influences, whatsoever, that are present whenever any event occurs. That is, environment must be defined in its most general terms, as that to which any-thing responds."<sup>1</sup>

From the above definitions of the concept of environment, the following implications of the term can be deduced. (1) Environment refers to a set of interrelated natural and social factors which constitute the external surrounding of individual organisms including human beings and their institutions. (2) This external surrounding as a whole acts, and is reacted upon by the organism living in it. (3) This mutual action and reaction between the organism and its environment has continuous effects on the life, development, behavior and characteristics of the individual organism. Thus it can be seen from the above implications of environment that there is close relationship between human beings, human institutions and the environmental setting in which they are living.

From the discussion above one can readily reach the following conclusion. Human institutions and their behavior do not develop in a vacuum. They are deeply rooted in the society's culture,<sup>2</sup> historical episodes, economic, political and social conditions, national psychology and social inheritance, values and ideas and the geographic characteristics of the land. Thus social institution and its behavior is the offspring

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1. George A. Lundberg, op. cit., p. 213

2. "Culture consists of habits, folkways, mores, customs, institutions and constellations of symbolic and non-symbolic traits." See Ibid., pp. 195-204.



of a number of physical and social factors, in exactly the same sense as a mature plant is the visible expression of a given set of environmental factors, such as climatic, adaptic, and biotic.

The above conclusion has an important implication. As Professor Dahl puts it, there can be no truly universal generalization about public administration without a profound study of the varying national and social characteristics impending a public administration. It is on the basis of this fact that the present writer will devote almost half of this study to discuss the environmental setting of the two institutions in as much detail as seems desirable for our purpose here.

#### The Limits of the Concept of Environment in this Study;

From our preceding discussions of the concept of environment it should be clear that the concept comprises a great number of factors, the consideration of all of which is beyond the scope of this study. The question which therefore arises is, how far should the concept of the environment be limited to those factors which directly affect the development of the institution under consideration.

Obviously no generally agreed upon answer is available, and we are still in a stage of experimentation as far as public administration is concerned. Answering this question, students of public administration have proposed various groups of factors, both social and natural, as the most important environmental factors which constitute the environmental setting for government and its administration. For example, Professor Gaus discusses under the "ecology of government" factors of "people, places, physical technology, social technology, wishes and ideas, catastrophe

and Personalities."<sup>1</sup> Fred W. Riggs discusses factors such as economic foundations, social structure, the ideological framework, communication net work, power relationship and administration.<sup>2</sup> Similarly Roy Macridis and Richard Cox propose the following check-points on the basis of which the analysis of environmental setting may proceed.

1. The religious character of the society.
2. The political value patterns of the society.
3. The history of authority types in the political system.
4. Evaluation of the groups or types which are honored, and of the actions and manners of acquiring prestige.
5. Geographic conditions and their impacts on the policy and its operation.
  - a. size
  - b. communication
  - c. population: density, distribution.
6. Class composition and social structure, especially in relation to their impacts on politics.
7. Educational system.
8. Nature of the economy.
9. The general "ethos" of the people as discovered in its literature, etc.<sup>3</sup>

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1. John Marrison Gaus, Reflection on Public Administration, (University of Alabama press, 1947) p.9.

2. Fred W. Riggs, "Agraria and Industria" in William Siffin Editor, Toward the Comparative Study of Public Administration, (Department of Government Indiana University: 1957) pp. 23-110.

3. Roy Macridis and Richard Cox, "Research in Comparative Politics," A Similar Report. American Political Science Review, Vol. XLVII, 1953. pp. 641-675.

It will be useless, at least for our purpose here, to try to compare and contrast these approaches and evaluate them. It will be sufficient to say that all of them have many parts in common with one another. In the present study the writer would like to discuss the following factors under the environmental setting of TVA and HVA personnel system: The geographical and physical characteristics of the area; the economic foundation of the region; the values and attitude of the community; social structure and "power representing groups," and the administrative characteristics. It should be pointed out here that what the writer presents in the following pages is by no means an original list. It is almost completely based upon the group of factors which Riggs has proposed in his essay about the "Agraria - Industria typology."

## CHAPTER III

### THE ENVIRONMENTAL SETTING OF TVA

Introduction: In the previous discussion attention was focused upon the importance of the environment in this study, and the meaning and scope of the concept. In this and the subsequent chapter the discussion will be limited to TVA and HVA environmental settings with specific reference to its effects on the personnel systems of the two Authorities. Before going into the effects of the environment on TVA's personnel system specifically, let us consider how the various environmental forces combined and interacted in bringing forth and formulating the basic features of the Tennessee Valley Authority as a whole.<sup>1</sup>

Geographically, the story of the TVA begins with a river; a river languid in one season, but wild and destructive in another. In its untamed state the Tennessee River was an extraordinarily erratic stream with wide variations between the minimum and maximum flows during the year. This tempermental behavior of the Tennessee River (which had been recognized as early as 1824) finally found expression in the passing of the Congressional Act of 1933, which created the Tennessee Valley Authority.<sup>2</sup>

Another factor which led to the establishment of the Tennessee Valley Authority, and which greatly affected the basic characteristics of the Authority was the existence of undeveloped natural resources in

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1. See: Roscoe C. Martin, (ed.), TVA: The First Twenty Years (The University of Alabama Press and the University of Tennessee Press, 1956), p. 3.; Herman Finer, op. cit., pp. 1-17.

2. Ibid., p.3.

the Valley. "The natural resources of the valley region are not lush or extravagantly abundant; but they are adequate as a basis for a sound and prosperous economy." Some thirty years ago, these resources were either seriously underdeveloped, as in the case of water and forests, or severely at waste and deterioration, as in the case of soils.<sup>1</sup>

Still, another category of geographic factors, which led to the establishment of the TVA, was the presence of a fairly fine moderate climate, a favorable growing season, abundant rainfall, the presence of mineral and forest resources, and potentially productive soils in the Valley, all of which were suitable for the creation of a prosperous and well developed community. Although no single resource was outstanding, yet, taken together they presented a challenging opportunity.<sup>2</sup>

Besides the geographical factors, there were many economic factors which necessitated the creation of the Tennessee Valley Authority. A quarter of a century ago the Tennessee Valley was a very low income area. Agriculture in the area predominated, both as a source of income and in employment. During 1933 the area was in great economic need. In one county 87 percent of all families were receiving relief payments, and 50 percent on relief was not uncommon in others. "Thus two decades ago, the Valley presented a typical picture of an economically underdeveloped area. Under development in agriculture, a low level of agricultural productivity, and critical need for industrialization to make fuller use of both the natural and labor resources of the area were

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1. Ibid., p. 1.

2. Ibid., p. 5.; See also E.M. Hugh-Jones, "The Tennessee Valley Authority," Political Quarterly, Vol. 6. 1953. pp. 190-207.

the marks of a depressed region - a challenge to aggressive development."<sup>1</sup>

Other factors which helped in creating TVA were; the occurrence of a disastrous flood on the lower Mississippi in 1927; the readiness of the people of the Valley, (who were economically depressed but not hopeless) to accept leadership or to rally their own leadership behind a specific program which promised to meet some of their problems; the necessity of federal spending in the time of depression; and the great need for power production.<sup>2</sup> Such were the conditions which provided the social and economic climate for the TVA program, and such was an unusual combination of circumstances which thus led the federal government to launch the TVA in 1933. Both time and place have contributed to the shaping of administrative organization and method as well as to the program activities.<sup>3</sup>

It is interesting to notice that the combination of these environmental factors did not only necessitate the creation of the TVA, but also formulated the characteristic features and workways of the Authority. Important among these features, which characterize the TVA, are the concepts of regionalism, multipurposeness, public corporation status, and decentralization. The meaning and various implications of these characteristics will be discussed later in this chapter. Let us now turn to our specific problem and investigate the impacts of these and other environmental factors in shaping and contributing to the personnel system of the TVA.

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1. Roscoe C. Martin, (ed.) op. cit., p.2.

2. Ibid., p.3.

3. Ibid., p.4.

A: Geography and Physical Structure: The material environment is important in shaping an institution, because it sets the conditions within which man's capacities, desires, and chances of success and failure are formulated. Factors which constitute the material or geographic environment of an institution are: the size and location of the area within which the institution operates, the climatic features of the region and the existence and development of the natural resource.

Precisely defined, the Tennessee Valley "is the watershed of the Tennessee River."<sup>1</sup> Broadly the concept includes "not only the watershed but an additional sizable area served by the distributors of TVA power."<sup>2</sup> Thus the Tennessee Valley covers the whole state of the Tennessee and parts of six other states; namely, Alabama, Georgia, Kentucky, Mississippi, North Carolina, and Virginia.<sup>3</sup> The area of the region measures to 40,910 square miles.<sup>4</sup>

The physical structure of the Valley corresponds to three fairly well defined areas. On the East is the region of the Smoky Mountains. This range slopes down westward to the Cumberland plateau, and then dropping to the bottom of the Tennessee River.<sup>5</sup>

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1. Ibid., p. 1.

2. Ibid., p. 1.

3. The World Book Encyclopedia, Vol. II, (Field Enterprise INC. Chicago: 1955) p. 7967.

4. Gordon R. Clapp estimates the area of the Valley 9,200 square miles. See: Roscoe op. cit., p. 1.

5. E.M. Hugh-Jone, op. cit., p. 190.

Climatically the Valley has a temperate climate, neither very hot in summer nor very cold in winter. The temperature of the Valley rarely gets above 100° F. in July and below 10° F above zero in January.<sup>1</sup> There are only short periods of freezing weather and little snowfall except in the mountains. The average growing season is 209 days. The mean annual temperature is 60°F. On the whole the climate of the Valley is fairly fine and suitable for creating a prosperous and well developed community.<sup>2</sup>

Most of the soil of the Valley is not very fertile.<sup>3</sup> The soil is thin, either through erosion or exhaustion. Uncontrolled cutting of forest, rainstorms, and single cropping, with little attempt to revive the power of the soil, have caused exhaustion of the soil.<sup>4</sup> Thus, only twenty percent out of the whole average of the soil is classified as fair or better cropland. However, the moderate rainfall, and moderate temperature and sunshine have greatly enhanced the potential value of the soil.

The natural resources of the area are numerous and diversified.<sup>5</sup> About 12,820,000 acres of the land is under forests, growing more than one hundred and fifty species of trees. The Tennessee Valley comprises several major geological provinces, and therefore is fairly rich in

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1. World Book Encyclopedia, op. cit., p. 7955.

2. E.M. Hugh Jones, op. cit., p. 195.

3. Roscoe, op. cit., p. 1.

4. According to a measurement one storm washed away thirtynine tons of the soil per acre. Out of 742,000 acres in Clinch River watershed 445,000 acres were destroyed for agricultural use.

5. E.M. Hugh Jones, op. cit., p. 190.



economically important mineral resources, including coal, iron, phosphates, rocks, petroleum, copper, aluminum and zinc. Water resources for multipurpose development are in abundance. TVA is one of the most important power producers in the United States.<sup>1</sup>

Effects on the personnel system of the TVA: In the introduction to this chapter we saw how the geographic situation of the Tennessee Valley influenced the creation and the characteristics of the TVA as a whole. Relating this environmental factor (geography) to TVA's personnel system, one can see that the most important among other geographical factors, which have influenced the personnel system of TVA, is the concept of geographic regionalism. (For a definition of the concept see p. 44 ).

Other things being equal, the concept of geographical regionalism has two important effects on the TVA's recruitment and selection policies. First, as we shall see later, TVA's recruitment has mostly become limited to the geographic limits of the area.<sup>2</sup> This limitation of area has both advantage and disadvantage for TVA's recruitment policy. It has the advantage of relieving TVA of the heavy burden and expenses of recruiting the qualified candidates from all over the nation. Thus, recruitment within a limited area implies that TVA does not attempt to make nation wide advertisements in order to reach all the actual and

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1. In 1956, the total consumption of power produced by the Valley was anticipated to 14,500,000,000 kilowatt-hours; and the generating capacity in the same year was estimating to 10,000,000 kilowatts. See: Roscoe C. Martin, op. cit., p. 127.

2. See p. 92-93.

potential sources for recruitment.

The disadvantage of this geographical limit on TVA's recruitment is that, since the Authority does not have access to all the actual and potential sources for recruitment, therefore, it cannot guarantee that the best available candidates have been recruited to the Authority.<sup>1</sup>

Second, apart from its effects on TVA's recruitment and selection policies, the concept of geographic and cultural regionalism has an important bearing on the psychology and the morale of the TVA's employees. Other, things being equal, a small area has the advantage of coherence, in swiftness and circulation of ideas, in the continuity of contact between human beings, in understanding of each other, in the likeness of their fate and interests, and in almost instinctive emergence of common opinions and ideas. The existence of these factors enhances the sense of unity of purpose and interest among the employees, who have such common background. Thus, it helps to develop a body of employees who can cooperate with each other as a working team to work more enthusiastically and more efficiently.

The existence of a moderate climate (neither very hot, nor very cold) contributes to create healthy and more efficient workers. This relieves the Authority of the necessity for undertaking a heavy burden of employee's health and welfare program. Furthermore the existence of moderate climate aids to promote a high rate of attendance at work, and the ability of the employee to work for longer hours.<sup>2</sup>

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1. See Dr. White's comments on p. 89.

2. It is to be noticed that no numerical data is available to show how much the existence of moderate climate has been favorably effective in the attendance rate of workers in the Authority.

The existence of natural resources and the fertile soil contribute towards giving the population a better chance to live on their own resources and get self-employed. Other things being equal, this may cause high rates of labour turnover (due to seasonal variations in the labour market). In similar manner, the existence of opportunities for employment elsewhere, makes it more difficult for TVA to recruit qualified persons for the Authority. However, such opportunities on the other hand may help the TVA to find well trained and experienced candidates. Such is the geographical setting of TVA in its relation to the personnel system of the Authority. It should be noted that in some cases the effects of some geographical factors on TVA's personnel cannot be determined precisely, mainly because of the absence of appropriate data.

Economic Structure: In the introductory section to this chapter, we saw how the general economic structure of the Tennessee Valley, and the prevailing unfavorable economic conditions finally led the Federal Government of the United States toward the establishment of the Tennessee Valley Authority. In this section of the chapter, we will continue with our survey of the economic structure of the Tennessee Valley with emphasis mainly on those economic factors which have close relationship with the TVA's personnel system.

The Tennessee Valley has shifted from a predominantly agricultural area to an important and expanding industrial region. By 1933 most of the labour force in Tennessee Valley was engaged in agriculture. Since 1933 there has been a definite upward trend toward industrialization: Table I represents this relative change in the importance of seven major income-producing activities, between selected years 1929-1953.

Table I

Estimated Income Payments By Major Components

In the Tennessee Valley Region

Percentage Distribution in Selected Years 1929-53.

Major Income Components	Selected Years				
	1929	1933	1939	1946	1953
Agriculture	23	19	19	18	11
Manufacturing	15	15	17	19	22
Trade and Service	37	37	34	32	32
Mining	2	2	2	2	1
Construction	3	1	3	3	7
Property income	12	11	9	7	7
Government	8	16	17	19	20
Total	100%	100%	100%	100%	100%
Total Income payments (Millions)	\$1,485	\$836	\$1,371	\$4,006	\$6,259

Note: Figures are rounded.

Source: Roscoe C. Martin, *op. cit.* pp. 2251

The most significant fact which this table shows is the relative change concerning the position of agriculture and manufacturing. Thus in 1929 23% of the region income was from agriculture. By 1953 the position reversed, and manufacturing income rose to 22% of the whole income as compared with 11% for agriculture.

Corresponding to the upward trend in industrialization is the increase in the number of manufacturing employees and manufacturing income. Thus the number of manufacturing workers increased from 222,000 workers - 1929 to 440,000 workers in 1953 or an increase of 99 percent as compared to 82% increase in 11 southern states.<sup>1</sup> Similarly the

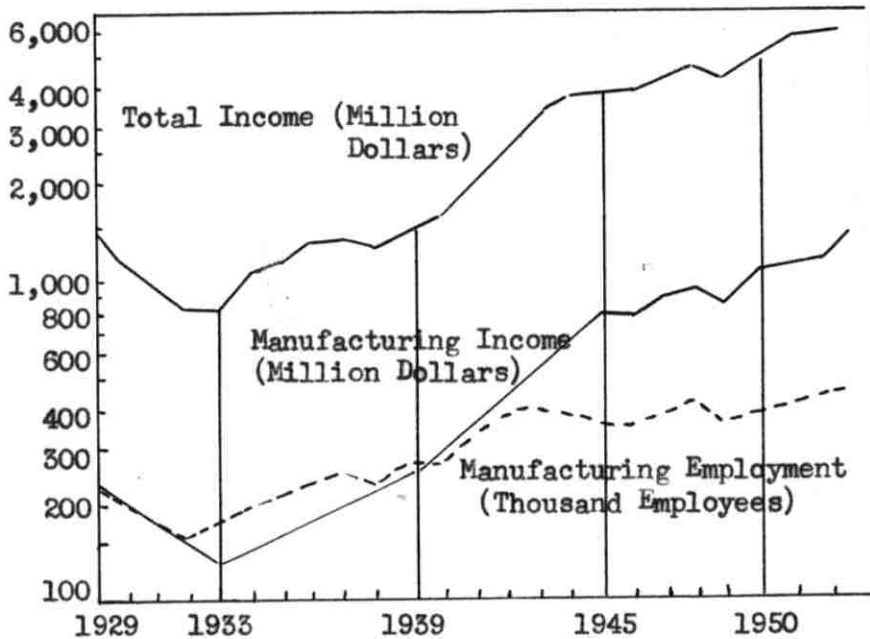
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1. *Ibid.*, p. 224

manufacturing income grew from \$226,000,000 in 1929 to \$1,363,000,000 in 1953; or an increase of 502 percent as compared to 443 percent in the South East and 321 percent in the nation over the same period.<sup>1</sup>

Chart No. 1. Shows these facts in graphical form.

Chart 1.  
Total Income, Manufacturing Income, and  
Manufacturing Employment in the Tennessee Valley Region  
by Selected Years 1929-53.



Source: Roscoe C. Martin op. cit., p. 224.

Distribution of Per capita Income: Some years ago Tennessee Valley was characterized by very low income. In 1933 the valley with

1. Ibid., p. 224.

4.1 percent of the nation's population received only 1.8 percent of the nation's personal income.<sup>1</sup> The average per capita income in the Valley was only 44 percent of the national average; that is \$301 as compared with \$680 for the nation. Table No. 3 shows the trend in the per capita income in the seven states between years 1929-1956.

Per-Capita Income in Tennessee Valley Between 1929-56  
And its Percent of Continental USA

State	Per-Capita \$						Percent of the Nation				
	1929	1940	1950	1954	1955	1956	1929	1940	1950	1955	1956
Tennessee	377	339	995	1203	1264	1317	1.15	1.27	1.46	1.42	1.41
Alabama	324	282	867	1059	1185	1229	1.00	1.02	1.18	1.22	1.19
Kentucky	391	320	958	1207	1247	1324	1.19	1.16	1.26	1.24	1.23
Georgia	350	348	1016	1217	1338	1400	1.18	1.35	1.56	1.62	1.60
Miss	285	218	729	856	957	964	0.67	0.60	0.71	0.67	0.63
N. Carolina	334	328	1009	1185	1254	1305	1.22	1.49	1.82	1.80	1.78
Virginia	438	466	1222	1494	1547	1647	1.23	1.62	1.78	1.83	1.85

Source: Statistical abstract of the United States 1958.  
Tables 393 and 395, pp. 311 and 314.

Impacts on personnel: The growth in industrialization, and the resultant increase in the number and occupational variety of industrial workers have various effects upon the personnel system of TVA. The first effect of these changes on TVA's personnel policies is that, other things being equal, the growth of industry in the vicinity requires the Authority to observe and to a certain extent be bounded by the limits and standards laid down by the private sectors in their re-

1. Ibid., p. 2.

lation with employees. Although TVA has continuously maintained that its unique position, as a public agency and subject to the provisions of national policies, differentiates the Authority from private enterprises, yet in practice it cannot ignore the standards set by private enterprises. The very fact that TVA is required by its act to maintain the "rate of wages for work of a similar nature prevailing in the vicinity"<sup>1</sup> is the best evidence to support the point.

The existence of other industries also put TVA in competitive position in recruiting employees. Where chances of employment in private enterprises are available, TVA has to devise more vigorous means of recruitment, and employee relationship policies. Moreover, the existence of private industries provides more opportunities for employees to get trained and experienced in various occupations. From the point of view of the TVA this will provide easier access to trained and well experienced employees, and therefore less need for devising heavy training programs on the part of the Authority.

An important aspect of TVA personnel administration, which found its great impetus under the increasing industrial order in the area, is its labour-management cooperation program. The labour-management cooperation program, which will be discussed fully in a latter chapter, is one of the most important aspects of the TVA's personnel system. The program has proved extremely useful in providing the Authority with valuable contributions in the field of personnel, and the general methods of work improvement, through suggestions and cooperative

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1. U.S., The TVA Act, (1933), Art. 3

participation.<sup>1</sup>

To what extent such labour-management cooperation has been the result of TVA's wisdom in handling the program cannot be numerically verified. Apart from the faith and sensitivity which TVA's management has shown from its beginning in handling its employees problems, one must not forget the effects of the industrial order in creating labour, trade, and professional organizations, and thus providing the Authority with the opportunity to utilize these organizations in building up its personnel system.

The expansion of the economy from predominantly agricultural, to predominantly industrial, and the resultant increase in the national income have definite effects on such personnel aspects of TVA, as high salary rates, employee welfare policies, and employee morale. A high salary may contribute high morale and thus may restrain the employee from obtaining income from clients and petitioners. Furthermore, employees with high income will more or less be independant of TVA's contribution through health and welfare policies. This in its turn means that TVA will not be required to undertake a heavy load of employee's welfare policy.

The Values and Attitudes of the Community: It is commonly agreed upon, that the Americans, in general, sterotype government employees as refugees from the brutal realities of industry, commerce, and agriculture, and hold up the myth that public employees have lust

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1. For example, since the establishment of this program the Authority has received some 8,000 formal suggestions in various fields of work improvement, about 75 percent of which have been adopted. See: Gordon R. Clapp. TVA (The University of Chicago press: 1955), pp. 37-38.



for power.<sup>1</sup>

At least two reasons can be given which count for this attitude on the part of the community. First, with great oceans at its east and west, and with militarily weak neighbors at its north and south the United States grew in an environment which enabled the nation to allocate most of its constantly increasing resources to domestic progress and consumers goods development. Thus the nation rapidly achieved a high standard of living and the common man grew to feel himself as the master of his own fate, with the government as his servant. Consequently to a common American, those who administered the government, were not a superior class, but rather "the servants of the people."<sup>2</sup>

Second, the U.S. is the land which was first developed by persons who were already familiar with the British tradition of liberty and constitutional government. Inheriting these traditions from the mother land, the American's did not only use the principles of liberty, freedom and the pursuit of happiness in their Declaration of Independence, but also these principles became a part of their culture and the dominant factors in the American ideology. The result of this was that America became the land of vigorous individualism.

On the other hand, the development of the industrial civilization,

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1. Norman John Powell, Personnel Administration in Government (Prentice-Hall, INC, Englewood Cliffs N.Y. 1956), p.9.

2. Ibid., p.10.

and the resultant social and economic changes caused by industrialization and urbanization brought the Americans to depart gradually with their ideas of vigorous individualism, and thus to realize the great need for a positive welfare state. It is the co-existence of these two apparently conflicting values which dominate modern American ideology.

The effects of these background factors on the attitude of the people toward public personnel has been the following as expressed by Professor John Powell:

"Public service is assailed and ranked low by the great majority of the formal opinion leaders and in the formal opinion media..... The community at large does not rank the public service so low as its mass media and formal leaders imply."<sup>1</sup>

Implications on Personnel: Such a low valuation of public service can have two folded, effect on personnel. On one hand, the danger of low esteem towards public employees and public service lies in the difficulties of recruiting competent people to public offices, and the encouragement of turnover and maintainance of employees of mediocre qualities in public offices.

On the other hand, the value of not according too high prestige to public employees lies in the likelihood that such attitude will diminish the feeling of superiority on the part of the government official. Thus the lack of this feeling will decrease the temptation (on the part of the government official) to go off on his own way, which in most times results in corruption and resorting to non-democratic ways of making and executing decisions.

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1. Ibid., p. 22., See also pp. 8-39.

To what extent these remarks are true in case of TVA cannot at present be empirically verified. However, one may reasonably say that, the people of the Valley and its adjacent areas, where most of them were living in somewhat isolation on their own farms, may have been skeptical to a public enterprise as TVA, at least during the first few years.

The Social Structure and "Power Representing Groups":

Social structure: Our discussion of the social structure includes the "organizational" and "classificational" aspects of the concept. By "organizational" aspect is meant here the existence of "primary" and "secondary" groups. "Primary groups" are those, which are characterized by intimate face-to-face association and cooperation. They are primary chiefly in the sense that they are fundamental in forming the social nature and the ideals of the individual.<sup>1</sup> "Secondary groups," on the other hand, are characterized by contacts of more impersonal and less sentimental nature.<sup>2</sup>

By "social classification" is meant the grouping of individuals who share a significant characteristic. Thus "any characteristic which is observable and to which a group attaches significance, in the sense of behaving differentially toward it, may become the basis for social class."<sup>3</sup>

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1. Charles Horton Cooley's cited in George A. Lundberg op.cit., p. 423.

2. Ibid., p. 426.

3. Ibid., p. 272. See also, William J. Siffen, (ed.) op. cit., pp. 40-42.

Returning now to consider the social structure of TVA, two points can be made. With respect to the "organizational aspect" of TVA's social structure one can generalize that the rapid changes in the nature of the economy from rural-agricultural to urban-industrial, and the rapid movements of labour from agricultural to industrial occupations, plus the mobility of population must have resulted in increasingly weakening of the primary organizations and the strength of the secondary organization.<sup>1</sup> The increasing growth in the strength and role of trade, labour and professional unions is probably the best evidence of this change in the social structure of TVA.

With respect to the "classificational aspect" of the TVA's social structure, one may try (at least for our purpose here) to trace three bases for social classes in Tennessee Valley. First, the attitude of the people towards colour and race (particularly the Negroes); second, the attitude of the people towards occupations; and third, the attitude of the people towards family income. Which of these three factors is the most predominant in making a social class in Tennessee Valley cannot be determined precisely.

Local folkways in the valley, as elsewhere in the south still maintain segregation against races.<sup>2</sup> The effect of such segregation is well reflected in TVA's personnel policies toward the employment

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1. There is no data available in order to determine the rate of this change.

2. Robert L. Duffus, "The Valley and its People," as reported in Walter M. Daniels, (comp). Should We Have More TVA'S? (The H.V. Wilson Company, New York: 1950), pp. 25-31.

of Negroes.<sup>1</sup>

The data to present the occupational and family income basis of class structure in the Tennessee Valley is not available. However, one may get an idea by looking at the problem from the point of view of the American society as a whole. Table No. 4 represents the attitude of a sample, out of the whole population, toward the various occupations shown in the table. The sample was asked to rate each occupation as "excellent," "good," "average," "somewhat below average," and "poor."

Table 4  
Rating of Occupations by a Sample  
of the U.S. population

Classification	Number of occupation	Average Score
Government officials	8	90.8
Professional and semi-professional workers	30	80.6
Proprietors, managers, and officials (except farm)	11	74.9
clerical, sales, and kindred workers	6	68.2
craftsmen, foremen, and kindred workers	7	68.0
farmers and farm managers	3	61.3
protective service workers	3	58.0
operative and kindred workers	8	52.8
farm laborers	1	50.0
Service workers (except domestic and protective)	7	46.7
laborers (except farm workers)	6	45.8

Source: George A. Lundberg, op. cit., p. 272.

According to the table, government officials and professional

1. Ibid., p. 26.

See p. 94.

and semi-professional workers were held in high esteem, clerical jobs and managerial positions were held in moderate regard, and the occupation of services workers and laborers were held in lowest esteem.

Using family income as an index of class status "we find in the United States a small upper class, a middle class of moderate size, and a very large lower class."<sup>1</sup> Table No. 5 indicates this composition. Thus according to the table, the top 10 percent of families receive nearly one third of the nation's family income before taxes, while the lowest 10 percent receive only 1 percent of the total income.

Table 5  
 Distribution of Money Income (Before Taxes)  
 Earned by Families: United States 1951

Families Ranked by Size of Income	Percentage of Money Income (National Total) Received by Various Proportions of Families
Top 10 percent of families	31
Top 30 percent of families	58
Top 50 percent of families	77
Bottom 50 percent of families	23
Bottom 30 percent of families	9
Bottom 10 percent of families	1

Source: George A. Lundberg, op. cit., p. 286.

It is to be remembered that such class stratification does not mean that the individual or the family has a single or clearly defined position. "With rural areas and small towns possibly constituting an exception, the evidence would seem to indicate that a given person or

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1. George A. Lundberg, op. cit., p. 285.

family does not have a single status position in the community of his residence... On the whole it can be concluded that a person has multistatuses, based not only upon multiple dimensions and different reference groups, but even more upon the lack of correlation among the different criteria by which he is evaluated."<sup>1</sup>

Power representing groups: The term "power" is obviously one of those terms which are difficult to define; since there are almost endless types of powers. In discussing power relation, even on descriptive and verbal levels as we are concerned here, one continuously touches upon so many types of powers that one easily loses one's way. Consider for example the various implications which the concepts such as "prestige power", "the power of suggestion," "constitutional power," and "delegated power" may suggest.

Let us for our purpose here, borrow the definition of the term from professor Cuber who defines it as "...the ability of an individual to control some part or parts of other persons' behavior in conformity to the former's will. There is no implication of absoluteness of power in this usage,...."<sup>2</sup> Let us further qualify the term and say that we are mostly concerned here with the so called "non-legitimate" power, meaning "that twilight zone between clear legally, or customarily defined rights of control by one person over another and clear violation of these prescriptions."<sup>3</sup>

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1. John F. Cuber, William F. Kenkel, Social Stratification in the United States, (Appleton-Century-Crofts, INC. New York: 1954) p. 292.

2. Ibid., p. 7.

3. Ibid., p. 316.

Various groups which exercise such power can be traced out in the American society as a whole.<sup>1</sup> First, industrial or commercial concerns oftentimes participate in propaganda for purposes which are essentially political; that is to create public hostilities toward some policies, acts or decisions of the government, so that the offending administration may be turned out and a more favorable one brought in.<sup>2</sup>

Lobbying is another important aspect of the exercise of power. Big business, labor unions, farm organizations can, through vote and various other ways, manipulate legislators, in order to achieve their objectives. "So general, . . . , is the practice of lobbying and so ineffective are the attempts to control it that no one seriously expects that the voice of the people will usually be heard."<sup>3</sup> Oftentimes such charges are brought against newspapers and other mass media. It is asserted that these means serve some people, such as advertisers who pay the bill and the media owners.<sup>4</sup>

The co-existence of the two values of individualistic capitalism, and state welfarism, with a wide-spread number of followers on each side and the inconsistency between these two value systems, at least as far as their application is concerned, have created further groups which exercise power. On the one hand, "... we have the acquisitive

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1. Data which can specifically be applied to the Tennessee Valley is not available.

2. Ibid., p. 317.

3. Ibid., p. 318.

4. Ibid., p. 318.



capitalistic values which hold, simply, that an individual is entitled to use his property rights in any way he wishes, providing the uses are legal and it cannot be demonstrated that the property rights of the others are injured thereby."<sup>1</sup> On the other hand, there "is a humanitarian or 'general welfare' objective which though emerged later, stands in direct contradiction to some forms of using wealth."<sup>2</sup> Both of these groups have consistently exercised power through lobbying - and manipulating public opinion.

Other groups which exercise power are "white-collar" classes, through the so called "white collar crime." These are families with high income who "are in better position to know their legal rights and to hire attorneys to represent them,..." and groups with strong personal acquaintances.<sup>3</sup>

Implications on TVA personnel system: Returning now to consider the implications of such social structure and power representing groups upon TVA's personnel system one can make the following generalizations:

First, with respect to the organizational aspect of TVA social structure, the most important factor which has greatly influenced TVA's personnel system is the existence of strong secondary groups mainly the trade and labour unions. These unions have played an important role in shaping almost all aspects of the TVA's personnel system. How the unions

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1. Ibid., pp. 318-319.

2. Ibid., p. 319.

3. Ibid., pp. 319-320.

have affected TVA personnel system will be discussed later.

The second important factor connected with the classificational aspect of TVA's social structure is the employment and placement of Negroes in the Authority. This discussion will be resumed later.<sup>1</sup>

Another influential factor, which is also connected with the classificational aspect of TVA's social structure, is the group of veterans. The "Veterans Preference" policy (which is set by the Veteran Act of 1944) has exerted some influence on TVA's personnel policies.<sup>2</sup>

To what extent other factors of the organizational and classificational aspects of the TVA's social structure (such as family relationship, religious denominations, occupational and income classification) have effected TVA's personnel system cannot be determined precisely. However, one may generalize at least on a hypothetical level, that the decline in the strength of primary groups (like family) must have caused a corresponding decrease in the exercise of such policies as nepotism, selection and placement on the basis of personal friendships, the family and religious considerations.

Returning to the influences of power representing groups on TVA's personnel policies, one again cannot determine precisely how much each of these groups have been influential on TVA personnel policies. It is, however, generally recognized that TVA's personnel policies

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1. See p. 94.

2. See p. 95.

(such as recruitment, selection, appointment and placement) have generally been independent of party and group politics.<sup>1</sup>

The Administrative Characteristics of TVA: In the introductory discussion it was pointed out that the geographic, economic and social setting of TVA has not only played an important role in the creation of the TVA, but also is responsible for formulating and shaping the characteristic features of the Authority. In this section the discussion will be resumed to investigate the nature and implications of the various features which are peculiar to the TVA.

In his message of April the 10, 1933 President Roosevelt addressed the congress:

"The continued idleness of a great national investment in the Tennessee Valley leads me to ask the Congress for legislation necessary to enlist this project in the service of the people.

"It is clear that the Muscle Shoals development is but a small part of the potential public usefulness of the entire Tennessee River. Such use, if envisioned in its entirety, transcends more power development; it enters the wide fields of flood control, soil erosion, lands, afforestation, elimination from agricultural use of marginal lands, and distribution and diversification of industry; in short, this power development of war days leads logically to national planning for a complete river watershed involving many states and the future lives and welfare of millions. It touches and gives life to all forms of human concern.

"I therefore suggest to the Congress legislation to create a Tennessee Valley Authority - a corporation clothed with the power of government but possessed of the flexibility and initiative of a private enterprise. It should be charged with the broadest duty of planning for the proper use, conservation and development of the natural resources of the Tennessee River, drainage basin and its adjoining territory for the general social and economic welfare of the Nation. This Authority should also be clothed with the necessary power to carry those plans into effect. Its duty should be the rehabilitation of the Muscle

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1. See professor White's comment on p. 105.

Shoals development and the coordination of it with the wider plan...."1

The contents of this message characterizes TVA as follows:

1. TVA as a Regional Authority:-- The Message of April 10 required TVA to be charged with the broadest duty of planning for the proper use, conservation and development of the natural resources of the Tennessee River drainage basin and its adjoining territories. Thus TVA was established on a regional basis. The concept of region according to Woofter denotes "an area within which the combination of environmental and demographic factors have created a homogeneity of economic and social structure."2

The characteristic of regionalism differentiates TVA from the normal departments of the Federal Government in the following respect: whereas the Departments function over the entire country, the TVA is assigned the general development of a particular section of the country. It is an area which is drawn to fit certain geographic social and economic needs. The area cuts through the boundaries of seven states, which were established historically altogether remote from contemporary economic and social needs. Thus the jurisdiction of TVA is region wide rather than nation wide.

The basic administrative concept associated with the concept of regionalism (as a geographic and cultural concept) is that of integration in the sense used by Marx. He defines integration "as the combination

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1. Congressional Records, Vol. 77 Message of 10 April 1933 p. 1423 and p. 1451; as reported in Herman Finer, op. cit., p. 15.

2. Cited in Lowry Nelson, Rural Sociology, (American Book Company, New York: 1955), p. 34.

See also C. Herman Pritchett - op. cit., p. 131.

of operation units under an additional administrative official interposed between them and the top administrator."<sup>1</sup>

The reasons which make integration necessary, and which are true in case of TVA, are as follows:<sup>2</sup>

(a) If the functions of two or more divisions in the field deal with the same clientele.

(b) It affords opportunity for an improved working relationship between the agency as a whole and the various groups served.<sup>3</sup>

(c) Close interrelation and complementation of the functions of two or more divisions, may make it necessary to bring together all these functions under one agency, for the sake of effective performance and dissection.<sup>4</sup>

(d) The possibility of achieving more efficient and economical field operations through the use of centralized staff for the performance of personnel, accounting and other related services.<sup>5</sup>

The implications of regionalism from the point of view of TVA are interpreted as follows:<sup>6</sup>

(a) The responsibility of the authority to deal with the resources on a unified basis.

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1. Fritz Morstein Marx, (ed.) Elements of Public Administration, (Prentice-Hall) Inc. New York: 1946) p. 152.

2. M. George Goodrick, "Integration vs Decentralization in the Federal Field Service," Public Administration Review, Vol. IX 1949, p.272.

3. Ibid., p. 273.

4. Ibid., p. 273.

5. Ibid., p. 273.

6. Ibid., p. 153.

(b) The autonomy of the Federal Agency (TVA) to make decisions in the region.<sup>1</sup>

(c) "A policy fixed by law, that the Federal regional agency work cooperatively with and through local and state agencies."<sup>2</sup>

2. TVA as a Multipurpose Authority:-- Closely connected with the idea of regionalism is the idea of TVA as a multipurpose agency. A multipurpose agency is an agency which is at one and the same time concerned with various programs. This characteristic of the TVA is quite obvious from the above mentioned message as well as from the preamble of the act of TVA.

The Authority is concerned with the following programs:

(a) The physical development of the valley. This includes building a river control system and operation; river transportation and navigation, and the development of river industrial and commercial activities.

(b) The development of power and resource potentialities: This includes the development of power; mining activities; land preservation and reclamation, development and improvement of agriculture, reservoir and land management; and reforestation.

(c) The development of industrial activities: This includes fertilizer production; chemical production and atomic power production.

(d) The development of human resources: This includes social well-being programs such as public health and sanitation; disease control;

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1. David E. Lillenthal, TVA, Democracy on the March, (Harper and Brothers Publishers, New York: 1944) p. 153.

2. Ibid., p. 153.

general regional education and assistance.

(d) Research activities: This includes general agricultural, industrial, engineering and social researches.<sup>1</sup>

The question which can be asked here is this: Why was TVA established as a multipurpose authority? The answer is aptly provided by Mr. Lilienthal in this address of November 28, 1940:

"For the first time a President and Congress viewed the problems of a region as Maitland saw "the unity of all history": as a "seamless web," recognizing that one strand cannot be torn without affecting every other strand. The problems of the Tennessee Valley were viewed as a single problem of many integrated parts rather than dissected into separate bits in order to fit the pigeonholes of existing governmental instrumentalities. The thesis of unity led Congress to vest no single function of the Federal Government in the TVA, but rather an integrated group of Federal functions related to the regional conservation of natural resources of water and land and to promote the interests of the people of a region."<sup>2</sup>

3. TVA as a Public Corporation:-- The Presidential Message of April 10 characterizes TVA as "a corporation clothed with the power of government, but possessed of the flexibility and initiative of a private enterprise." Herman Finder believes that public corporation

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1. For general description, analysis and general progress of Authority in these fields see the following works:

Tennessee Valley Authority, Annual Report of the Tennessee Valley Authority, (Knoxville) Tennessee Nov. 15, 1956, Dec. 31, 1957, Nov. 15, 1958.

Herman Finer, The TVA, Lessons for International Application, (The International Labour Office, Montreal: 1944) pp. 18-25.

C. Herman Pritchett, The Tennessee Valley Authority, (The University of North Carolina Press, Chapel Hill: 1945) Chapters 2 and 5.

Roscoe C. Martin, (ed.) TVA, The First Twenty Years, (The University of Alabama Press and the University of Tennessee Press: 1956) Parts II & III.

2. David E. Lilienthal, cited in C. Herman Pritchett, op.cit., p. 132.

"is a name given to a type of administrative agency and does not imply that all such corporations have identical characteristics."<sup>1</sup>

Professor W. Friedmann characterizes a public corporation as an agency established by statute; possessing a separate legal personality; administered by a governing board appointed by the government; having no shareholders - (The basis of their financy is raising loans, and permanant revenue earning assets; responsibility to the government; having the character of private legal corporate persons in their day to day operations; liability through law; and the employees of the public corporation have no civil service status. As a whole, says the same author, corporation has a dual nature. Since they fulfil their tasks on behalf of the government and parliament, they are public authority subject to the control of the government. In their managerial aspects they resemble commercial companies.<sup>2</sup>

Mr. Harold Seidman characterizes an American public corporation as an independent entity separate from the United States Government; directly reporting to the Congress; administered by a board of directors and autonomous by definition.<sup>3</sup>

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1. Herman Finer, op. cit., p. 113.

2. A.H. Hamson (ed.) Public Enterprise, International Institute of Administrative Sciences, Brussels: 1955) pp. 12-20.

3. Ibid., pp. 42-48.

See also: Peter F. Druker, Concept of Corporation, (The John Day Company, New York: 1946).

Martin G. Glaeser, Public Utilities in American Capitalism. (The Macmillan Company, New York: 1957).

C. Woody Thompson and others, Public Utility Economics, (McGrau-Hill Book Company INC. New York: 1941).

Vernon A. Mund, Government and Business, (Harper and Brothers,) publishers, New York.

C. Herman Pritchett "The paradox of the Government Corporation," Public Administration Review, Vol. I., 1940, pp. 381-389.



The question which may be asked here is that why the Congress decided to establish the TVA as a public corporation? There are various reasons that can be given to justify this choice.

(a) To insure the authority with financial flexibility of a corporation.

(b) To make the Authority free in carrying out certain activities such as purchasing land, equipments, and other properties.

(c) To insure the continuity of its policies and activities.

(d) To entrust the Authority with the power to sue without going through the agencies of the Federal Departments of Justice, and thus to insure flexibility and liability to be sued directly.<sup>1</sup>

4. TVA as a Decentralized Agency:-- Closely connected with the idea of TVA as a regional Authority is the idea of TVA as a decentralized public agency. Mr. Lilienthal defines a decentralized agency as one "in which the greatest part of decisions are made in the field."<sup>2</sup> Marx defines decentralization in one sense as "synonymous with the delegation of authority....(and) the assignment of responsibility in such a way that substantial areas of discretion are entrusted to subordinate officers."<sup>3</sup> In another sense Marx defines decentralization as referring "to the field and the number of units operating away from the central officers."<sup>4</sup>

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1. See: Herman Finer, op. cit., p. 113.

2. David E. Lilienthal, as cited in Dwight Waldo, The Administrative State, (The Ronald Press Company, New York: 1948) p. 150. Note the characteristics which Lilienthal, attaches to the concept of decentralization.

3. Fritz Morstein Marx, (ed.) op. cit., p. 149-50.

4. Ibid., p. 149.

The concept of decentralization as applied to TVA, and developed through the experiences of the Authority has the following implications:

(a) The Tennessee Valley Authority was designed in such a manner as to enable the Authority to make its decisions in the field, and close to the people and their problems.<sup>1</sup>

(b) TVA is an administrative agency which is clothed with both broad and specific authority to accomplish its developmental programs.<sup>2</sup>

(c) TVA helps to formulate plans and recommendations, accept or reject the alternatives through the cooperation of local communities and institutions, rather than claiming itself the exclusive right to do so. TVA participates and shares the responsibility of its participation in order to insure that the fundamental right of self-determination shall be increasingly wise and farsighted.

5. TVA's Administration at the "Grass Root":-- One of the most important conclusions which TVA has drawn from its characteristics of regionality and decentralization, and which has great importance in shaping TVA's personnel system, is the so called "grass root administration." The concept as interpreted by the TVA, denotes the great faith, which TVA's leaders have placed in people and human element as the most important factor in resources development. This fact is well described by Mr. Lillienthal:

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1. See Herman Finer, op. cit., quoting David E. Lillienthal, p. 116.

2. Ibid., p. 116.

"The purpose of resources development must be more than the mere physical welfare of the greatest number of human beings... An abundance of food, the satisfaction of elementary physical needs alone, is not enough. A man wants to feel that he is important. He wants to be able not only to express his opinion freely, but to know that it carries some weight; to know that there are some things that he decides, or has a part in deciding, and that he is a needed and useful part of something far bigger than he is."<sup>1</sup>

Thus, it was not only the new methods and the new techniques which were adopted in discharging the responsibility for the development of the valley. More important than this, it was the presence of a positive spirit, and an optimistic attitude of TVA's leader toward human elements, which culminated in their strong faith in the human beings, and helped TVA in establishing its effective personnel system and making other achievements.

Such a stress on the human element in the organization led to at least three significant results.<sup>2</sup> First, full consideration of all policy plans with respect to their effects on the people involved. This concern found its expression in TVA's emphasis on the physical well-being of its workmen and their families, and in the care with which families and communities were relocated.

Second, TVA's conviction, that means are not less important than ends, led to heavy reliance on local institutions, particularly those of public character. Thus TVA has sought to carry out its programs wherever possible with the active cooperation and participation of the local institutions. The most important expression of such reliance on

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1. David E. Lilienthal, TVA Democracy on the March, (Harper and Brothers, Publishers, New York: 1944) p. 75.

2. See Roscoe C. Martin, (ed.), op. cit., pp. 248-251.

local institutions (as far as TVA's personnel system is concerned) was TVA's encouragement of its employee to organize into unions, and to develop cooperative relationship between TVA's management and local labour and trade unions.

The third consequence of TVA's emphasis on the people and methods found its reflection in a democratic system of internal administration. TVA's machinery permits "administration at the grass root." It permits a wide range of decisions at the operational levels by the rank-and-file employees.

Implications for Personnel Administration: The most important factor (resulting from the administrative characteristics of TVA, discussed above) which conditions the personnel problem of the authority is its freedom from the regulations of the federal civil service system. On what basis did the Congress decide to exclude the TVA personnel system from the regulations of the U.S. Civil service Commission will be discussed later.<sup>1</sup> Sufficient will it be here to say that "the Authority's excellent record of achievement in the field of its personnel has been in considerable measure attributable to its freedom from the time-worn civil service procedures and regulations."<sup>2</sup>

The most important effect of the concept of multipurposeness, lies in the range of positions in TVA, which is exceptionally wide for a government agency to fill. TVA needs engineers of all kinds, chemists, fertilizer experts, agriculturists, foresters, regional planners, architects, and economists, not to mention the staff for legal, medical,

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1. See pp. 88-92.

2. C. Herman Pritchett, op. cit., p. 306.

purchasing, personnel, fiscal and other administrative services.

Table 6 shows this composition of TVA personnel by classification.

Table 6

Classification of TVA Personnel at the end of 1941

Classification	Number
<u>Salary Policy Employees:</u>	
Professional and scientific	1,492
Subprofessional	1,182
Clerical, administrative, and fiscal	2,758
Educational	29
Inspectional	192
Custodial	938
<u>Trade and Labour Employees:</u>	
Annual employees	1,917
Hourly Employees	13,998
Total	22,506

Source: C. Herman Pritchett. p. 270.

The necessity of a wide variety of occupational groups has to a great extent differentiated the recruitment, selection, placement, classification and pay policies of the TVA from the normal practices of the U.S. Civil service Commission. Furthermore, the existence of this wide variety of occupations has affected the training program of the TVA in the sense that it made it necessary for the Authority to undertake a heavy program of employee training.

The most important effect of the concept of corporation freedom upon TVA's personnel system was its freedom in collective bargaining

and the establishment of cooperative relationship with trade and labor unions. This discussion will be fully resumed later. At present it will be enough to say that TVA was able to maintain unusually cooperative relationships with trade and labour organizations.<sup>1</sup>

The second important effect of the concept of corporation freedom upon TVA is its unusual freedom from political influence. It might be boring to present here all the testimonies to the effect that partisan politics have had no influence in TVA's appointments.<sup>2</sup> Sufficient it is to quote Dr. Leonard White's conclusion to the effect that "the Tennessee Valley Authority has maintained unusual freedom from political interferences or dictation in making appointments and in handling its personnel."<sup>3</sup>

The important implications of the concept of decentralization for TVA's personnel system is the freedom of the Authority in setting its personnel policies according to the prevailing conditions, (see for example TVA's experience in building of Cherokee Dam)<sup>4</sup> and the flexibility which TVA has maintained in hiring and firing its employees, plus the elimination of a great deal of delays (which are inherent in

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1. See the testimony of Mr. William F. Patterson, p. 176.

2. For testimony by Senator Lister Hill of Alabama see Congressional Record, Vol. 89 (June 14, 1943), p. 5800.

Other testimonies by Senators Kenneth McKellar of Tennessee, and Senator Albert Gore of Tennessee are given in, Congressional Record, Vol. 83, (January 24, 1938), p. 962, and U.S. Senate Hearings before the Committee on public works, 83rd Congress; 2nd session (Washington: Government printing Office, 1954) p. 25.

3. U.S. Senate, Investigation of the Tennessee Valley Authority 76th Congress, 1st session, S. Dec. 56 (Washington: Government Printing Office, 1939), part 2, p. 70 as reported in Harry L. Case, Personnel Policy in a Public Agency, (Harper & Brothers Publishers New York: 1955) p.12.

4. See p. 101.

remote controls), and the resultant efficiency in the work of the Authority. Thus apart from the cases which have been made in favor of the necessity of a decentralized personnel system for TVA, "the Authority's excellent record of achievement in the personnel field has been in considerable measure attributable to its freedom from time-worn civil service procedures and regulations. In many areas extremely valuable experiments in new types of personnel have been conducted by the TVA, unhampered by the necessity of conforming to the established rules of the Civil Service Commission or of going to Congress for permission to initiate the changes."<sup>1</sup>

In our previous discussions we outlined some of the effects of "regionalism" on TVA's personnel system.<sup>2</sup> Therefore, suffice it here to point out that the personnel problem in the TVA has been more complicated by reason of the geographical distribution of the Authority's activities over the length and breadth of the Tennessee Valley, and by the necessarily temporary character of the construction projects, which required constant process of recruitment and transfer, and thus made the problem of turnover more significant in the Authority.<sup>3</sup>

Finally, the great interest which TVA has shown in the human element of the organization has resulted in the most constructive measures which the Authority took in building its personnel system. The most important evidence of these measures is the ever increasing cooperative

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1. C. Herman Pritchett, op. cit., p. 306. See also Harry L. Case, op. cit., pp. 8-14.

2. See pp. 25-27.

3. See C. Herman Pritchett, op. cit., p. 271.

participation of the employees, both individually and through their unions. Thus whereas other public agencies were reluctant in recognizing the role of employee unions, the TVA was taking firm steps to encourage such organizations, and utilize them in its well known employee-management cooperative programs, in order to build up its personnel system.

TVA has always benefited from the great participation of its own employees and local institution, both as a result of its internal democratic management, and as a result of its faith in the wisdom of establishing cooperative relationship with local institutions such as the state, county, and local agencies of research, education, and health, and many private and quasi-public organizations including the labour unions and farm organizations.<sup>1</sup> For example, since the establishment of TVA's management and employee cooperative program the Authority has received some 8,000 formal suggestions in various fields of work improvement; about 75 percent of which have been adopted.<sup>2</sup>

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1. See Gordon R. Clapp, New Horizons in Public Administration, (University of Alabama Press, Alabama. 1945), pp. 79-95.

2. See Gordon R. Clapp, TVA, (The University of Chicago Press: 1955), p. 37-38.



## CHAPTER IV.

### THE ENVIRONMENTAL SETTING

#### OF HVA

Introduction: In the previous chapter we saw how the geographical, economic, and social factors combined and interacted in creating the Tennessee Valley Authority and formulated its basic features. A combination of identical or closely similar environmental factors was also responsible for the creation of the Helmand Valley Authority, its Afghan Counterpart. In this chapter we are concerned to survey the environmental setting of HVA.

The existence of "large arable areas where climatic and soil conditions are suited to the cultivation of a great variety of crops...";<sup>1</sup> the richness of the country in river water; and the existence of an annual precipitation in the mountain areas of about 15 inches; the existence of a continental climate, though varying to the extremes of severity, yet maintaining a continuity especially in the agricultural districts; the necessity to provide for a higher standard of living through the increase in agricultural and agricultural industrial products: the necessity of the resettlement of approximately 4,800,000 nomads (out of 12,000,000 population) who are in migration according to seasonal variations; and finally the good prospect for power and industrial developments in the area were among the reasons which necessitated the Helmand and Arghandah Rivers projects, and consequently

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1. The Royal Government of Afghanistan, Application for Credit from Export - Import Bank of Washington, (Royal Embassy of Afghanistan Washington, D.C.: 1949), p. 5. A report prepared for the Export - Import Bank of Washington. (Mimeographed.)

the creation of the Helmand Valley Authority.<sup>1</sup>

To these may be added a third and unique factor which is closely related to the politico-geographic and social situation of Afghanistan. In the language of an unpublished official report this fact is described as follows:

"Despite the vigorous efforts made during the last thirty years the agricultural and industrial resources of the country are still underdeveloped. Her (Afghanistan) geographical position and social structure are such that a well-directed Anti Capitalist propaganda campaign could adversely affect the social fabric and the political independence of the country through unrest and class conflict. Afghanistan adjoins a part of the Soviet Union which has gained wide publicity for its social and economic advancement. Afghanistan must, therefore, reckon with the comparisons being made between developments at home and in adjoining Soviet Republic which are continually emphasized in communist propaganda."<sup>2</sup>

Such were some of the environmental factors which brought the Helmand Valley Authority; an agency which for the first time in the history of the country symbolized the wishes of a national government to develop its country, after a century of tribal unrest, historical expansions and contractions, and a long struggle between the two great empires at the north and south. With these preliminary remarks in mind let us now turn to our problem, and investigate the impacts of these and other environmental factors in shaping the personnel system of HVA.

A. Geography and Physical Structure:-- The Helmand Valley is situated in the Southwest portion of Afghanistan. The area which the valley occupies is nearly 125,000 sq. miles or half of the total area of the country.<sup>3</sup>

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1; Ibid., pp. 5-7.

2. Ibid., p. 137.

3. Leonard B. Jordan and Others, Development of Helmand Valley (Tudor Engineering Company, Washington D.O.: 1956) p. 15. A report for the International Cooperation Administration. (Mimeographed).

The valley is situated in the temperate zone between latitude 29° and 33° North and 60° 30' and 69° East longitude. It comprises the Afghan Provinces of Farah, Girishk, Kandahar and Ghazni. The area is bounded on the North by Herat and Kabul Provinces, on the South by Baluchistan, on the East by Southern Province and North-West Frontier Province (Pakistan), and on the West by Iran.<sup>1</sup>

The area has a general slope from northeast to southwest; from the snowcapped southern reaches of the Hindu Kush, with altitudes of above 5,000 meters, to the Chakhansur marshes of about 500 meters above sea level. Over half of the area south and west of the meeting point of the Helmand and Arghandah Rivers is a broad, flat, alluvial plain.

The Helmand and Arghandah Valleys are generally characterized by dryness combined with extremes in temperature. Temperatures vary from below zero in the mountainous and plateau areas during the winter months to over 100°F. in Chakhansur during midsummer. Winter snowfall is heavy in the northern mountainous area, and causes rapid spring runoff and flood conditions. South of the mountains, light spring rains occur before the long dry, hot summers sets in, and thus create ideal conditions for the early ripening of a great variety of fruits. Average annual precipitation is about 10 inches.<sup>2</sup>

The topography of most of the irrigable land is extremely flat with slopes ranging from 0.5% along the rivers to about 0.1% in the

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1. International Engineering Company, INC. Helmand Valley Industrial Survey, (Inter. Engin. Company INC. San Fransisco, California, USA: 1955) p. V-I. A report for Morrison-Knudsen Afghanistan, INC. (Mimeographed).

2. Ibid., p. V-2

Nad-i-Ali and Marja areas and 0.025 in Chakhansur.<sup>1</sup> The general fertility of the soils in the Helmand Valley is moderate to low.<sup>2</sup> Because of the inadequateness in farm implements lack of crop rotation, periodic disposition of silt, and the effects of salinity and alkalinity, the soils of the valley have poor structure. The soils are cloddy and crust easily.<sup>3</sup>

Thus the Helmand and Afghandab Valleys are characterized by low rainfall, cool winters and hot summers, long growing seasons, extremely flat topography and alluvial or old river terrace soils of moderate to low fertility.<sup>4</sup>

As far as geological survey syndicate, there are numerous and diversified mineral deposits such as petroleum, coal, manganese, copper, lead, zinc, mica, marble gold, iron, garnet, etc.<sup>5</sup> At present none of these potential mine deposits has been exploited.

River Water resources, and potential multipurpose river development sites, beside the two existing dams on the Helmand and Arghadah Rivers, are greatly promising.<sup>6</sup> The potential power generating capacity from

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1. Leonard B. Jordan, op. cit., p. 27.
  2. Ibid., pp. 27-28.
  3. Ibid., pp. 27-28.
  4. Ibid., p. 25.
  5. International Engineering Company op. cit., pp. VI-I - VI-5.
  6. Ibid., Table IX, p. VI-9.

the above mentioned installations is estimated at 136,100 KWH.<sup>1</sup>

Influences upon personnel: Previously we discussed the influences of the geographic environment upon the TVA personnel system. To a certain extent the same implications are equally true for HVA too. However, certain differences are observable.

We saw above how the geographic regionalism in the case of TVA tended to limit the Authority's recruitment to the geographic limits of the valley. The concept of geographic regionalism (as we saw above) is equally true in the case of HVA. However, the influences of this regional characteristic of HVA upon the personnel system of the Authority is not the same as we saw in the case of TVA. Whereas TVA has tended to limit its recruitment to the geographical limits of the area, HVA on the other hand has recruited employees from almost all parts of the country, with no observable tendency to its regional limits. The reasons for this are: first, the relatively low level of literacy in the region; second, the existence of suitable sources of recruitment outside the region (the most important of these sources are the Kabul University and other professional schools which are concentrated in Kabul): and third, the practice of recruitment on the basis of personal favoritism.<sup>2</sup> To these reasons can be added a fourth reason, which is

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1. See: Leonard B. Jordan, op. cit., pp. 122-131.

Note:- Electric service at present is very limited. Kandahar is the only major city in southern Afghanistan which has electric service, with a total installed capacity of 920 k.W. See: International Engineering Company INC., op. cit., p. VI-6.

2. Thus, for example a considerable number of the present employees of HVA are from the Province of Herat, because the General President of the valley was the Governor of Herat prior to his post in the Helmand Valley. Similarly, the Vice President of the Authority has favorable tendency in appointing employees from Eastern Province, because he comes from that same Province.

that the people of Kandahar province (which lies in the center of the Valley) are generally self-employed whether in agriculture or business, and therefore are unwilling to enter government posts.

The effects of this practice of universal recruitment on HVA personnel system have been **twofold**. On the positive side its advantage is that it helps HVA to reach all the potentially qualified persons who want to work in the Authority. Its disadvantage (which at present constitutes a serious problem) is that, recruitment from such various stocks with marked differences in their interest in the project, their opinions and the differences in their linguistic and social background have caused problems of organizational cohesion, communication, and cooperation.

The existence of the great difference in the climate of the Helmand Valley in comparison with the climate of the various regions from which the employees at present are recruited also has effects on HVA's employees. Inefficiency and the sign of low productivity are quite observable, especially in the summer. No data, however, is available to show how far this is attributable to the seasonal and climatic conditions of the Valley. It should be pointed out here that the climate conditions, and the generally low living standard make it important for HVA to develop a more effective employees' health and welfare program than the existent one.

Finally, the underdevelopment of the natural resources in the country as a whole, and consequently the relatively low opportunities for work outside the government has made it easy for the government to recruit competent persons. To this may also be added the relatively

high prestige accorded to government officers.<sup>1</sup> On the other hand, the underdevelopment of the natural resources, and consequently the low rates of salaries which the government pays, have adversely affected the morale and the sense of honesty among government officials. Thus, bribery is still a prevailing, though very rapidly diminishing practice, thanks to the efforts of the present government.

B. Economic Structure of HVA:-- At present agriculture dominates the economy of the Valley. The main crops are wheat, corn, cotton seed, vegetables, fruits, grapes and alfalfa. Industry is still very largely in the handcraft stage, and even handcraft potentials are not being utilized as fully and effectively as might be. At present there are only two real factories in the entire region, both of which are located in Kandahar,<sup>2</sup> and neither is being operated efficiently.

National and Per Capita Income: The government estimates of the national income between the years 1953-54 was 12.5 billion of Afghanis or roughly 1000 Afghanis per capita, assuming the population to be 12 million. Tables 7, 8, 9, 10 show this computation. This estimation of per capita income is equivalent to about \$50 at the official rate and \$20 at market rate. This is quite low even in relation to other underdeveloped countries. As table 7 shows, agriculture accounts for 72% of the total national income.

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1. See p. 169-170.

2. Kandahar Woolen Mill, and the Pashtoon Industry.

Estimated National Income of Afghanistan by Major Components

Agriculture, Industry, Trade & Services

Year 1953-1954

Table 7.

Agricultural Products		
Products	Million of Afghanis	Percent
Wheat	4,085	32.7
Fruits	1,020	8.2
Karakul, Hides & Wool	680	5.4
Livestock	1,000	8.0
Dairy	1,000	8.0
Cotton	380	3.0
Others	835	3.0
Total	9,000	72.0%

Source: Leonard B. Jordan and Others, op. cit., p. 151.

Table 8

Industrial and Cottage Industry

Products

Products	Million Afghanis	Percent
Textiles	220	1.8
Electricity	120	0.9
Carpet and Rugs	200	1.6
Sugar, Mining, building material and other	260	2.1
Sub-Total	800	6.4%

Source: Leonard B. Jordan and Others, op. cit., p. 151.



Table 9

Trade and other Services		
Products	Million Afghanis	Percent
Trade and other services	1,000	6.4
Wood	800	8.0
Miscellaneous	900	7.2
Sub- total	2700	21.6%

Source: Leonard B. Jordan and Others, op. cit., p. 151.

Table 10

Total National Income		
Products	Million Afghanis	Percent
Agriculture	9,000	72.0
Industry	800	6.4
Trade & other Services	2,700	21.6
Total	12500	1,000%

Source: Leonard B. Jordan and Others, op. cit., p. 151.

Cost of Living: Price statistics (officially computed) available only through 1954-55 show relative stability; as table 11 indicates. However it can reasonably be expected that the major impact of the continued deficit financing will soon be felt. Indications of this are evident.<sup>1</sup>

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1. For example the price of tea has risen 40% during three years ending 1955-1956. (Rising from 291 Afghanis per seer to almost 500 Afghanis.) The price of cooking oil in Kandahar has risen 150% over the last 5 years, and the price of wheat has risen over 25%.

Table 11

Price Index in Afghanistan (1945-46 = 100)

Item	1947	1948	1949	1950	1951	1952	1953	1954	1955
Food	119	89	107	118	130	128	127	125	124
Clothing	114	117	160	188	187	217	214	210	209
Fuel & Heating	110	109	116	145	154	153	153	152	152
Rent	100	100	180	180	140	120	120	118	117
Miscellaneous	123	128	114	141	161	160	158	154	154
Average	113	109	155	154	154	156	154	152	151
Weighed Index	116	122	125	142	150	155	153	151	150

Source: Leonard B. Jordan and Others, op. cit., p. 157.

Government Financial Position: The financial position of the Afghan government shows a definite excess of expenditure between 1952-1956. Table 12 reflects this. This deficit reflects the strain of public programs embarked upon by the government. Thus, during the year 1955-56, 80 percent of the total expenditures were divided equally by two categories (1) public works, irrigation and agriculture; and (2) national defense and police. Again, as table No. 12 indicates, the budget expenditures over the 4 years 1952-56 have risen by about 60 percent from approximately 830 million Afghanis in 1952-53 to the 1.3 million Afghanis budgeted for in 1955-56.

Effects on Personnel: In the previous discussion concerning the TVA we saw how the industrially developed economy has affected the personnel system of TVA. In the case of HVA we see the situation to be rather the opposite. Here the industry has not developed, therefore, no standards and limits set by private sectors in the vicinity are imposed upon the Authority. The Authority in this respect is free to set such standards of wages, working conditions, health and safety programs, as seem advisable. However, the Authority is strictly bound by the

Table 12  
Budget Receipts and Expenditures  
(Millions of Afghanis)

	1952-53	1953-54	1954-55	1955-56
	actual	actual	actual	estimated
<b>I. Revenues</b>				
Customs	243.8	301.7	401.2	401.3
Income	80.7	98.5	97.6	105.0
Land Tax	76.7	77.0	77.0	76.4
Livestock Tax	33.7	31.6	41.0	40.7
Excise Duty and Stamps	43.7	37.2	112.2	103.2
Gov't enterprises	59.6	79.4	96.3	143.6
Other taxes & Monop. Income	<u>149.2</u>	<u>138.8</u>	<u>108.0</u>	<u>141.9</u>
<b>Sub-Total</b>	<b>613.9</b>	<b>774.6</b>	<b>961.1</b>	<b>989.1</b>
Internal Borrowing	85.5	98.9	125.7	165.9
External Borrowing	<u>152.6</u>	<u>59.5</u>	<u>60.3</u>	<u>146.0</u>
<b>Grand Total</b>	<b>852.0</b>	<b>933.0</b>	<b>1150.1</b>	<b>1301.0</b>
<b>II. Expenditure</b>				
Public works, Irrigation and agriculture	279.4	218.3	281.7	532.7
National Defence & police	249.0	280.9	417.7	527.9
Education	77.1	83.1	54.2	79.5
Food Storage & Pub. Health etc	138.0	162.3	152.0	81.7
Gov't enterprises	86.7	93.8	24.4	45.7
International Bank				<u>33.5</u>
<b>Sub-Total</b>	<b>880.2</b>	<b>838.4</b>	<b>1030.0</b>	<b>1301.0</b>
Cash Balance	<u>21.8</u>	<u>94.6</u>	<u>120.1</u>	
<b>Grand Total</b>	<b>852.0</b>	<b>933.0</b>	<b>1150.1</b>	<b>1301.0</b>

Source: Leonard B. Jordan and Others, op. cit., p. 153.

pertinent regulations of the central government, which are almost completely applicable to the permanent government officials, rather than to temporary employees or the so called "non-officials."

Another effect of the unindustrialized economy of the valley, is the absence of organized labour unions. The complete absence of such unions on the one hand has made HVA free from dealing with labour problems. On the other hand, it has deprived the Authority of the

opportunity of taking advantage of the experiences and cooperation which such unions may contribute to management.

The third effect of the unindustrialized economy on HVA personnel system is that, HVA has not been placed in competitive position with private industries in recruiting competent persons. This does not imply that HVA enjoys a monopoly of recruiting all the potentially qualified persons. On the contrary, HVA does compete with other governmental agencies in recruiting school graduates. Such competition seems to become increasingly serious because of the steady emergence of the semi-public organizations which pay equal or higher salaries and whose working conditions are more convenient than those of HVA. This situation has now turned into a serious problem, to which HVA has to find a solution.

Finally, the existence of predominantly agricultural economy, with a very low per capita income, and the consequently low level of living standard have adversely affected not only the health, productivity and efficiency of the employees, but also the morale and interests of employees. Due to low national income, and undeveloped economy, the salaries paid by the government are in most cases too low to enable the employee to maintain a fair level of living, unless he supports himself from other sources. Once he starts utilizing these other sources, (the most important of which is bribery) then he resorts to all techniques of red tape, delay in the work, buck-passing, and other means, in order to make the clientele pay. Although the present government has to an extent improved this situation, bribery and buck-passing are still common practices among the Afghan bureaucracy,<sup>1</sup> to which HVA is no

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1. Donald N. Wilber (ed.) Afghanistan (Human Relations Area Filrd New Haven: 1956), p. 97-98.

exception. Such being the situation, it might not be surprising to see why the present law of civil service puts so much stress on discipline and disciplinary actions.

C. Social Structure and Power Representing Groups:-

Social Structure: In the previous discussion about the social structure of the TVA, we made a distinction between the "classificational" and "organizational" aspects of the TVA's social structure. Following the same approach, in this section we are concerned to look at the type of the social structure within which HVA is operating. Before going into discussing specifically the "organizational" and "classificational" aspects of the HVA's social structure, it will be useful to consider the historical factors which contributed to such a social structure.

Nothing has more affected the present social structure of the Afghan society than the combination of historical and geographical factors. As Mr. Tytler has remarked:

"...From earliest recorded times, and probably before them, the country...(Afghanistan) has been the meeting place of many peoples. Standing as it does on the high road between Eastern and Western Asia, and on the fringe of the Empires which rose and fell in Persia and India, it has been affected by the stream of migration from further Asia in the North, and by the ebb and flow of conquest from the West and South. Sheltered in the East by the great mountain barrier of the Pamirs, its remote valleys have held, as it were in a back-water, the remnants of forgotten races, whose ancestors have gradually driven into their mountain fastnesses by the encroachments of more virile peoples.

"The present races of Afghanistan seem likely therefore, to contain in many cases diverse elements which in course of time have become absorbed into an older stock to form a more or less homogeneous type. The Indo-Aryan immigrants found Dravidians in possession, and perhaps as well some elements of an even older race. On them were super-imposed Greeks and Scythians, Kushans and Ephthalities, Mongols and Turks, to name a few of the many races which for a time have held possession of parts of the country. Some of these races have

kept apart and retained most of their original characteristics. Others have merged into the general population and lost all traces of their remote origin."<sup>1</sup>

With respect to the "organizational" aspect of the social structure of HVA, the following generalizations can be made:

1. Afghan society is built on family and tribal units. The family has not yet lost its primary importance. Its traditions and cohesion are still at the core of the Afghan life. It should, however, be pointed out that extended family system is weakening, under economic stresses. There is, thus, a tendency of breaking up into individual families. Also tribal factors are dwindling away among all settled communities. For example among the Tajiks tribal organization hardly exists any more.<sup>2</sup>

2. The Afghan society is of relatively loose structure, as compared with highly interdependent and integrated modern societies. The economy is primarily self subsistant, and society is composed of large and variety numbers of self-contained small communities. The government is the only one powerful centralizing and organizing force in this loosely built society, and through its administration, laws and services it is stretching link after link to make the whole inter-dependent, and replace the tribal organizations by centralized systems.<sup>3</sup>

3. There is a total absence of such secondary groups as

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1. W.K. Fraser-Tytler, Afghanistan, (Oxford University Press, London: 1950), pp. 47-48.

2. Donald N. Wilber, op. cit., p. 1-2.

3. Ibid., p. 2.

political parties, labour and trade unions at present. However, under the gradual establishment of factory type industry and power driven tools an industrial labor class is emerging; though very small and new in the Afghan society.

The "classificational" aspect of the HVA's social structure can be traced on the basis of two factors, (1) property ownership, (2) occupational groups. Regarding the ownership as a basis of social class, we can distinguish three classes. First, a relatively small group of big Khans who own vast amount of land. Second, a host of individual self-employed farmers, who own their own plots independently. Third, tenants who are not employees, in the strict sense of the word, because they do not work for wages. Their relation to their land-lord or Khan is often semi-feudal, and they do perform services for him from time to time. To these three classes may be added a fourth class of nomads, who rarely own any real estate, yet graze their herds and raise a crop on public or private lands at nominal fees.<sup>1</sup>

Occupation as a basis of social class include a small number of managerial class, government officials, merchants, and traders, a relatively sizable class of shopkeepers, a small number of factory type industrial and construction labours, and a sizable class artisans. No statistics are available as to trace the income basis and size of these various classes.

It should be remembered that the social organization of the Afghan society is free from caste systems and color segregations. No

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1. Ibid., pp. 2 and 199.

sharp social and class distinction is observable. In spite of its political aspect as an oligarchal state, the Afghan society appears to be permeated by a democratic spirit.<sup>1</sup> Such is then the social structure within which HVA operates.

Power representing groups: As was pointed out in the previous discussions, there is almost a total absence of political parties, pressure groups, labour, and trade unions in the Afghan society. As a result of this, many aspects of political dynamics as conceived in the Western world do not exist in Afghanistan. Politically, the bulk of the masses are extremely passive and most of the inhabitants are illiterate with an extremely limited mental horizon. Due to this passive attitude and the inadequacy of means of communication many members of the community have never been outside of their home districts. People are called upon to participate in local elections for the "Local and National Councils." Only a small percentage of people participate. In such a state of affairs it is hard to identify a definite political trend or doctrine in the Afghan society, if there is any.

Nevertheless, the Afghan society has some focal points, which possess political power. These groups may be defined as members of Royal families, the Loya Jirka, the leaders of the tribes, (especially Pakhtoon tribes), the financial groups, religious leaders, and the educated officials.<sup>2</sup>

The influence of the royal families prevades the civil administration and the military organization. Although the Yahya Khel dynasty is the

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1. Ibid., p. 323.

2. Ibid., p. 99.



ruling dynasty, yet Amanullah's<sup>1</sup> own family and other decendants of Habibullah<sup>2</sup> and his brothers are quite important and fill important positions. Each member of these families is entitled to a ranking post and is expected to respond by supporting the regime. Such a support plus the network which these families have established through intermarriages is one factor which has greatly stabilized the power of the present regime.<sup>3</sup>

The Loya Jirka or (Grand Meeting) is an institution (probably another reflection of the traditional tribal system), composed of members elected from all over the country. The Jirka is summoned by the King on votes of confidence for certain important policies which the Government wants to conduct. The Jirka is convened temporarily and dissolves after it decides on the particular question for which it has been summoned. Thus, it differs from the National Council which acts as the normal legislative body.

The leaders of the tribes (particularly Pakhtoon tribes) still possess power of great magnitute; although this power is steadily declining. Fraser-Tytler describes the situation as follows:

"For the basis of Afghan Society was still the tribal system. The new social and political order which was growing up had roots in the tribal soil, and draws its sustenance from the progressive elements among the tribes themselves. But the tribes remained powerful, fanatical, intractable; suspicious of progress, priest-ridden and unstable; liable at any time to destroy the delicate fabric of the nascent state and, should they ever combine against good government and orderly progress, capable once more of plunging Afghanistan into chaos and ruin. They wanted very careful handling, and the task of gradually

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1. The ex-king of Afghanistan
  2. The father of Amanullah.
  3. See Ibid., pp. 99-102.

substituting for the tribal system the normal administrative framework of the civilized state was likely to be prolonged and difficult. There was therefore always a risk of too great a cleavage developing between the progressive minority and the static majority. The young men were inclined to become impatient, to brush aside conservative prejudices and the reactionary influences of the priesthood. The older statesmen, like the Prime Minister, knew the dangers inherent in such an attitude. They put the brake on, handled tribal politics with skill and patience, and while slowly building the structure of progress, were content to await the civilizing effects of education and good government."<sup>1</sup>

The potential threats of this tribal social order to national unity and the promotion of internal security which so much necessitated tribal politics can be demonstrated by citing the revolts which took place between 1924-55.

- 1924, "Khost" revolt of the Mongol tribe.
- 1928, Shinwari uprising of Jalalabad.
- 1930, Kuh-i-Daman revolt and Afridi penetration.
- 1933, Muhmand uprising
- 1937, Uprisings by the Muhmand, the Shinwari and Sulayman Khel sections of Ghilzai.
- 1954, Khurram valley area.
- 1948-49, Rebellion of the Safi tribe.
- 1955, Abortive tribal movement in Kabul.

Thus the major aspects of the Afghan political life and administration are coloured by such tribal politics, and therefore, it should not be surprising to see a Ghilzai chief today governing a North Central province. The logic of merit system and competence may be very little effective, when it becomes necessary to remove a potentially dangerous "Khan" from his tribal environment, by fitting or putting him in a government office somewhere away from the center where he can become a potential explosive, and thus bind him to the regime.

In the early thirties a small group of merchants principally from Herat, obtained the monopoly of the sugar trade, and during 1932-33

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1. W.K. Fraser - Tytler, op. cit., pp. 247-48.

founded the first Afghan bank, called Bank Millie. With the blessing of the government the bank embarked on programs of light industry, trading, imports, exports and investment companies in most of which the bank obtained monopoly rights.<sup>1</sup>

Up to that time, investment had been only in land; merchandise and credit institutions were unknown, and individualism and liberalism were the basic orders of economic activities. The ventures which were made by this group of financiers introduced the idea of pooling resources and interests, and of commercial credits. As a result, the Afghan National Bank increased its capital a hundredfold during the first six years; and many people joined in this profitable way of doing business.<sup>2</sup>

The relation between this new group and the government was that of cooperation and semi-conflict. During 1938 when it became obvious that the leaders of the enterprise were pocketing large profits which were concealed by not showing them on the books, the government took away most of their monopolies, and decreed investigations. One leading member was jailed, and the head of the group, Abdul Majid Zabuli, managed to become the Minister of National Economy. The government opened its own bank "Da Afghanistan Bank", and gave it control of the foreign exchange. The finance group, however, continued its own trade and industry.<sup>3</sup>

In 1950 troubles started again; Mr. Zabuli (who had been appointed for the second time as Minister of National Economy after returning from

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1. Wilber, op. cit., p. 105.

2. Ibid., p. 105.

3. Ibid., p. 105.

Europe during the second world war,) resigned, and another investigation was started. The present relation between the group and the government is that "while they do not always get along well, they need each other too much to break their association; meanwhile neither has a complete control over the other."<sup>1</sup>

The importance of the religious leaders in Afghan political dynamics lies in their power to agitate the emotions of their devout followers. The religious leaders and village Mullahs were among the most important factors which caused the fall of Ammanullah. Several times the question of purdah has been raised in Kabul, but dropped because of the non-committal opinion of the religious leaders.

The last power group in the Afghan society is represented by the Afghan officials educated abroad as well as inside the country. This group has no cohesive organization of any kind, but the opinions which they hold on social, economic and political matters are the same, and are not always in accord with the policy of the government. These opinions once got an outlet in the liberal parliament of 1949, and the "Kabul Student Union of 1950," and a few independent papers of Watan, Angar, and Nida-i-Khalq, which were later suppressed by the government.

The actions of suppression on the part of the government seem to have achieved the desired results. However, there may be at least underground parties and groups which may represent the survival of the liberal ideas.

Thus far, we have discussed the characteristics of the social

structure within the framework of which HVA is operating. Let us now focus our attention upon the impact of these social factors on the personnel system of the Authority.

Implications on Personnel: The most important effect of such a social structure (characterised by ethnic and linguistic heterogeneity, loose social coherence and the tribal pattern of social order, is reflected in the role of government as the strongest and the main element which represents social cohesion and national unity. This role of the government means the exercise of strongly centralized power over the whole society, in order to achieve unity and cohesion in the society.

Such an authoritative characteristic of the central government is well reflected in the psychology of the Afghan civil service to which HVA is no exception. In fact, a government post at any level is more or less synonymous with ruling and the exercise of authority: and therefore has left a strong impression of power and social prestige on the mind of the average Afghan. Such prestige associated with government position, plus the undeveloped economy has given the government a monopoly of easy recruitment of the most qualified persons available in the society. Thus, almost 95 percent or more of the educated class start their careers in government service. Therefore, other things being equal, it is relatively easier for HVA to recruit competent and better qualified persons in the society than it is for TVA.

The tribal order of the society (though rapidly vanishing) also has great effect on the personnel system and the quality of the Afghan civil service (which may in a sense be compared with the Western "Spoils System"). In the previous discussion we saw how the Afghan

administration is coloured by tribal politics. For the personnel system this means selecting, employees on considerations other than personal merits (in the Western sense of the term). Thus, it is quite common practice, and, to a certain extent, natural to the mind of an Afghan tribal or local leader to recruit persons of his own language or locality with whom he has face-to-face relationships to an office where he has direct authority; or to recommend them where he cannot act directly. HVA is only not an exception to this practice, but also it has paid great tribute to it. In such cases one certainly cannot expect a high quality in the civil service.

The predominance of family as a nucleus of unity in the Afghan society has also affected Afghan civil service system in the same sense as we saw above. Recruitment, selection and placement on the basis of family background and family prestige is the most common practice in Afghanistan. The best example of this is the predominance of the present ruling family in key positions. These manifestations of recruitment, selection and placement on the basis of family considerations personal friendship and locality are also observable in the HVA.

Among the power representing groups, the educated class is now fast undermining the effectiveness of all other groups, including even the family and tribal leaders. The present government is really making vigorous efforts to raise the standard and quality of the Afghan Civil Service both by placing the young graduates in supervisory positions, and by sending a steady but increasing number of government officials for education abroad. The aids and activities of the International Cooperation Administration in this respect are probably the most outstanding among other policies. Graduates are in fact accepted with

top priority in the supervisory and controlling positions.

D. Values and Attitudes of the Community: In spite of their ethnic and linguistic heterogeneity, the Afghans as a nation today have developed a unique way of living and distinct qualities of their own. The forces which created such unity were: "Islam, a tribal tradition of leadership and love of liberty, a turbulent but stirring history, the rivalry between great neighbouring empires, and a glorious ancient past."<sup>1</sup>

It might be difficult to say definitely what are the value structure and motivation system, in the Afghan society; nevertheless, it is possible to proffer some generalizations.

Religion "plays a vitally significant role in the Afghan mind." Generally, people are devoted Moslems. The Islamic doctrines of equality, subjection to the Authority of God, the Prophet and the "Al-i-Al-amar" patience with hardship as a means of gaining the eternal and after-life heavenly comforts are the generally accepted doctrines among the Afghans. Self dignity, and the preservation of the honor and prestige of the family are among the family teachings which an Afghan child receives in his earliest life. The mind of an average uneducated Afghan still has place for beliefs on evil spirits, jinns, the evil eye and various other superstitions. The protection against such invisible evil spirits in the air has found way in religion, magic, charms and spells provided by "mullahs" and "faqirs."

Folk literature which feeds the imagination of the people is

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1. Ibid., p. 4

composed of hero tales, love stories and songs, proverbs and wise sayings of the fathers, fairy tales and ghost stories, some fanatic and some superbly imaged poetry, epics and even war songs. "The general trend of both written and unwritten literature is romantic rather than realistic, glorifying war rather than peace, ignorant and even hostile to politics and economics, and more inclined to breed and perpetuate prejudices than to illumine the mind."<sup>1</sup> The Sufi-inspired literature has been accessible to only a few of the small literate class.

Conservatism, and a sense of stagnation or status quo is still prevailing among the illiterate masses, and the landlords who regard change and social reforms as a threat to their social position, and the clergy (mullahs) who still have dominance over the minds of the uneducated masses. Furthermore, the average Afghan is more emotional rather than rational. All this "makes it more difficult for Afghans to adjust themselves to Western rationalism and objectivity...."<sup>2</sup>

The ideology of an average Afghan is fantastically dominated by the love of freedom in both the individual and the nation. Love of freedom mixed with tribal background and war-scarred past make him suspicious of the Ferangis (foreigners, particularly Europeans) and their ways and methods. Although the Afghans have no clearly defined politico - economic doctrine of their own, yet, owing to such suspicion, conservatism, and the idea that their own culture is not only stable but also represents an ideal balance between the spiritual and material

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1. Ibid., p. 6.

2. Ibid., p. 6.



aspects of life, as well as the dominant religious aspirations on people's minds, any new idea, method and technique is looked upon skeptically, resisted and even some times resented. Thus, it is not easy for new ideologies, methods and institutions to become established radically in the Afghan society. However, this does not mean that the society is not changing. On the contrary, there is strong evidence of rapid changes in all mental and material aspects of life. Even a fanatic Moslem is beginning to realize that worldly science and technical improvements do not endanger religion as such."<sup>1</sup>

Implications for Personnel: The most important manifestation of such attitude on the part of the community is well reflected in the code of ethics which the officials have developed. With the possible exception of the educated group in the civil service, the general psychology of the bureaucracy, to which HVA is no exception, is the love of power and prestige, fear of shouldering responsibility; strong reluctance to make decisions, and trying to run away from consequences (particularly if the consequences are undesirable); lack of motivation in the public interest, and strong emphasis on personal or group interests; strict adherence to the letter rather than the spirit of the laws and regulations; lack of the feeling of teamwork and cooperation in the organization; trying to project oneself and one's position as the center of authority, without being willing to delegate; strict emphasis on control and discipline rather than democratic management and faith in human beings.

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1. Ibid., p. 8.

Such is than the general psychological framework of the civil servant in Afghanistan. To this may be added the effects of the general tendency on the part of the decision-makers to make decisions on the basis of what they feel, rather than on the basis of objective facts, or without caring much for objective facts. Furthermore, decisions are made on the basis of their immediate results rather than on the basis of their consequences in the long run, and a previously determined plan. Even if policy is planned, it often proves later to have been ambitious rather than factual.

E. The Administrative Characteristics of HVA: The Administrative characteristic which we saw in the case of TVA are principally the same in the case of HVA with possible difference in the degree of application. HVA is a regional Authority concerned with the development of land and water resources of the Helmand River basin and its tributaries. It is a multipurpose authority for the same reasons as we saw in the case of TVA.

HVA intrinsically possesses most of the characteristics of a public corporation, though the "Rules of Procedure" do not mention this specifically. It is responsible to the Prime Minister through a Board of Directors. In principle it has been delegated a considerable freedom of administrative action with broad policy and financial control at the center. However, in practice, neither has HVA utilized this freedom to the point where it should nor has the central government always followed the stipulated provisions for the delegated Authority.

The question of whether HVA is a decentralized agency or not is not clear. On the basis of the fact, that HVA is delegated an Authority which is practically unknown in other ministries, and that it is expected

to take most of its decisions in the field rather than at the center, and that HVA is free from the jurisdiction of any other ministry, one may conclude that HVA at the center, and the practical deviations from the established pattern of a decentralized agency leads one to conclude that HVA is a centralized agency. This apparently was the conclusion reached by the USOM advisers when they were recommending the necessity of delegation and more local autonomy.<sup>1</sup>

The concept of "administration at the grass root" can hardly exist in the case of HVA. Neither is Authority's relationship with locally existing institutions, such as other governmental agencies, clearly defined.<sup>2</sup> Also as far as delegation of authority is concerned, HVA can hardly be comparable to TVA. Although HVA is a regional Authority yet broad policy decision and financial control resides in the center.<sup>3</sup> Within the organization, almost all decisions are usually taken at the top level, rather than at the operational level.<sup>4</sup> These are some of the similarities and differences which can be observed in the two organizations, with respect to their personnel systems, which have similar administrative characteristics, but different environmental backgrounds.

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1. See Leonard B. Jordan and Others, op. cit., pp. 59-72.

2. See the Proposed Management Improvement Program for the Helmand Valley Authority. By USOM advisers from the Public Administration Services: 1959, pp. 9-27.

3. Ibid., p. 11.

4. See Leonard B. Jordan and Others, op. cit., p. 3.

PART TWO  
THE PERSONNEL SYSTEMS OF  
TVA AND HVA

## INTRODUCTION

The General framework of Personnel Management:- In the preceeding part we discussed the environmental setting of TVA and HVA in their relation to the personnel system of the two Authorities. In this part we will concern ourselves with considering the personnel systems of the two organizations.

The concept of personnel administration or personnel management refers to that particular aspect of administration which is concerned with the individuals who are employed to carry out the day-to-day programs.<sup>1</sup>

The functions which a personnel agency generally performs are:-<sup>2</sup>

1. Staffing: This includes,
  - (a) recruitment
  - (b) selection, training, and development
  - (c) employee
  - (d) promotion.
2. Position classification and pay policy.
3. Human Relations: This includes,
  - (a) employee protection policies
  - (b) working conditions
  - (c) handling grievances
  - (d) employee counseling and suggestion programs.
4. Employee Conduct.

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1. William G. Torpey, Public Personnel Management, (D. Van Nostrand Company, INC. New York: 1953) p. 1.

2. See Ibid., pp. 8-10.

See also Henry F. Hubbard, "The Elements of a Comprehensive personnel program."

And John M. Pfiffner and other, Public Administration, 3rd Ed. (The Ronald Press Company New York: 1953) pp. 245.

5. Separation: This includes,

- (a) separation through death
- (b) resignation
- (c) retirement.

6. Research.

Personnel administration has developed mainly through two phases.<sup>1</sup> First, as a negative approach, personnel administration was mainly concerned to check the abuses of the "spoils and patronage system." In this stage personnel administration "was the negative aim of limiting the "Spoil system" by establishing competitive entrance requirements for public jobs and by placing independent control agencies in a strategic position to check any cheating on this objective."<sup>2</sup>

The second, stage of development, in personnel management constitutes the contemporary basic theory for the field. According to this theory personnel administration is not only the battle of "keeping the rascals out," more than that, it is a positive effort which believes that the cardinal objective of the field is the positive motivation of people to become competent, loyal and happy members of a production team."<sup>3</sup> Thus, the greater emphasis of the contemporary personnel administration is on creating a productive employee through positive motivation.

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1. See William E. Musher, and others, Public Personnel Administration, Third Edition, (Harper and Brothers publishers. New York: 1950), pp. 15-45.

2. Ibid., p. 37.

3. John M. Pfiffner, op. cit., pp. 245-260.

## CHAPTER V

### TVA'S STAFFING SYSTEM

Introduction to the General Background: The general background against which TVA's personnel system is established is composed of three factors. First, the experiences of the United States Civil Service Commission; Second, the intention of the Congress to insure political independence and administrative flexibility and efficiency in TVA personnel; and third, the depression in 1933 and the pressure for relief work.

The essence of the first problem, as described by William S. Carpenter is that any Civil Service reform "necessitates the reconciliation of recruitment for the public service on the basis of merit and fitness, with the requirement that the chief executive shall at all times be able to control the amount and quality of the administration, for which he is by law responsible."<sup>1</sup> The point here is that management should have the freedom and the prerogative to initiate and define what is to be done, and to fix the responsibility for the results.

This problem as pertaining to TVA was, whether TVA's management should be given the freedom to select its own personnel and consequently to establish its own personnel system, or whether it should be subjected like the rest of the Federal departments, to the regulations of the United States Civil Service Commission.

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1. William S. Carpenter, The Unfinished Business of Civil Service Reform, (Princeton, New Jersey, Princeton University Press: 1952), Preface p. 1.

There are arguments on both sides of the problem. There were those who were against the inclusion of TVA's personnel system for the following reasons.

1. That Civil service laws should cover only purely governmental engages in private business, then it subjects itself to the rules that are applied to private business.<sup>1</sup>

2. If the TVA were subjected to the rules of the Civil Service, then the management of the corporation would lose that most valuable privilege, the right to hire and fire, which should be insured to every businessman who is to be held responsible for the success of a business undertaking.<sup>2</sup>

3. That TVA's operations require flexibility in personnel administration, similar to that which private industries enjoy. Thus a TVA system of appointment will make possible a more selective choice than can be provided for under the orthodox civil service methods.

4. The substitution of the U.S. Civil Service regulations for a TVA merit system would invite the delays and inefficiencies inherent in more remote control.

5. The selection of the Authority's employees by an outside agency (the U.S. Civil Service Commission) would mean applying a test which no man engaged in that particular business in a private way would apply.<sup>3</sup>

6. If TVA staff were appointed by the Civil Service Commission,

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1. Senator Furnifold M. Simmon, Congressional Records, p. 190 1924.

2. Ibid., pp. 190-91.

3. Herman Finer, op. cit., p. 135.



then so long as a candidate could satisfy the usual wholesale tests of ability, he could be appointed to the TVA, even if he were an enemy of public economic enterprise and unwilling to work for its success.<sup>1</sup>

7. The subjection of TVA to Civil Service Commission would divide the unity of responsibility and would thus raise the question of jurisdictional dispute, glorification of red tape and the rituals of regulations.<sup>2</sup>

8. The Civil Service would hamper the effectiveness of the labour relation policy and the labour-management cooperation which TVA has managed to develop on its projects.<sup>3</sup>

Such were the reasons given in favor, of the TVA exclusion from the regulations of the United States Civil Service Commission.

On the other hand there were those who were in favor of including the TVA under the U.S. Civil Service Commission, their argument as developed by Dr. White in his report to the Investigation Committee run as follows:

1. The appointment procedure under the flexible TVA system could be, and to a certain extent were, subject to the influences of personal friendship and acquaintance. Thus they were defective, which could be cured through adoption of the Civil Service methods.

2. That any single agency carrying its own independent recruiting program could not reach a wide source of applicants as the Civil Service Commission necessarily can.<sup>4</sup>

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1. Ibid., p. 135.

2. David E. Lilienthal, op. cit., p. 175.

3. Harry L. Case, Personnel Policy in a Public Agency, (Harper and Brothers Publishers, New York: 1955), p. 27.

4. Ibid., p. 108.

3. It is disadvantageous on the part of the TVA employees not to have civil service status, because this deprives them of the opportunity of transfer with civil service status to other federal agencies.<sup>1</sup>

4. There was some duplication of work in the examining process between TVA and the Civil Service Commission.<sup>2</sup>

5. TVA employees have no right to appeal to an independent outside board, such as is available to the employees under Civil Service.<sup>3</sup>

6. Finally, there is the possibility of no guarantee of equal pay for equal work within the Federal Service unless all agencies are brought under the general control of the commission and its classification and salary experts.<sup>4</sup>

Such were the pros and cons of the controversy over whether TVA's personnel system should be subjected to the U.S. Civil Service Commission or not.

To return to the question, which we raised above, the Congress sought to provide for management prerogatives and freedom, and to insure flexibility, efficiency and political independence in TVA personnel by enacting the provisions of Art. 3 of the TVA Act of 1933 which reads:

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1. Ibid., p. 108.

2. Ibid., p. 108.

3. Ibid., p. 108

4. Ibid., p. 109.

"The Board shall without regard to the provisions of the Civil Service laws applicable to officers and employees of the United States, appoint such managers, assistant managers, officers, employees, attorneys and agents, as are necessary for transaction of its business, fix their compensation, define their duties, require bonds of such of them as the Board may designate, and provide a system of organization to fix responsibility and promote efficiency. Any appointee of the Board may be removed at the discretion of the Board."<sup>1</sup>

Thus Congress enacted the most important factor which condition the personnel system of TVA, that is, its freedom from the Federal Civil Service Commission.

Further than that, Congress sought to guard against political influence in TVA organization. To achieve this objective Congress enacted section 6 of the said act which stipulates that:

"Selection of the employees of the said corporation and in the promotion of any such employees or officials, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency...."<sup>2</sup>

Thus it was in consideration of these two questions, (that is how to secure a defence against political influence, and how to secure merit and efficiency appropriate to the special and local tasks of TVA) that the model of TVA personnel was established. The question whether TVA could achieve these objectives is beyond our scope here. What we will be concerned in the following pages is to look at the model as it is, on the assumption that it has been successful at least in meeting the needs of TVA.

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1. U.S., TVA Act (1933), Sec. 3.
  2. Ibid., Section 6.

TVA's Recruitment Policy:

"No Element of the Career Service System is more important than the recruitment policy.

The Commission of Inquiry.

Ordinarily, recruitment is considered as the starting step in personnel administration. The term recruitment in personnel administration refers to the process of stimulating and obtaining applications for positions.<sup>1</sup>

To recruit competent persons, TVA has generally relied upon circularizing such potential sources of recruitment as, colleges and institutions of high and professional learning, outstanding private enterprises, professional associations and journals, and government agencies. Advertising has been occasionally resorted to, principally in engineering journals.<sup>2</sup>

The area of recruitment for TVA employment has not been clearly defined. The "Administrative Code," approved by the Board on May 4, 1945, stipulates that "personnel is actively recruited for initial appointment from an area or field as wide as is necessary to assure obtaining well-qualified candidates for the particular type of work."<sup>3</sup> Theoretically "the TVA is free from any geographical limits of

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1. William G. Torpey, op. cit., p. 105.

See also: The Commission of Inquiry on Public Service Personnel, Better government Personnel, (McGraw-Hill Book INC. New York: 1935) and, William E. Mosher and others, op. cit., pp. 65-93.

2. Herman C. Pritchett, op. cit., p. 279. and Herman Finer op. cit., p. 138.

3. TVA, Administrative Code: "Appointment, Placement, and Retention of Personnel," 1945.

selection."<sup>1</sup> In practice, however, "it has come that employees from the Valley States themselves have secured what is perhaps a disproportionate number of the total jobs."<sup>2</sup> The recruitment area for the less-skilled workers has still become narrowed to the point where common labour is recruited within an area of few miles of the job. Recruitment of top administrative and technical personnel is on a national wide basis.<sup>3</sup>

This practical narrowness of the area of recruitment, according to TVA, has two reasons. First, the smallness of the organization, and the relatively specialized characteristics of its task, has made it rather meaningless to insure every American Citizen of his right to work for TVA.<sup>4</sup> Second, since the work of the Authority is concentrated in the valley, and in regard to industrial hourly workers, it would be unwise to recruit employees from all over the United States with respect to their being turned off as soon as a construction was finished.<sup>5</sup>

The TVA Act does not explicitly impose any limit, such as sex, religion, residence, citizenship, age and veteran preference on the recruitment to TVA service. On the contrary the spirit of the provision "that all appointments, and promotions shall be on the basis of merit and efficiency" implies that all candidates (regardless of the

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1. Herman Finer, op. cit., p. 137.
  2. Ibid., p. 137.
  3. Harry L. Case, op. cit., p. 15.
  4. Ibid., p. 15.
  5. Herman Finer, op. cit., p. 137.

limitations mentioned above) who possess the qualifications of merit and efficiency are the prospective recruits for TVA service. In practice, however, certain limitations are observable.

The most important limitation on TVA's recruitment is connected with the employment of Negroes. HVA's policy from the beginning has been that Negroes should be employed in approximately the same ratio as prevails in the population of area where the work is carried on.<sup>1</sup> On the basis of this policy TVA has maintained the ratio of Negroes employment slightly above 10 percent in its service, on the ground that the Negroes constitute about 10 percent of the population in Tennessee Valley.<sup>2</sup>

This policy has been quite unsatisfactory to Negro organizations, on the ground that it is alleged with "lilywhite" attitude. Their objections have been further "based on the TVA practice of segregation for coloured workers on construction projects, the use of Negroes in separate crews, and the failure to use Negroes in the higher-paid skilled labour and white collar positions."<sup>3</sup>

The TVA defense against these objections has been based, first on the ground that the Authority must operate within an existing situation of the traditional pattern of segregation prevailing in the area, and the limits fixed by public opinion in the area and labor and trade union rules. Second, that historically, the training and experience opportunities available to Negroes have been of inferior qualities.<sup>4</sup>

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1. Herman C. Pritchett, op. cit., p. 285.

2. Ibid., p. 285.

3. Ibid., p. 286.

4. Ibid., p. 286, and Harry L. Cass, op. cit., p. 19.

Another limit on TVA recruitment policy is imposed by the Veteran's Act of 1944; which covers the whole Federal employment. Whereas the Act provides for the "rule of 10" in the Federal Service, TVA on the other hand has worked a plan to the effect that "within each of the three major qualification groups of "outstanding," "well-qualified," and "qualified," veterans are employed before non-veterans. To state this in another way, when qualifications are relatively equal, the veteran will be employed before non-veterans...Disabled veteran applicants to TVA receive top priority in selection except for professional and scientific jobs, above the junior professional level, if they meet the basic requirements. Certain custodial positions are open only to veteran unless none are available."<sup>1</sup>

Recruitment procedures in TVA are rather simple. At the beginning of TVA, due to the fact that the Authority was set up during a period of widespread unemployment, and that its program was well publicized, it was deemed unnecessary to take many positive steps to stimulate applications.<sup>2</sup> Instead it was decided to distribute free application forms, and invite candidates for the examination, which was to be held throughout the Valley, and on the basis of which to establish a close register for the applicants.<sup>3</sup> Thus, free application forms, (carrying in the upper left corner "Form 10 TVA," and were called Form 10), were distributed throughout the Valley. 50,000 of these forms were filled and returned and almost 39,000 participants took the

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1. Ibid., p. 24.

2. Herman C. Fritchett, op. cit., p. 279.

3. Gordon R. Clapp, TVA, (The University of Chicago Press: 1955), p. 32.

examination. Such was TVA short-term recruiting policy.

As a matter of permanent and long term policy, TVA realized the necessity for a more definite program of publicizing employment opportunities, and searching for individuals with the required skills. This was particularly necessary for ensuring the recruitment of sufficiently qualified candidates in specialized fields. On account of such needs, TVA established contracts with all the potential sources, such as universities, graduate professional schools, professional associations and journals, outstanding private enterprises and government agencies.<sup>1</sup> For several years TVA's representatives visited these institutions in and around the Valley region during the spring, to recruit outstanding seniors; until they were confident that the Authority's application files were fairly complete and could represent the available personnel in the vicinity.

TVA, similar to the U.S. Civil Service Commission maintain registers for applicants. Those who are not appointed remain on the register, and are periodically circularized inquiring their wish if they want to remain on the register.

TVA's practice of register differs in two respects from that of the Civil Service Commission. First, the Authority maintains a continuously open register, (an exception is the workman's examination system) so that the applicants may apply and have their names on the register at any time.<sup>2</sup> The Civil Service Commission on the other hand, maintains a closed register, that is, when a register is established

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1. Herman C. Pritchett, op. cit., p. 279.

2. Lee S. Green, "Personnel Administration in the Tennessee Valley Authority", Journal of Politics, Vol I, May 1939, pp. 171-175.



on the basis of examination, and those who pass the examination are ordered on the basis of their merit scores, the register is then closed for further applications until the next examination.<sup>1</sup>

Second, the TVA keeps an unranked register. That is, TVA does not rank applicants on the registers in accordance with a mathematical rating or score. The Civil Service Commission, on the other hand, orders the applicants on the register according to their performance score in the examination, and appointments are made from the top three names. Both of these differences seem to be the result of the absence of competitive examination in TVA.

#### Selection Process in the Tennessee Valley Authority

The second step in personnel administration, which follows recruitment, is the process of selection. Logically this process starts when applications are received by the personnel department and are ready for consideration. Selection is the process, which has its root in the so called "competitive test" as a means of excluding favoritism, in order to achieve the goal of securing the best men for every job.

The cornerstone of the TVA's selection process is its emphasis on the personal history of the applicant, rather than tests. The Administrative Code of May 4, 1945 stipulates that "selection for appointment is made from among the qualified and available candidates on the basis of relative fitness to perform the duties of the specific

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1. Herman Finer, op. cit., p. 138.

position in such a way as to promote the over-all efficiency of TVA in carrying out its program!"<sup>1</sup>

The process of determining relative fitness of the candidate in TVA is provided for by maintaining the records and forms of personal history of the applicant, and supplementing it by reference investigations and interview reports.<sup>2</sup> Thus the TVA appraisal of personal history records of the applicants corresponds to the usual examination given by the Civil Service Commission.

Specifically, selection processes in TVA consists of the "quantitative" and "qualitative" analysis of the personal history record of an applicant. Quantitative analysis is with respect to the evidences of the ability shown, and the class within which the applicant falls on the basis of his record. (For example "A" class of intermediate highway engineers.) In this way, applicants are classified according to series of occupational groups. (A group is defined as an arbitrarily selected aggregation of associated occupations or activities).<sup>3</sup> Within each group there is a further specialized breakdown into series. (A series is defined as a specialized phase of an occupation or activity).<sup>4</sup>

This process of analysis, to which each applicant is subjected, is followed by a recording of the results of the analysis in an appropriate file. Thus when a placement need arises, selection is guided by this file. Qualitatively, the analysis is with respect to years of training,

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1. TVA, Administrative Code: Appointment, Placement, and Retention of Personnel, (1945), Revised.

2. Lee S. Greene, op. cit., p. 173.

3. Ibid., p. 173.

4. Ibid., p. 173.

previous experiences, age, education and personnel characters of the applicant.

For certain types of positions, including, clerical, stenographic, drafting and public safety, the above analysis is further supplemented by special tests, such as aptitude tests for the preliminary selection of candidates. Furthermore, to supplement the records of the analysis, the Authority obtains additional information concerning a candidate through reference inquiries of unusual details from previous employees, and other individuals who know the applicant well.<sup>1</sup> The standing of a candidate, especially for the higher posts in a particular field, is further ascertained from universities, the officers of professional organizations and other similar sources.

Thus far, attention had been focused on the selection process of professional, administrative, and clerical staff. The selection of skilled and unskilled labor for construction projects has been carried on through the use of the workman's examination. The first attempt to select men from among the thousands of applicants was through the use of usual interview method. Three reasons made this method unworkable. First, the method of interviewing thousands of applicants proved very expensive, and thus unpractical. Second, the method failed to yield sufficient workers in certain occupational fields. Third, most of the applicants tended to be the residents of the areas immediately surrounding Knoxville, whereas it was desired to spread employment through the

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1. Herman Finer, op. cit., p. 138.

Valley. Thus another alternative which can meet these problems was necessary.

Examination was thought as the best alternative to meet these problems, and also offered a more effective method for excluding political influences in hiring employees. The first series of workmen examinations were held in the fall of 1933, in one hundred thirty eight centers, covering the Tennessee and parts of the other States. Some 39,000 participants took the examination,<sup>1</sup> which was administered by the U.S. local Civil Service Boards of examiners, and local school officials where such boards did not exist. These examinations consisted of written tests, mechanical aptitude tests, and non-language tests. In the first workman's test a general intelligence test was employed; but it was abandoned in later examinations on the ground that it could add little to the selective value of other tests.<sup>2</sup>

It must be pointed out that, such examination procedures used in selecting workmen represents an important exception to the general practice of selection employed by the TVA.<sup>3</sup> Such exception was necessary because of the fact that the Authority has resorted to the practice of doing its construction work principally by its own forces, than by contract.<sup>4</sup>

Written tests did not furnish the sole basis of selection of workmen. They were supplemented by statistical analysis, special history

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1. Gordon R. Clapp, op. cit., p.32-33.
  2. Lee S. Greene, op. cit., p. 174.
  3. Ibid., p. 177.
  4. Ibid., p. 177.

records, references and interviews before selection. Thus, other qualifications being equal, the highest the score of achievement in the examination, the first would be the opportunity for the employment of the workman.<sup>1</sup> Furthermore, such employees were liable to receive more promotions, fewer demotions, and less frequently lay offs...<sup>2</sup> It was on the basis of these examinations, which generally proved successful in selecting laborers, that a second examination was held in 1936 in which 81,000 candidates participated. In the following years the process of examination, as a basis for selection, was repeated in 1938 and 1939 when TVA embarked on construction programs in new areas.<sup>3</sup>

An interesting experience in selection process which TVA went through was that of Cherokee Dam and other emergency projects authorized by Congress in 1940. To carry out this project, TVA conceived that the need for speed was too great to permit use of the examination. This, plus the fact that there was no longer a surplus of applicants, and that TVA was able to supply 85 percent of the Cherokee's supervisory staff, and about three quarter of its skilled workmen from its own stocks led the Authority to abandon the idea of administering examination.

After publicizing the need for additional employees throughout the area by every conceivable method, 25,000 applications were received. "These applications were given a four-point rating...on the basis of the applicant's experience. One copy, carrying the coding and rating, was

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1. Ibid., p. 177.

2. Herman C. Pritchett, op. cit., p. 284.

3. Ibid., p. 284.

dispatched to the field personnel office to serve as the employment register."<sup>1</sup> Thus 3,700 employees were placed on the job in the first four months.

It was estimated that this saved two months at the start of the project, and is one of the reasons which enabled the TVA to build Cherokee Dam faster than any structure of that size which had ever been build before.<sup>2</sup> Inspite of using this method of selection, "all selections of personnel were made by a comparison of the experience records of the applicants. There was no provisional employment, or hiring at the gate."<sup>3</sup> The same method has been used at other emergency projects.

#### The Process of Appointment in the TVA

The next step following the process of selection starts when the applicant is placed on the "eligibility list," and thus becomes eligible for formal appointment. The term appoint as used here refers to the process which takes place with respect to the formal appointment of the applicant.

Under the rules of the Civil Service Commission, examination, result in an order of the applicants on the basis of their merit achievements. Thus, when applicants are certified and thereby placed on the "list of eligibility," the appointment should be made on the basis of the so called "rule of three." According to this rule the

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1. Herman C. Pritchett, op. cit., p. 285.
  2. Ibid., p. 285.
  3. Ibid., p. 285.

choice which the appointing officer can make is limited to the top three names on the list. The rejection of all of the three eligibles by the appointing officer is made up for, by presenting the names following the rejected top three names, provided that the appointing officer can justify his rejection on sufficient grounds before the commission.<sup>1</sup>

The TVA system of appointment varies from this conventional "rule of three" system. The Administrative Code of May 4, 1954 stipulates that "any applicant who meets the prescribed qualification requirements of a class of positions in which a vacancy occurs is eligible for appointment to TVA, provided his appointment would not violate the established policies on citizenship, nepotism, criminal activities, political activities, indebtedness, dual compensation, or other specific policies adopted by the Board or the applicable laws."<sup>2</sup>

Whenever a supervisor wishes to fill a vacancy through appointment, he sends a requisition to the department of personnel. The placement officer who receives the requisitions, and is specialized in a particular field of TVA employment, secures from the files the records of those who are highly qualified and are best fitted for the job in question. A review of the selection is made by several employment officers, after which the complete files of those who have been chosen for consideration are sent to the requisitioning department. The number of the files thus presented to the appointing officers varies usually from five to ten.

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1. Lee S. Greene, op. cit., p. 177.

2. TVA, The Administrative Code, op. cit.

The appointing officer is enabled to examine the records, (which are so certified) in as much a detail as the personnel officer is. The final agreement as to the person who has been thus appointed by the department must be reviewed and approved by the personnel department.

In the entire process of selection for appointment, the appropriate personnel officer plays an important part, and gives the final approval. Appointments below the \$3,800 entrance are finally approved by the personnel department. Appointments at the \$4,600 level and above must go to the general manager's office for review, before they are finally approved by the personnel department. In spite of the fact that in all cases appointments must have the approval of the personnel department, to the maximum possible degree, the appointment decision is that of the supervisor.<sup>1</sup>

An important question may be asked here. Since the TVA selection system is not based on predetermined order of merit, established on the basis of competitive examination, to what extent then TVA can guarantee its selections and appointments free from such influences as personal friendship, academic identifications, and political influences? "As a matter of fact" says professor Finer, "complaints of the operation of this factor (personal friendship) have been made in a

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1. Further references on TVA's Appointment System is made to the following works:

Herman Finer, op. cit., p. 139.

Herman C. Pritchett, op. cit., p. 281

Lee S. Green, op. cit., p. 177.

Harry L. Case, op. cit., p. 15.



number of cases.<sup>1</sup> Professor White, testifies this point in his report to the joint committee in which he says:

"There is evidence that the recommendation of foreman and supervisors have as matter of fact played considerable part in the actual selection for certification appointment.... While it does not appear that political influence has been effective in selecting persons for appointment, selecting probably has been influenced under the TVA system by personal acquaintance more than would have been the case under the rule of Civil Service Certification.."<sup>2</sup>

Selection from Within and Without, Promotion and Transfers:

The general practice which TVA has accepted, is promotion from within, and exceptionally vacancies are filled through appointment from outside; as the Administrative Code stipulates:

"In general it is the policy to promote or transfer present employee rather than to appoint candidates from out-side-TVA, except that an outside candidate who has demonstrably superior qualifications is appointed in lieu of promotion or transferring a present employee."<sup>3</sup>

TVA has not considered it desirable to develop a formalized promotion procedure. Promotions in TVA take place on the basis of the following standards: First, the principles of merit and efficiency, and promotion on the basis of the entire organization, rather than a single organizational unit; second, delegation of authority and responsibility to supervisors to make the decision; third, promotion from within rather than without.

1: Promotion on the basis of merit and organizational basis:--

This means that no promotion should take place on the basis of favoritism and seniority, without giving adequate consideration to other qualifications and merits of the employee. To implement this policy, TVA's promotion

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1. Herman Finer, op. cit., p. 139.

2. Reported in Ibid., p. 139.

3. See TVA, The administrative Code, op. cit.

take place on the basis of the entire organization rather than a single organizational unit is not filled by promoting an employee of that particular unit, but consideration is given to all employees whose qualifications seem to fit for that particular position, all over the organization.

It should be noticed that TVA does not have any stated formal procedures governing promotions. Primarily reliance has been placed on the judgments of supervisors.<sup>1</sup> Furthermore, although promotions on the basis of the whole organization have been an announced policy, yet "posting of all vacancies which would seem to be the surest way of attaining this goal has not been adopted as a general policy."<sup>2</sup> Only twenty one vacancies were so publicized between the period from July 9, 1936 through 1940.<sup>3</sup>

The principle means of assuring fair treatment in promotion has been provided for through two practice. First, by searching the files of employees, as well as considering outside stocks when positions are to be filled. This practice is provided for through placement surveys made by the department of personnel with regard to the qualifications available in organizational units in relation to the present and future needs.<sup>4</sup> Second, through making occasional posting and encouraging employees to add to their records periodical statements of the recent

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1. Herman C. Pritchett, op. cit., p. 294.

2. Ibid., p. 294.

3. Ibid., p. 294.

4. Ibid., p. 294: See also the foot note, Ibid, p. 295.

experiences and training in addition to the activities, the records of which are automatically sent to employees files.<sup>1</sup>

Within the Authority, promotions may take place by movement from one position to another already existing, or by reason of a change in the duties of a position being held by an individual. In both cases, the principal assurance of maintaining fair treatment, and applying the principles of merit in promotion is carried through the examination of the files by the personnel department, with respect to the requirements of position classification plan, and the qualification of the person for the new work. Such examination consists of a study of the personal history record of the employees involved, which includes statements of their work in previous positions.<sup>2</sup>

2: The delegation of responsibility to the supervising officers: In selecting the candidates for promotion the supervisors are delegated with a good deal of authority to make the decision. Supervisors ordinarily select from within their own organization if there are one or more well qualified candidates in his organization. If there are no candidates, then he obtains assistance from the personnel division to arrange for transfers from other parts of the TVA, or recruit from outside if no well-qualified candidates are available within TVA.<sup>3</sup> Although supervisors play a great role in making the decisions which affect promotions, yet promotions do not become effective until approved by the personnel department.<sup>4</sup>

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1. Lee S. Greene, op. cit., p. 179.
  2. Ibid., p. 178.
  3. Ibid., p. 25.
  4. Herman C. Pritchett, op. cit., p. 295.

3: Promotion from within: TVA has consistently followed the policy of filling high position, by promotion from within. During the one year period - when 2,868 promotions were made, there were only 1,494 new appointments to the annual positions. Similarly, in higher positions the vacancies have generally been filled by promotion. For example, when the post of the general manager became vacant in 1939, the director of personnel, Mr. Gordon Clapp was promoted to it. The position of the director of personnel was filled by the assistant director. The wisdom of this policy, according to TVA, is that it has enabled the Authority to retain most of its men.

The one important question which has to be considered before leaving this topic is this. As we saw above, the TVA does not have any stated policy with respect to the publicity of the existence of vacant positions which are to be filled. There is therefore, always the possibility that the employee who is eligible for promotion may remain unaware of the vacancy, or he may have no guarantee of whether his records receive proper consideration or not; neither can he be sure of the objectivity of his supervisor.

It seems that no clear remedy has been developed by TVA in the course of its experience. However, due to the fact that in the first few years, development in TVA was so rapid that the organization was able to provide most of its employees with ample opportunities for advancement. Thus, the problem has not called for critical attention<sup>1</sup>. This problem will be further considered in later discussions.

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1. According to a study covering the period from Nov. 1939-1941 to now, there were 2,868 promotions in a total of 68000 annual employees. This is unparalleled in any Civil Service. See Herman Finer op. cit., p.141.

## CHAPTER VI

### TVA POSITION CLASSIFICATION AND

### PAY POLICY

"Among the technical requirements of a satisfactory personnel system, none exceed in importance that of effecting a systematic classification and standardization of all...positions covered by the system. Such a classification and standardization of public employment constitutes, indeed, the starting point or the basis upon which the whole personnel structure must rest."

Willoughby in Principles of Public Administration p. 246.

#### Position Classification in the TVA:

In the previous chapter we saw one aspect of the TVA's personnel management; namely the staffing system of the Authority. This chapter is concerned to describe another, probably the most important, aspect of TVA's personnel management; namely, the classification of positions.

"The duties classification is one of the most far reaching steps taken in the public personnel field!"<sup>1</sup> As Oliver C. Short has put it:

"Recruitment and the many and varied other personnel problems are as unscientifically and blindly handled in the absence of duties classification plan as would be the construction and furnishing of a building without plans and specifications."<sup>2</sup>

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1. William E. Mosher, op. cit., p. 201.

2. Cited in Ibid., p. 202.

The specific concepts of position classification as an important aspect of personnel management has developed gradually. Such development took place when greater and greater "attention was given to the actual duties to be and the responsibilities to be included in specific positions, and to the similarities and differences among positions, regardless of the individual employees occupying the positions."<sup>1</sup>

Before discussing the TVA's experiences in developing its position classification, it will be useful to define some concepts which will be used in the following discussion. The term "position" means a composition of "duties and responsibilities assigned or delegated by competent authority."<sup>2</sup> A position requires the service of one employee; it may be vacant or occupied, permanent or temporary, may involve part time or full time employment. The concept of position is quite distinct from the person who performs the duties and possesses the authority and exercises the responsibilities of the position.<sup>3</sup>

The term class refers to "a group of positions sufficiently similar with respect to difficulty of duties and responsibilities and requisite qualifications to require identical education, experience, knowledge, and ability, and to justify identical treatment in matters of pay, selection, transfer, and promotion."<sup>4</sup> The term position classification "means the organizing of positions into groups or classes on the basis of their duties and qualification requirements."<sup>5</sup>

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1. William G. Torpey, op. cit., p. 40.

2. Ibid., p. 4.

3. Ibid., p. 40.

4. Ibid., p. 40.

5. William E. Mosher, op. cit., p. 201.

For further information reference is made to the two works cited above and: Norman John Powell, Personnel Administration in Government, (Prentice-Hall, INC. 1956) Chap. 14.

The Tennessee Valley Authority has developed its plan of position classification from a rudimentary starting into a major form of activity of its personnel administration. The importance of a standardized position classification has been recognized by TVA not only for the purpose of good personnel administration, but also as a sound basis for an equitable compensation plan, and as an important aid in recruitment, fiscal control and administrative management in general, almost from the beginning of its life. In spite of this, the Authority started its work in 1933 without waiting for the plan of position classification. The reason for this was the emergency nature of TVA and its creation in a time of wide spread depression. The result was, as Mr. Herbert Emmerich reports, the subjection of the Authority right from its beginning "to all evils and difficulties which the lack of a classification plan entails. Salaries were arbitrarily fixed by supervisors and division heads, varied with the jobs of equal responsibility, even within an agency."<sup>1</sup>

To remedy the situation President Roosevelt issued an executive order fixing a salary standardization schedule for the employees of such emergency agencies.<sup>2</sup> This order although was specially applicable to TVA, nevertheless, the Authority took the position that the TVA Act made the fixing of compensation wholly an administrative matter at the discretion of Board. Consequently, the schedule was adopted only in part, for positions below \$4,000.<sup>3</sup> The adoption of the salary schedule

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1. Cited in Herman C. Pritchett, op. cit., p. 287.

2. Executive Order 6440, Nov. 18, 1933.

3. Herman C. Pritchett, op. cit., p. 287.

did not solve the problem.

The early classification plan was performed by personnel officials as supplementary to their other duties. By consulting the report on the classification of the federal field services, which had been prepared in 1930 by the Personnel Classification Board, the Authority was able to keep it self generally in line with Federal standards.<sup>1</sup> But the plan thus prepared had several weaknesses and problems.

First, there was a good deal of formality in the classification of positions, and the usual technical approach of classification investigators sometimes resulted in classification tending to be an end in itself without adequate recognition of broader administrative needs.<sup>2</sup>

Second, the procedures were not regularized and adequate. Systematic classification records, job descriptions and analysis were lacking.

Third, the efforts of the personnel department to build up written classification records were further thwarted by most officials and supervisors who, having come from private employment, were inexperienced with duties classification and looked down upon any classification plan as a part of governmental red tape which the TVA should avoid.<sup>3</sup>

Thus, it was not until late in 1934, after the inspection of Ismar Baruch, the classification expert of the U.S. Civil Service Commission, and his report on TVA classification work, that agreement

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1. Herman C. Pritchett, op. cit., p. 287.

2. Harry L. Case, op. cit., p. 76..

3. Ibid., p. 76.



was reached as to the necessity for systematic classification procedures.<sup>1</sup> A separate classification unit was shortly established in the personnel department to carry on this task. Furthermore, during 1937, it was recognized that classification needed to be better integrated with the rest of personnel functions, and that a corresponding degree of decentralization of classification decisions was in order.<sup>2</sup> The first step to achieve this objective was the assigning of classification decision-making to the personnel officers. The effectiveness of this decision, however, was still limited due to the absence of classification standards and other specifications. Extensive experimentation with respect to developing standards and specifications were carried on, as a result of which it was found that certain modifications were necessary to adapt the Federal classification system to TVA.

To a large extent, the Authority has followed, with respect to the service set up, the federal classification plan which was proposed for the field service of the federal government.<sup>3</sup> Thus, Section 8 of the "Employee Relationship Policy" set the general provision for a position classification plan as follows:

"Hourly and annual rates of pay shall be determined on the basis of occupational classification to assure comparable rates for comparable work....The division of occupations into classes of work shall give due and adequate recognition to intelligence, skill, training and experience. The classification of occupations into classes and grades of work need not be bound by traditional rules and customs. The allocation of jobs or positions to scheduled grades shall be upon the basis of the duties to be performed. In the classification of annually-rated positions due regard will be given to

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1. Ibid., p. 76.

2. Ibid., p. 76.

3. Lee S. Greene, op. cit., p. 179. and Harry L. Case op. cit., p.76.

standards of classification and rates of pay prevailing in the Classified Federal Services...."<sup>1</sup>

In its broadest classification, the Authority's classification plan sets up six groups of "Service" consisting of (1) professional, (2) sub-professional, (3) clerical administrative - fiscal, custodial, (4) inspectional, (5) investigational and (6) educational.<sup>2</sup> The further split of federal services into occupational groups, series of classes and individual classes is similarly followed by the TVA with certain modifications. Thus, similar to the federal plan, each service has been further sub-divided into occupational groups, each of which includes all positions in related activities within a service. For example, in the clerical administrative-fiscal service, there was an "Office Appliance Operating Group" embracing positions of bookkeeping, machine operators and duplicating equipment operators.<sup>3</sup>

Each occupational group is further subdivided into series, each of which includes all positions in an occupational groups, closely associated with each other, thus, the Typist Series in the Clerical, Administrative and Fiscal service includes all positions the predominant duty of which is to operate a typewriter. Each service is also divided into grades, each of which has been based upon difference of degree of difficulties and responsibilities. The number of grades varies with the type of service.<sup>4</sup>

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1. TVA, Employee Relationship Policy, (August 28, 1935) Section 8.

2. Lee S. Greene, op. cit., p. 179, and Herman C. Pritchett, op. cit., p. 288.

3. William G. Torpey, Public Personnel Management, (D. Van Nostrand Company INC. New York: 1953), p. 48.

4. Ibid., p. 48.

Although TVA generally uses the standards which have been established for federal field services; one important aspect in which TVA's plan differs from that of federal field services, as described above, is that TVA has found it advisable to use a larger number of grades in professional services than is customary in federal professional service. The wisdom of this practice, according to TVA, is that it permits more gradual progress from lower to higher positions required by conditions of work in the Authority. In the lower brackets of the sub-professional and custodial services, the Authority uses fewer grades than are used by the Civil Service Commission.<sup>1</sup>

Another difference between the Authority's plan of position classification, and the federal field services, is that in the departmental federal services the highest grade is set at p-8 (\$8,000.00 entrance). The Authority on the other hand has added two grades higher than this, for the purpose of using them for positions of greater responsibility.<sup>2</sup>

The Tennessee Valley Authority has recognized the value of job description for effective administration of its classification plan, as the Administrative Code stipulates.

A complete and accurate job description, outlining the duties and responsibilities of each annual position is maintained as a part of each employee's personal history record. If substantial changes occur in the duties and responsibilities of a position, a revised job description is prepared and appropriate classification of the position is determined.<sup>3</sup>

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1. Lee S. Greene, *op. cit.*, p. 180, and Herman C. Pritchett, *op. cit.*, p. 288.

2. *Ibid.*, p. 180

3. Quoted in Harry L. Case, *op. cit.*, p. 83.

Although TVA has accepted the practice of class specification, yet it "has been gradually getting away from the long and wordy job descriptions..."<sup>1</sup> The reasons on which TVA has justified its departure from long and wordy job descriptions are; first, the idea that job descriptions as an indispensable administrative tool is no more or less than a brief identification of the general duties and responsibilities assigned to the job, and the qualifications required for it. Second, to adopt the device of using the title where such titles are sufficient to serve as an index to the description.<sup>2</sup>

Position titles, as adopted in the Authority, are as far as possible, coordinated with the standard titles used in the federal services.<sup>3</sup> However, due to the fact that the Authority's work is mainly construction work, there are many engineering positions which are common to private enterprises and are practically unknown in the federal field services. In such cases TVA tended to a classification system which is more common to private than to public employment.<sup>4</sup>

The administration of the classification plan for annual employees has proceeded along two general patterns.<sup>5</sup> First, classification procedures are required to be applied whenever requests for changes of status or requisitions for the creation of new positions are received.

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1. Ibid., p. 84.

2. Herman C. Pritchett, op. cit., p. 288.

3. Ibid., p. 288.

4. Ibid., p. 288.

5. Ibid., p. 288.

Every employment requisition is accompanied by a classification sheet carrying the title and salary recommended for the position by the department initiating the request. Second, in case the position has not previously been described, the form must bear a description of the duties and a statement of the minimum experiences required, and the training and education desirable. After the preparation of the form in such a manner, it is then the duty of the personnel department to determine through "functional" and "Organizational" reviews whether the proposed title and salary are commensurate with the duties to be performed.

The functional and organizational reviews, which are carried on through the personnel department of the Authority, consist of active studies of the various units, through such methods of investigation as conducting surveys, and making desk audits of a single position or a department, and cross position both on an organizational as well as an occupational or functional basis. Thus, each allocation is reviewed by a classification officer to whom has been assigned the responsibility for a particular department, and by one to whom has been assigned a group of occupations related to his own field of training.<sup>1</sup> More and more emphasis is placed upon classification, through audits and interviews on the job, with both employees and supervisors, rather than exhaustive investigations through regular surveys.

Uses and advantages: TVA has acknowledged the various uses of a classification plan. As a result of this acknowledgement it has emphasised

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1. Ibid., p. 289.

the point that such analysis should not be limited only to assure the correct description of duties and responsibilities, and equal pay for equal work; it should be used beyond these traditional limits. It can be used as an effective device in providing staff assistance in studying and effective device in providing staff assistance in studying and analysing organizational problems, organizational relationships, and to contribute other improvements in administrative structure. This role of classification plan in administrative and organizational improvement is well described by Gordon Clapp:

"Confusions on the part of incumbent personnel may be discovered; definite conflicts in authority and overlapping of responsibility may be evident; in some instances a supervisor will discover with the aid of the classification investigator that a subordinate is assuming responsibilities and performing duties quite contrary to the delegation made by the supervisor. Stalemates in the administrative machinery previously unknown to exist may be revealed where, until discovered in concrete terms, the real causes had been little more than a guess. And on a broader scale, gaps and voids in authority and working relationships caused by faulty organization structure may for the first time be reduced to factual definition."<sup>1</sup>

It was on the basis of this acknowledgement that the classification division was charged in 1941 with the responsibility of conducting periodical personnel surveys and reviews to take organizational analysis and management research service, and to advise supervisors and make recommendations to the general manager on matters of organization.<sup>2</sup> Furthermore, a staff assistant to the chief of that division was made responsible for maintaining a file of organizational materials, and serving as a specialist in matters of administration and management

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1. Gordon Clapp cited in Herman C. Pritchett, op. cit., p. 290.

2. Ibid., p. 290.

analysis.<sup>1</sup>

TVA's Compensation Policy

TVA's salary plan for white-collar employees has gone through three basic stages of development.<sup>2</sup> The first stage was the partial adoption of the plan set by the Executive order No. 6440 of November 18, 1933. According to this plan the emergency organizations were expected to observe the regular federal salary levels.<sup>3</sup> The order established a salary schedule with 19 grades, ranging from \$840 to \$8,000, and indicated by comparison with the classified service the general level of positions to which the various rates would apply.<sup>4</sup>

TVA adopted this plan partly, for positions below \$4,000, and revised the schedule above that by inserting seven additional salary grades.<sup>5</sup> The most outstanding characteristic of this plan was that it provided only one salary rate for each grade, in contrast with the practice under the classification act of 1923, which assigned to each grade a salary range with a minimum and maximum salary and a number of intermediate steps.<sup>6</sup>

This salary plan for emergency agencies and various weaknesses. It did not provide for salary increases except through promotion to more responsible positions. Thus, there was lack of salary incentive for those

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1. Ibid., p. 290.
  2. Harry L. Case, op. cit., p. 77.
  3. Herman C. Pritchett, op. cit., p. 290.
  4. Ibid., p. 290.
  5. Ibid., p. 290.
  6. Ibid., p. 290.

employees who served well, but could not be promoted. Closely connected with this was its adverse effect on the classification plan. Many supervisors who wanted to give merit rewards to their employees could not do so except through promotion for their employees, whereas the duties assigned remained the same or were not significantly changed to as to justify the new classification.

The presence of these weaknesses made it imperative for the Authority to revise the plan. The revision took place in 1935, when the "Employee Relationship Policy"<sup>1</sup> was adopted. The policy provided for an annual revision of salary schedules and for employee participation in the revision. A proposal was presented by the Knoxville Organized Office Employees providing for: first, the adoption of salary steps within the grade; second, automatic salary increases added to their grade, rather than increases on the basis of efficiency rating. This plan, although not wholly adopted, affected the shaping of the salary plan which was finally formulated and became effective in 1937.

In the 1937 plan annual positions were classified on the basis of regular federal grades. According to the federal plan, the classification embraced five classification services. (See the classification plan above) within each service there was a number of grades. Each basic pay scale was integrated with one of the grades which collectively formed the structure of the position classification plan. For example, in grade One of Professional and Scientific Service were included "all classes of positions the duties of which were to be performed under immediate supervision, simple and elementary work requiring professional,

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1. The text of this Policy is produced in Appendix in Harry L. Case, op. cit.



scientific or technical training but little or no experience. The annual rates of compensation for positions in this grade were \$1,860, \$1,920, \$2,000, \$2,100, \$2,200, \$2,300, and \$2,400.<sup>1</sup>

The TVA plan of 1937 differed from its Federal model in the following respects. First: The TVA plan did not adopt the federal system of salary steps within grades; instead it established only three salary rates for each grade, which were known as "entrance," "standard" and "maximum."<sup>2</sup> Second: the TVA plan introduced three intermediate grades in the lower levels of the professional service, in order to provide for numerous levels of responsibility present in TVA's specialized engineering organization. These intermediate grades were between P-1 and P-2, P-2 and P-3, P-3 and P-4. Third, three new grades were inserted in the top levels with salaries of \$7,250, \$8,750 and \$9,500 to provide for additional administrative levels, and to facilitate recruitment of personnel for major technical, administrative positions requiring industrial background, and to create new classes to fit occupations new to public service.<sup>3</sup>

The new plan was based on two assumptions. First; to provide for a rapidly changing organization, and second, to establish a narrow graded classification wherein the employee would normally anticipate rather frequent promotions or reclassification of his position.<sup>4</sup>

New appointments, according to this plan, would be made at the entrance rate. After serving satisfactorily for one year at the entrance

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1. William G. Torpey, op. cit., p. 75.

2. Herman C. Pritchett, op. cit., p. 292.

3. Ibid., p. 292.

4. Harry L. Case, op. cit., p. 78.

rate the employee would receive an automatic increase to the standard rate.<sup>1</sup> Further salary increase has not been provided for, except in the rare instances of "unusually satisfactory" service, and in no less than an additional one year of service. Such years of "unusual satisfactory services" proved to be very rare.<sup>2</sup> For example at the close of 1941 only thirteen out of 8,602 salary policy employees were paid the maximum rate. The normal method to reward employees for good service was through reclassification, which placed a heavy burden on service rating and salary administration.<sup>3</sup>

This plan did involve a service rating scheme, but one quite different from that employed in the regular federal services. The services of all employees were to be reviewed semi-annually by their supervisor, and reported as "unusually satisfactory," "satisfactory," and "unsatisfactory."<sup>4</sup> Since the assumption was that the service of most employees would be satisfactory in terms of their skills, knowledge, capacity, quality and quantity, and conduct: therefore, no other report was required if the work of an employee was reported satisfactory.

However, if an employee was reported as unsatisfactory a supplementary report was required to give specific evidences of the deficiencies involved, and further recommendations on transfer, demotion or dismissal of the employee. Likewise, supplementary individual reports were required

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1. Herman C. Pritchett, op. cit., p. 292.

2. Ibid., p. 292.

3. Harry L. Case, op. cit., p. 78.

4. Herman C. Pritchett, op. cit., p. 292.

for employees of unusually satisfactory services to indicate specific evidences of the unusual or exceptional achievements unique contributions, or outstanding resourcefulness. In none of these cases were any mathematical ratings or calculations required.<sup>1</sup>

Such semi-annual ratings were to be received by a board, established in the personnel department. The board review was particularly concerned with those of unsatisfactory or unusually satisfactory cases to approve or disapprove them and to notify all employees of the granting or denial of automatic increases. The employees who were rated as unsatisfactory were given the opportunity to appeal their case. Such appeals were heard by an advisory board composed of management representatives appointed by the director of personnel outside the personnel department, and two representatives of the employees selected at each location where the board would meet. The findings of the board, however, were advisory, and the final decision was reserved to the director of personnel.<sup>2</sup>

On the whole, this salary plan proved satisfactory. However, it had certain weaknesses both in itself and its administration. The supervisor was quite reluctant to rate employees unsatisfactory, lest the employees be demoted, transferred, or dismissed, and for the reason that he himself was unwilling to face the bearing before the advisory board, if the employee appealed. Another weakness of the three steps salary plan was that after reaching the standard step, it was almost

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1. Ibid., p. 292.

2. Ibid., p. 293.

impossible for the employee to reach the third step, because of the strict limits which were imposed on granting a rating of unusually satisfactory.<sup>1</sup> As a result of this, the stopping point was rather reached very quickly, after which the employee was susceptible to lose his sense of advancement. Furthermore, the supervisors were under continuous pressure to reclassify the employees to higher grades.<sup>2</sup> These weaknesses of the plan became more serious as the TVA settled down and the organization approached further stability, and thus lessened rapid opportunities for advancement.

The salary plan was revised in 1945 through negotiations with the employee organizations. As a result of this revision a salary plan "having five within-grade rates was adopted."<sup>3</sup> This plan further provided for within grade increases being awarded on a relatively automatic basis, provided that the service was "adequate" or "better." Subsequent modifications of the plan have brought but little changes, in the form of increasing the number of steps and reduction in the time required for achieving within grade rates. The principle of relatively nondiscretionary administration of the plan has been retained.<sup>4</sup>

During 1951, a new salary policy was adopted, according to which the rates were based on three factors; 1. comparable rates in the vicinity; 2. relative duties and responsibilities; 3. impacts from trade and labor annual rates.<sup>5</sup> After this policy was adopted, rates

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1. The first rating period in 1937 met three such appeals. The first appeal was upheld by the board, the second was reversed, and the third was withdrawn by the supervisor concerned after the hearing was started. See: Ibid., p. 293.

2. Ibid., p. 293.

3. Harry L. Case, op. cit., p. 76.

4. Harry L. Case, op. cit., p. 78.

5. Ibid., p. 79.

were to be reached through negotiations with a 'Salary Policy Employee Panel,'<sup>1</sup> on the basis of surveys of prevailing rates in similar manner to that followed for determining the wages for trades and labour classes. (This method of determination of wages will be discussed later in this chapter). Such surveys are for the most part carried on in large companies and government agencies which are engaged in works comparable to that of TVA. The reason why TVA operation, rather than small industries and commercial establishments in the area is that the latter do not require the same standard of performance as TVA does.<sup>2</sup>

Pay rates for the employees in the uppermost grades have remained relatively constant from the beginning. Two reasons can be mentioned for such stability. First, standards for the uppermost grades should be related generally to the standards in the federal service. Second, the ceiling for TVA employees is fixed by the rate which the TVA Act has set for the members of the Board. (See Sec. 2 (e) of the TVA Act).

For the top four grades there is a normal rate and a special rate which may be used either to recognize necessary differentials for administrative purposes or to recognize an outstanding service of five years or more at the grade. For intermediate grades, that is from 8 to 10, the number of within grade rates has been gradually increased from one in 1933 to four at present.<sup>3</sup>

Determination of wages: with the rise of large industries and organized labour unions the determination of wages has become more and

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1. See pp. 153-55

2. Ibid., p. 79.

3. Ibid., p. 83.

more a matter of management and union cooperation. The determination of wages policies has thus consistently become a function shared by the management and the unions through negotiation.

TVA in general is not an exception to this general pattern. However the major difference between wage determination in TVA and that of organized industry is that TVA is subject to certain laws, and therefore, wages must be determined within the prescriptions of law, and the final decision in sharply disputable areas are subject to arbitration. The secretary of labour is the arbitrator in such cases. (See TVA Act, Sec. 3, paragraph 3.)

The TVA Act requires that the rates of pay for "labourers and mechanics shall be those which prevail in the vicinity. The word vicinity as interpreted and defined by the TVA and Trade Unions include the "entire watershed of the Tennessee River, the TVA Power Service Areas, and the adjacent major cities of Birmingham, Louisville, and Atlanta."<sup>1</sup>

Wages are negotiated annually in wage conferences composed of TVA management, and TVA Trade and Labour Councils. (This will be discussed in detail in a later chapter). The facts are gathered by both parties by making surveys of employees, employee associations and local units. Discrepancies in the data are analysed and resolved by the Government Wage Committee before the start of negotiations proper. The interpretation of such factors for establishing a valley-wide rate constitutes the topic of the negotiations.<sup>2</sup>

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1. Ibid., p. 85.

2. Ibid., p. 85.

The following are some of the variables concerning the wages, which are mostly discussed and negotiated in wages conference:

1. The relevancy of the facts or "Wage data" which shall be considered in order to provide for the application of the statutory stipulation of the TVA Act. Although in practice no consideration is given to non-union rates on construction (due to the fact that no major construction is done on non-union basis), yet the question concerning the status of non-union rates on operations and maintenance is one of the items to be considered in the negotiation.

2. The single rate which the TVA should pay for a given class of work, throughout its area of operation in the face of the various ranges of prevailing rates in the "vicinity" as defined.

3. Questions such as how much weight should be attached to factors like the number of the employees working at a given rate, the proximity of the rate to the principle center or centers of TVA activity at the time, or similar factors which in the judgement of the party may affect the relative importance of a particular rate or group of rates.

4. The questions such as the general comparability of the jobs surveyed to the jobs in TVA. The principal question under this heading is the relative consideration which should be given to rates prevailing in these industries which are not similar to TVA; such as the weight to be given to coal-mining rates.

5. Consideration of certain interests of the parties in a certain rate or rates for some reasons best known to them.

Consideration of these variables constitutes the scope and range of the collective bargaining in TVA. Beside these, the question of "fringe issues" has become increasingly important during the recent

years. Fringe issues cover such compensations as overtimes, shift differentials, holidays, travel pay, subsistence pensions and health and welfare policies. These questions until 1951 were considered on a uniform basis for all crafts. The same practice is still preserved in operation and maintainance activities. However, in construction jobs all monetary factors are now negotiated on a "package" basis for each craft.<sup>1</sup>

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1. Ibid., p. 88.



CHAPTER VII.  
TRAINING AND PERFORMANCE EVALUATION  
IN TVA

Training:-

The term training as used here, refers to the process of developing skills, habits, knowledges and attitudes in the employees for the purpose of increasing their effectiveness in their present and future positions, and for the purpose of orienting and acquainting them with the kind and nature of work, the working conditions and working atmosphere in order to make them efficient, productive and well-informed.

The problem of employee training has received special attention during relatively recent times, between 1935-1950.<sup>1</sup> The growing attention toward employee training is the result of discovering the weakness of the once prevailing fallacy that "employees hired under a merit system are already qualified, and trained" and, therefore, that superimposing inservice training is either a wasteful task, or an evidence of inadequacy in the initial selection of personnel.<sup>2</sup>

Such assumption of the merit system has proved to be naively shortsighted, because it overlooks the facts that people are recruited largely for broad categories of jobs, that public programs are dynamic; that training programs orient the participants toward the particular organization and environment, that training makes the employee more

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1. William E. Mosher and others, op. cit., p. 389.

2. Ibid., p. 389.

efficient and productive, and that training achieves cohesiveness and coordination and further enthusiasm in an agency.<sup>1</sup>

Unlike many governmental agencies which are quite reluctant on the problem of launching any employee training program, the TVA from its beginning has adopted a systematic employee training program as a vital part of its personnel administration. TVA has recognized the fact "that economical and efficient execution of the program for which TVA has been established, depends largely upon the knowledge, skills, abilities and enthusiasm of employees,"<sup>2</sup> and "training shall therefore be made available to employees to the end that the employees competence and versatility may be steadily increased."<sup>3</sup>

The general purposes of TVA training programs are to improve the ability of the employee both for his own sake, as well as for the sake of securing greater efficiency in his performance for TVA, to orient the employee at all levels to the purposes and methods of work problems and achievement of TVA, to develop in the employee staff skills and requirements and to provide for skills not available through formal education; to help employee keep abreast of technical developments in his field of work; to provide him with further opportunities for promotions.<sup>4</sup>

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1. For further information on employee training, reference is made to William E. Mosher and others, op. cit., pp. 388-431 and William G. Torpey, op. cit., pp. 154-180.

2. TVA, Articles of Agreement, Between the Tennessee Valley Authority and the Salary Policy Panel, (December 5, 1950). *Att. X*

3. Ibid., Art. X

4. See Herman Finer, op. cit., p. 173, and Harry L. Case in op. cit., p. 26.

The initiation and administration of training plans in TVA have been the responsibility of the operating management with the aid of training specialists in the personnel department, and later in the operating division too.<sup>1</sup> The function of the training staff is not to provide classroom-instruction, but to help management analyse the training needs, organize activities, select instruction, devise methods of instruction and appraise the results of the program.<sup>2</sup> TVA has relied more on the practice of choosing instructors and conference leaders from among the employees of the operation divisions rather than from universities and other outside organizations.<sup>3</sup>

Generally, the methods of training have been geared to meet the specific needs and objectives of TVA singly or in combination form. Training methods in TVA include the promotion of courses in the local universities to assist the vocational or professional advancement of the employee. Furthermore TVA provides for adult education by making arrangements with local schools at various levels at its own cost.<sup>4</sup> Other methods of training which TVA uses are training through lectures, discussion groups, directed readings, job rotation, and assignment to outside training organizations.<sup>5</sup>

The "General Agreement" makes further provisions for apprentice-

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1. Harry L. Case, op. cit., p. 26.
  2. Ibid., p. 26.
  3. Ibid., p. 26.
  4. Harman Finer, op. cit., p. 173.
  5. Harry L. Case, op. cit., p. 26.

ship training. (See art XI). A central joint council consisting of 10 members, composed of five numbers representing the TVA (three representing supervisory management, and two representing the personnel department), and five members representing craft employees is originally maintained for the purpose of adopting training programs and establishing minimum standards.<sup>1</sup> In mid 1941 there were 284 men enrolled in the apprenticeship program for seven crafts. At the end of the fifth year of operation, the program had produced 201 journeymen, all of them acceptable to their craft unions and to private employers.<sup>2</sup>

TVA's training program, and other aspects of its employee relationship policies, "for the most part have been developed on a fully cooperative basis between labour and management...."<sup>3</sup> Suggestions for training have come from a large variety of sources, including supervisors, employees, management, training committees, joint-management cooperative committees and from the analysis of areas of recruitment in which the number of qualified applicants was insufficient.<sup>4</sup>

In the earlier stages TVA's program of training was formulated with a view to far reaching aims, and without reference to the needs and standards of private industries.<sup>5</sup> Thus, all sorts of the so called "white-collar" subjects, such as test engineers for electrical testing and laboratory work, as well as large varieties of trades and public

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1. Finer, op. cit., p. 175.

2. Ibid., p. 175.

3. Harry L. Case, op. cit., p. 27.

4. Ibid., p. 27.

5. Herman Finer in op. cit., p. 174.

safety officers were included in the program. The consequence of this wide and far reaching program was an excessive amount of expenditure, and relatively low attendance of the employees in the various courses. With a view to eliminate these weaknesses on the one hand, and as a response to Congressional Criticism on the other hand TVA started to redefine its training policy, by gearing it closely to the needs of the organization and the skills required, and the needs of the towns in which the employees live.<sup>1</sup>

As a matter of fact TVA's training program has often been praised by outside observers. As Mr. William F. Patterson, Director of the Apprentice in Training Service of the Department of Labour has written in this connection:

"The training program which TVA has worked out over a period of years may....legitimately be offered as an example of what a major private business establishment can and should do in the training of its apprentices. Attention is particularly drawn to...the excellent relationship which exists between management and the labor organizations with which it cooperates under a general agreement to the coordinated program of training development under the guidance and administration of a central joint council."<sup>2</sup>

Performance Evaluation in TVA:- Probably, the value of no other phase of personnel administration at the present stage is so controversial as that performance evaluation of the employee. By performance evaluation or efficiency rating is meant the quantitative and qualitative evaluation of the work performed by an employee. Thus, in contrast to what an employee does as described in a job description, an efficiency rating indicates how well an employee carries out his duties and responsibilities.<sup>3</sup>

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1. Ibid., p. 175.

2. Cited in Harry L. Case, op. cit., pp. 27-28.

3. William G. Torpey, op. cit., p. 181.

The controversy regarding the value of a performance evaluation program in personnel administration still remains undecided. Some claim that "if the merit system is to operate within the service as well as at its portals, account must be taken of the efficiency of an employee's work."<sup>1</sup> Others believe that an evaluation system is no more than putting "Black marks" on a man's record, or subjecting an employee to the prejudices and biases of supervisors. As a matter of fact, due to the great role of the personal judgment of supervisors, and the inadequacy of objective techniques, performance evaluation may, to a certain extent, be subject to supervisors' personal feelings about an employee. Thus, it will be safe to conclude that the usefulness of a performance evaluation depends upon the degree of validity and reliability of the information presented.<sup>2</sup>

In the previous chapter we discussed casually the TVA plan for performance evaluation. Here the discussion will be resumed in more details. At the outset it should be pointed out that the present discussion applies principally to salary policy employees, because the performance rating "for trade and labor employee has been more limited, due to objections by some unions, based on a long history of unsatisfactory experience...."<sup>3</sup>

HVA in its course of developing a plan of performance rating has gone through various approaches. "The first service review (performance rating) procedure called for a general evaluation by the

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1. Cited in William E. Mosher, and others, op. cit., p. 364.
  2. For further information on this topic reference is made to: William E. Mosher and others, op. cit., pp. 364-387, and William G. Torpey, op. cit., pp. 181-213.
  3. Harry L. Case, op. cit., p. 69.

supervisor at the time of an employee's promotion, transfer, or termination. This had no relation to salary, status, and was useful mainly for evaluation of qualifications for future placement."<sup>1</sup>

The second stage of development in TVA performance rating program was reached when the within-grade increase salary policy was adopted in 1937. This system was more orthodox and required a "semi annual evaluation of all employees on a three point rating plan" of "satisfactory," "unusually satisfactory" and "unsatisfactory."<sup>2</sup> The latter two degrees of evaluation were subject to the further review by a Board. The "unusually satisfactory" rating would result in an "award of up to three "merit points," and with six merit points the employee was advanced to the maximum salary rate of the grade."<sup>3</sup>

The third stage of development in the TVA plan for performance rating was reached during 1943 when "a new plan was established under which the supervisor assumed a much more direct responsibility for formal service evaluation. "The supervisors were required to make a "supervisory evaluation of work performance" on the occasion of status change on the part of the employee, including promotions, transfers and termination. This should in no case take place less than once a year. The plan provided for "a breakdown of the job in major duties performed, and evaluation of each on a five-point range of "excellent," "satisfactory and above the average," "satisfactory and average," "satisfactory and

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1. Ibid., p. 69.

2. Ibid., p. 69.

3. Ibid., p. 70.

below average," and "unsatisfactory."<sup>1</sup> Furthermore, the plan provided for an overall evaluation of work, conduct, ability of work, on a three point basis of "excellent," "satisfactory," and "unsatisfactory," and general supervisory comments to support and supplement the evaluation.<sup>2</sup>

Finally, the last stage of development in the TVA performance evaluation plan was through the revision during 1943 of the plan, which, with minor modifications, is now in effect. The revised plan "provided for the breakdown of job functions and their evaluation on a four point basis of "better than fully adequate performance," "fully adequate performance," "acceptable performance," and "unacceptable performance." The plan further provides for an overall evaluation of adequate or better service or inadequate service and for the general comments of the supervisor. The plan also requires the supervisor to discuss the report with the employee concerned.

Such was TVA experience in developing its plan of performance. One important thing which should be noted about TVA's experience is that the Authority tried and experienced performance evaluation in connection with salary administration. But such practice was later on abandoned as a result of the discussions and analysis of experiences on the part of management, employee analysis of experiences on the part of management, employee representatives and the personnel staff. Thus TVA's purpose in performance evaluation came to rest on the idea of assisting the supervisor to discharge his responsibility of appraising

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1. Ibid., p. 70.

2. Ibid., p. 70.



the employee's work, commending him on his achievements and progress,  
and advising and instructing him on how to improve.

CHAPTER VIII  
THE HUMAN FACTOR

What Permanent Good will it do  
to our country to save our soil,  
to control floods and to distribute  
cheap electricity if those goals are  
reached through the exploitation of  
labours?

David E. Lilienthal.

When TVA was making its decision of constructing its projects by its own direct labour forces, rather than through contracts with other firms, it was assuming the responsibility to cope with the various economic, social and political problems which emanate from group participation. In this chapter we will concern ourselves to discuss those basic policies, which the TVA has adopted in order to solve such human problems in the organization.

In its essence the question of human factor in an organization is that most basic aspect of personnel administration which deals with handling the human elements. It is labeled the most basic, because personnel administration in its broader concept is nothing but a positive mission to improve performance, and achieve efficiency by developing among the employees of an organization a sense of belonging, and a sense of unity of purpose and understanding. Such sense of belonging, unity, understanding and enthusiasm in employees combines to what we do not see, but can really feel and understand, namely, high morale.<sup>1</sup> Thus in

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1. Alexander Leighton defines the concept of morale as "the capacity of a group of people to pull together persistently and consistently in pursuit of a common purpose." See his article: "Applied Science of Human Relations," Personnel Administration, July, 1947, pp. 4-6.

its broader sense the mission of personnel administration is to inculcate high morale in the employee; that is to say, that spirit and state of mind which expresses itself in loyalty, enthusiasm, cooperation, pride in the service, sense of security and satisfaction, and devotion to duty and public interest.

The basic elements of a satisfactory human relation program are:

1. To satisfy the basic emotional needs of the employee. This include the effort to inculcate in the employee a sense of security, a sense of success in achievement and recognition, and a sense of belongingness, unity and enthusiasm.

2. Democratic management: The key to this concept is that the working force should be encouraged and convinced that they have some free choice of their own in choosing the methods to reach the goals, that they are able to see and participate in the result which grew out of the required objectives, and that they cannot achieve the collective objectives but through cooperation and a sense of belongingness and whole hearted participation.

The basic elements of a comprehensive program to foster good human relationship include, such questions as selecting and training of supervisions, providing a machinery for management and employee cooperation, providing employee relationship policies, arranging safety and health programs, defining the way of employee conduct in and outside of the organization and separation policies. These are the integral parts of a comprehensive human relationship program which will be discussed in this chapter with respect to TVA's experiences.

The TVA Act is almost completely silent on the question of a

human relationship policy, except that article three requires that "in the determination of such prevailing rate or rates, due regard shall be given to those rates which have been secured through collective agreement by representatives of employer and employees."<sup>1</sup>

The TVA policy of human relationship has developed mainly since 1935, and is embodied in three documents.

The first policy, which was formulated after nearly two years of discussion, was a declaration of the Board Policy rather than a bipartite agreement between the Board and workers. This policy which was approved by the Board of Directors on August 28, 1935, is called "Employee Relationship Policy." The second document in chronological order is the so called "General Agreement Between the Tennessee Valley Authority and the Tennessee Valley Trades and Council" which was negotiated on August 6, 1940 and revised on July 1, 1951. The third document is the so called "Articles of Agreement between the Tennessee Valley Authority and the Salary Policy Employee Panel," which was negotiated on December 5, 1950 and revised August 1954.

#### Employee Relation Policies

The provisions of these documents as far as employee relation policy is concerned can be summarized under the following headings; handling of grievances, employee participations, keeping the employees informed, counselling and exist interviews, awards programs, and terms of work. Let us discuss these various aspects of employee relationship in TVA.

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1. U.S. TVA Act (1933), Sec. 3.

Handling of Grievances: When any large number of human beings are intimately thrown together, maladjustments are bound to rise. Such human weaknesses as misunderstanding, unfriendly rivalries, jealousy, and such organizational and management weaknesses as improper placement, unfair distribution of wages and salaries, tedious and laborious assignments of work, existence of "bottle necks" are the ailments which cause dissatisfaction and consequently destroy the possibility of cooperation, "esprit de corps" and sense of team work.<sup>1</sup>

Many of these ailments can be discovered and remedied by management investigations, but many of them cannot be discovered, nor realized unless they are brought into the open by adopting a certain plan to deal with such dissatisfactions promptly and adequately. This is the purpose behind a system for handling grievances, the necessity of which is justifiable not only from the point of view of justice and fairness, but equally justifiable from the point of view of employee's efficiency and productivity.<sup>2</sup>

Generally speaking, there are four channels through which employees may secure the redressing of grievances: through group appeals to the operating executives, through an appeal to the personnel agency, and through setting up a machinery of representative committee or the unions.

In handling grievances TVA has proceeded along one basic assumption. That is the establishment of a grievance procedure which

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1. William E. Mosher and Others, op. cit., p. 313.

2. Ibid., p. 313.

can effectively accomplish the desired ends is quite a feat; but most parts of the problem can be settled if there is a balance in the Authority of the supervisor and his subjection to certain overrulings to correct his mistakes. What this assumption adds up to is this: on the one hand, enough support should be given to a supervisor in his decision, so that he will be able to control his organization; on the other, his mistakes should be made subject to being overruled.<sup>1</sup>

Such a balance, TVA believes, "is possible only if we fit grievances into the normal procedures of line administration rather than setting up special appeal boards having quasi-judicial functions outside the administrative line."<sup>2</sup>

On the basis of this assumption the Employee Relationship Policy of 1935 provided that grievances shall be handled by employees to their representative through the established supervisory channel up to, and including the designated chief supervisor concerned. Noting the possibility that higher administrators tend to back up their subordinate supervisors, the policy provided for further appeal to the Director of Personnel for investigation and adjustment. Thus it was contemplated that the director of personnel, though a member of management, should be particularly sensitive to the points of view of employees. The decisions of the director of personnel on grievances of all employees were vested with final authority.<sup>3</sup>

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1. Harry L. Case, op. cit., p. 67.

2. Ibid., p. 67.

3. Harry L. Case, op. cit., p. 68.

The General Agreement of 1940 provided for final appeals by trades and labour employees to an outside arbitrator selected from a panel agreed upon by the TVA and the Council.<sup>1</sup> Further changes in this policy occurred in 1951 when the agreement was revised. By virtue of this revised agreement "the function of the Director of Personnel was somewhat altered so that he, in meeting with representatives of management and the council, could perform a quasi-mediation function by trying to find an equitable solution to the grievances."<sup>2</sup> This agreement further provides that "if no resolution of the grievances could be worked out through this procedure, the Director of personnel would make a decision... subject to arbitration."<sup>3</sup>

The Article of Agreement of 1950 set, arbitration procedure for white-collar employees closely similar to that set forth in the General Agreement.<sup>4</sup> (For the detailed provisions of this procedure the reader is referred to Article VIII of the "Article of Agreement between the TVA and the Salary Policy Employee Panel" of 1954.<sup>5</sup>

Further procedures of grievance adjustment are those provided for by the Veteran's Preference Act of 1944 applicable only to veterans.

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1. Ibid., p. 68.

2. Ibid., p. 68.

3. Ibid., p. 68.

4. Ibid., p. 68.

5. The text of this policy is given in Appendix V in Harry L. Case, op. cit., pp. 146-56.

According to the Act veterans could appeal grievances beyond the agency to the Civil Service Commission. Theoretically, this provision has a destructive effect on TVA grievance procedure, since the commission does not require that cases should proceed through the established administrative channels. In practice, however, a very small number of grievances in TVA have been taken to the Civil Service Commission; and the TVA grievance machinery stands as the principal channel of appeal.<sup>1</sup>

Employee welfare programs:- Based on the idea of motivating the employee towards more efficiency and productivity, the TVA contributes a welfare program to its employees, in addition to the pay he receives.

The most important TVA program to this effect is TVA's health and safety policy which its employees enjoy. This policy includes services such as placement and periodical medical examinations, organized activities in accident prevention, medical care for service - connected injuries, preliminary diagnosis, preliminary diagnosis and treatment of non-service connected conditions prior to referral to a personal physician where needed, advice and assistance to management in the placement of employees or applicants, health education and guidance, and specialized industrial hygiene service where the occupational disease hazards warrant them (as in some chemical plants. Furthermore, at each of the major employment centers, the Health and Safety division maintains a medical office, and a small well-equipped temporary hospital at construction projects where the incidences from injury are likely to be higher. TVA also maintains an accident prevention program which compares favorably with similar programs in private enterprises.<sup>2</sup>

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1. Harry L. Case, op. cit., p. 69.

2. Ibid., p. 89.



Working Conditions: Work schedules and annual leave:- The Articles of Agreement provide for work schedules. According to Article 2 "the basic work week for annual salary employees is 40 hours a week, consisting of five days of eight hours each, called basic workdays."<sup>1</sup> Regular hours of work of annual salaries employees are determined by the kind of employment and by services at each work place. Work schedules for annual salaries policy employees are of two types:<sup>2</sup> flexible and inflexible. A "flexible schedule position means an annual position in which the employee has enough freedom in planning his work that he may arrange, with appropriate clearance with his supervisor, for periods of absence during regular bulletined hours to compensate for periods of work, if it has been necessary for him to perform the work outside of the bulletined hours."<sup>3</sup> The inflexible schedule position designates an annual position in which the employee adheres to specific schedules of work, and thus, the work performed is clearly proportional to the number of hours worked. According to the inflexible schedule position the conditions of work are determined by the supervisor, and the employee has either very limited discretion or no discretion at all to modify them."<sup>4</sup>

Overtime work is allowed. However, as a matter of good management and efficiency, the supervisory and management staff as well as the

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1. TVA, Articles of Agreement between the Tennessee Valley Authority and the Salary Policy Employee Panel, (August, 1954) Article VI.

2. Ibid., Art. VI.

3. See Ibid., Art. VI.

4. Ibid., Art. VI.

employees are expected to minimize overtime, and conform to the schedules of bulletined hours.

Holidays, vacations and sick leave, applying to annual employees only, are established on the basis of the Federal Statute or the Executive Order for Federal employees; which provides for 13 to 26 days of annual leave per year, depending on the length of service and 13 days of sick leave. Usually, only employees whose services are indispensable are required to work on holidays.<sup>1</sup>

Employee Information, Suggestions and Participation Policies:

In the Introduction to this Chapter we discussed the importance of employee information, participation, and suggestion in satisfying the emotional needs of employees, and their sense of recognition and importance, and consequently to boost their morale and maintain their efficiency.

The cornerstone upon which the union management, co-operation system of TVA is based in the agreement that both parties will consider ways of improving job efficiency and reducing costs. Thus, joint committees have been established in order to facilitate and provide for improved efficiency, economy, safety and convenience.

Suggestions constitute an important part of this cooperative system. "During the period the program has been in effect, some 8,000 formal suggestions have been handled through this machinery."<sup>2</sup> Out of the considered suggestions which have been classified broadly as "doing the job better, quicker, cheaper"; "improving physical working conditions,"

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1. Ibid., art. XI.

2. Harry L. Case, op. cit., pp. 63.

promoting safety and health"; and "improving employee relations"; almost 78 percent have been adopted.<sup>1</sup>

"The TVA's suggestion system has been highly successful over a period of some ten years without the use of any scheme of cash awards."<sup>2</sup> The reason for this has been the mutual agreement to the effect that the purpose of the joint committee is to build up cooperation. Therefore, awards on an individual basis would discourage such a joint cooperation.<sup>3</sup>

Management and employees who do not attend the committee meeting are continuously kept informed of the work through circulation of the minutes and through direct reports from the representatives. The central committee also publishes a monthly bulletin which is called Teamwork. This includes articles on some phases of TVA program, reports major developments and outstanding suggestions, and a "TVA News Roundup" which gives up-to-date news on TVA program activities. Furthermore, the central conference publishes a companion bulletin, "WIRE," which reaches all employees. Under the leadership of the cooperative conferences information racks of TVA materials have been set up in a considerable number of offices. These include sample copies of timely TVA booklets and reports which can be ordered from the information office. This system has proved quite successful in keeping the employees informed on up-to-date developments in TVA.<sup>4</sup>

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1. See Gordon R. Clapp, TVA, (The University of Chicago Press: 1955), p. 37-38.

2. Ibid., p. 82.

3. Gordon Clapp in op. cit., p. 38., and Harry L. Case, op.cit., p. 82.

4. See Harry L. Case, op. cit., pp. 63-64.

Employee Conduct: The Right to Organize: The TVA has encouraged its employees to organize, and to designate representatives of their own free from any and all restraints, interferences or coercion, for the purpose of collective bargaining and employee-management cooperation.<sup>1</sup> Although union membership is thus encouraged, neither membership nor non-membership is held as a condition of employment. Any discrimination among employees or their representatives on this account is forbidden.

The employees are given the right, on a majority basis to determine the agency or person to represent them as a whole. The Department of Personnel is required to settle the disputes, which may arise, on the basis of their merits. The representatives may be determined by an election.

Although TVA has encouraged employee organization, still it has tried to safeguard against the establishment of "closed shop" practice. The Authority has consistently denied the right for any agency to determine who should and should not obtain employment. Furthermore the Authority has consistently supported and followed the principle that membership in a union is no criterion of the merit and efficiency which prescribes the status of entitlement to a job or a career with the Authority.

Employees' Political and Personal Life: Generally speaking, the "TVA does not concern itself with the personal life of its employees."<sup>2</sup> The following are certain exceptions to this general rule:

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1. Articles of Agreement, op. cit., Art. IV.
  2. Harry L. Case, op. cit., p. 72

1. "Behavior which adversely affects or may affect the employee's work."<sup>1</sup> The emphasis here is on the work itself rather than on the extra-duty activities. The most common example of this case is outside employment, if the amount of such work over burdens the energies of the employee, or curtails his interest from his work in the Authority, or if the outside work comes in conflict with the purposes of the Authority.<sup>2</sup>

2. The employee is discouraged from engaging in such "activities which reflect adversely upon the public relations of TVA broadly constructed."<sup>3</sup> Examples of this are immoral or improper conduct on the part of an employee; or engagement of an employee of TVA in such outside employment which might be in competition with private enterprise.

3. TVA employees are, like all other federal employees strictly subject to the provisions of the Hatch Act, with respect to their political activities.

4. Employees are prohibited from engaging in such activities which involve TVA's direct interference in the employees' personal affairs. The most common example of this case is the problem of employee indebtedness. The TVA indebtedness policy has carefully made it "clear that TVA will not indefinitely retain an employee about whose debts, provided it is established that they are valid, it is continuously being harassed by creditors."<sup>4</sup>

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1. Ibid., p. 72.

2. Ibid., p. 73.

3. Ibid., p. 73.

4. Ibid., p. 74.

Separations. Employees' Termination: TVA has entrusted its supervisors with the rights to fire their employees. Such terminations should be for just causes only, and the reasons should be stated in writing. The employee relationship policy does not require any definite period of notice. In spite of the fact that such action by the supervisor separates an employee from the payroll, yet the approval of the personnel officer is necessary, before the discharge becomes final.<sup>1</sup>

The Department of Personnel conducts "exit interviews" with employees who are leaving TVA Service. Such interviews include reasons for leaving and other matters which are thought useful in directing the management of personnel relations. In case of separations due to seasonal variations or changes in the volume of work, TVA's practice is to release first those employees who are less promising.

Retirement:- As in all other phases of its personnel administration, TVA has developed its own retirement system which is administered by a Retirement Board. The Board consists of seven members. Three members are appointed by the TVA Board of Directors; and three other members are elected by the employees. The seventh member is chosen by the other six members.<sup>2</sup>

"Generally, all employees of the Tennessee Valley Authority who are employed at an annual rate of pay and are not members of the U.S. Civil Service Retirement System are participants in the Retirement System of the Tennessee Valley Authority."<sup>3</sup> "Employees who are classified as

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1. Herman C. Pritchett, op. cit., p. 295.

2. Lee S. Greene, "TVA Sets Up Retirement System," Public Management Vol. XXI, 1939. p. 340.

3. William G. Torpey, op. cit., p. 338. and Lee S. Greene op. cit., p. 340.

student interns, or as cooperative student employees, annual employees retained for a predetermined period of six months or less, annual employees who have attained the age of 60 at, or prior to, any period of employment beginning after January 1, 1943, and contract employees receiving pay at annual rates are not eligible for membership in the system."<sup>1</sup>

The plan requires a stipulated percentage contribution out of each member's compensation. The percentage is determined by the age at which the individual becomes a member of the system and by sex. For example, a man who enters TVA's service at the age of 30, contributes 4.81 percent of his salary, whereas a woman, who enters TVA's service at the same age, contributes 5.39 percent of her salary. Thus, rates of contribution are higher for women than for men because women generally live longer after retirement than men. Once the percentage rate of a member is determined, then it remains constant throughout the service, until he reaches the age of 60 years, after which age the member may, at his option, discontinue his contribution, or continue the contribution in order to increase his annuity.<sup>2</sup>

Normal retirement age is provided for at the age of 65. The compulsory age of retirement is 70. When a member reaches the age of 65, he may get an annual extension of employment between the age of 65-70, provided he is fully capable of doing the work.<sup>3</sup>

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1. Ibid., p. 338.

2. Ibid., pp. 338-39.

3. Harry L. Case, op. cit., p. 90.

"The retirement allowance consists of two parts, an annuity and a pension."<sup>1</sup> The members' contributions are set up in such a manner that on the average the savings of a member provide an annuity of 3/4 of one percent of the average compensation for each year of creditable service at the time of retirement. These contributions build up an annuity. Furthermore, the TVA's contributions provide a pension of 3/4 of one percent of the average compensation of the membership through service and for each year of prior service allowed. Thus, the total amount of retirement allowances is approximately one and one-half percent of the average compensation of the member for each year of creditable service.<sup>2</sup>

The TVA Retirement System also offers superannuation allowances, disability allowances, and death benefits. Thus, under a plan known as special service, any member who has rendered ten or more years of creditable service and whose service is terminated by TVA (not through discharge for a cause) may obtain deferred allowance beginning at the age of 60 and computed in the same manner as a regular allowance, or he may take an immediate allowance having the same actual value as the allowance beginning at the age of 60.<sup>3</sup>

A member who has completed five years of creditable service, and subsequently becomes incapacitated for further performance of duty, may be granted disability retirement allowances, the amount of which equals to 1.35 percent of the average compensation of the member

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1. Ibid., p. 339.

2. William G. Torpey, op. cit., p. 339, see also Lee S. Greene, op. cit., p. 341. and Harry L. Case, op. cit., p. 90.

3. Ibid., p. 339.



multipled by the total number of years of creditable service at the date of retirement.<sup>1</sup> The membership of a member of the TVA retirement system ceases "if a member withdraws his contributions, retires, or dies, or if a member subsequently is not an employee for five years in any period of 10 consecutive years."<sup>2</sup>

The Machinery of Employee partnership: As we saw earlier in this chapter, TVA from almost its beginning committed itself to the belief that the Authority as an employer must depend upon the collective thinking and joint negotiation between management and employees and their representatives on matters of direct interest to employees, and that the employees should have an opportunity to participate actively in setting the standards under which they were to work.<sup>3</sup> These principles laid the foundation for collective bargaining and union management cooperation in TVA. The provisions of this program are incorporated in the Employee Relation Policy of 1935, and in the negotiated agreements between TVA and Tennessee Valley Trade & Labour Councils, and finally, between TVA and the Salary Policy Employees Panel.<sup>4</sup>

Joint Cooperative Committees: Although the idea of establishing

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1. Ibid., p. 339.

2. Ibid., p. 340.

3. Dodd T.I. "Teamwork Approach to Productivity." Personnel Administration, Vol. XV, 1952, p. 1.

Note: TVA's White Collar or "Salary Policy Employees" are represented by the Salary Policy Employee Panel, which is composed of four AF of L Unions and two unaffiliated organizations.

4. Ibid., p. 1.

formalized union-management cooperation, through which joint contributions of management and employees toward efficiency and effectiveness in TVA programs could be achieved and maintained was contemplated as early as early as 1935, yet the actual development of such a body did not materialize until the second World War.<sup>1</sup> As soon as TVA converted to war work, union representatives indicated the desire of employees to join with management in meeting TVA's war time responsibilities.<sup>2</sup> Such a request from the point of view unions was based on the pride of workmanship of the employees they represented and their desire to make a greater contribution to increasing the efficiency on the job.<sup>3</sup> The name proposed by the unions for the requested machinery was "Joint Production Committees." The TVA on the other hand, pointed out that, since the basic reason which justifies a joint program lies in mutual knowledge and improved employee-management relationship on the job rather than just the specific improvement of the work, the name of "Joint Cooperative Committees" seemed more appropriate to cover this broader area of joint endeavour. Thus the name of Joint Cooperative Committees was selected and the first committee under this name was established on an experimental basis in July 1942.<sup>4</sup>

Although the organization of joint committees found its impetus in the challenge of completing TVA's war jobs on the provided schedule,

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1. Ibid., p. 2.

2. Ibid., p. 2.

3. Ibid., p. 2.

4. Ibid., p. 2.

yet both the TVA and the Unions were not convinced that their activities were purely war time activities. On the contrary these activities were considered to represent an advanced and permanent step in union-management cooperative relationship. Thus at the end of the war both the TVA and the Unions reviewed the work of the Committees and took the decision that "the record of increased and improved production, as well as better employee-management relations developed during the war, proved that the cooperative committee program has value as a permanent feature of employee-management relation in TVA."<sup>1</sup> Thus, today, the cooperative committee program, the whole body of which is composed of TVA, the Council, and the Panel, is considered as the cornerstone of TVA employee management relations.

The Organization of the Cooperative Committees: The cooperative committee program functions through a central committee, local joint cooperative committees, and an annual TVA-wide conference of the members of the central committee, and officers of the local committees."<sup>2</sup>

The central committee is composed of the top representatives of TVA management, and the unions. The latter are TVA-wide in scope. The role of the central committee is to "develop the basic guide lines for the organized program of cooperation," to "furnish guidance for the conduct of the committees," to help "in coordinating the work of the local committees into a unified program," and furthermore issues a monthly publication which is distributed to all TVA Trades and Labour

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1. Ibid., p. 2.

2. Ibid., p. 2.

employees and supervisors. The central committee meets regularly once a year in conjunction with the annual TVA-wide conference.<sup>1</sup>

Although the Central Committee gives the leadership and guidance, the administration and execution of the cooperative program is decentralized into local committees, and thus, the local Joint Cooperative Committees carry on the program. The reason for such decentralization is said to be that this type of administration enables the committees to fit the programs to their particular needs and problems, which differ from one locality to another. The local Joint Cooperative Committees are made up of employees and management representatives within the administrative units.<sup>2</sup> The representatives of the employees are designated through their unions with the approval of a Council. Management members are selected by the top supervisor of the administrative unit served by a committee.

The local joint cooperative committee elects a chairman, a leader and a secretary. The chairman is elected by regular voting.<sup>3</sup> "Depending on whether the chairman is a management or an employee representative, the other party then acting alone designates a leader, who serves as co-chairman and through whom responsibility may be channelled."<sup>4</sup> These three officers act as a steering committee on matters which arise between meetings and which require immediate attention.

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1. Ibid., p. 3.

2. "Cooperative Committees are organized in administrative units where both management and union representatives jointly, on the initiative of either, decide they would like to have a committee" Ibid., p. 3.

3. Ibid., p. 3

4. Ibid., p. 3.

Annual Conferences: The annual all-day conference is arranged by the central committee. It is a TVA-wide conference, and is attended by the members of the central committee and the representatives of all local committees. In addition to the delegates, top union and management representatives contribute to the success of the conference by attending the conference and by supporting it. The program of the conference is based upon suggestions from the local committee.

Generally, the conference is divided into three sessions:<sup>1</sup>

1: Work Session: Do you know your TVA? In this session the group considers the work of the committees and the future of the cooperative program.

2: Tour Session: In this session tours are arranged to let the participants gain fuller acquaintance through personal inspections with some of TVA's operations and the various functions performed by the employees related to the overall programs of TVA.

3: Recognition Session: During this session the central committee takes notice of the valuable work of all committees and of those phases of work which cannot be accurately evaluated such as improvement of relationship, providing framework for joint activities. Furthermore, the central committee gives special recognition to the local committees which have outstanding records.

Subjects covered by Committees: The cooperative committee provide two-way channels which enable employees, through their unions on the one hand and through management on the other, to get together

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1. Ibid., p. 4.

regularly and to discuss on a cooperative basis, the basic problems of mutual interest, and to give the chance for employees to make suggestions concerning the improvement of their work.<sup>1</sup> Among such problems, which the committees handle, are:<sup>2</sup> the elimination of waste in construction, the conservation of material, supplies and energies, the improvement of the quality of workmanship and services; the promotion and training, the correction of conditions which give rise to misunderstandings, the encouragement of courtesy in the relation of employees with the public, safeguarding health, the prevention of hazards to life and property, the betterment of employees conditions, and the strengthening of morale of the service. In short, "the cooperative committees are interested in suggestions on everything except compensation factors, job classifications, interpretation of agreements negotiated by the unions and management, and grievances."<sup>3</sup>

The status of cooperative committees is advisory, and "all items handled by the cooperative committees are considered to be in the form of suggestions."<sup>4</sup>

Procedure:- The cooperative committees meet once a month, in order to consider the suggestions which they have received. Several days before the meeting, all members receive the agenda for the meeting. The agenda consists of the new suggestions and the suggestions pending from the previous meetings. Suggestions are generally obtained by

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1. Ibid., p. 5.

2. Ibid., p. 5.

3. Ibid., p. 6.

4. Ibid., p. 5.

personal solicitation of the members of the committee. Furthermore employees are invited to turn in their suggestions to any member of the committee. Some committees also provide suggestion boxes.<sup>1</sup>

All members are free to join the discussion. Discussion continues until various members express their opinions, and until it appears that the committee has reached an agreement. At this point the chairman summarizes the discussion and dictates the conclusions. The dictated conclusions are then reread by the secretary, and members are invited to express their concurrence or non-concurrence and suggest changes.<sup>2</sup>

Oftentimes subcommittees are assigned to reinvestigate certain suggestions if necessary. Cases in which the committee is not unanimous are tabled until the disagreements are resolved in the light of further investigations. When the committee finds dealing with certain suggestions beyond their jurisdiction, the item is immediately dropped, and the member who has introduced such an item is informed of the proper channel for taking it up. Certain recommendations which are regarded unwise by the responsible administrators are reconsidered as a result of which the recommendation may be modified.<sup>3</sup>

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1. Ibid., p. 6.

2. Ibid., p. 7.

3. Ibid., p. 7.

## CHAPTER IX

### THE PERSONNEL SYSTEM OF HVA

The present personnel system of HVA follows the Law which governs the Afghan Civil Service.<sup>1</sup> HVA, in common with the other governmental agencies, has but little realized the contemporary positive notion of personnel management as that aspect of management which is not only concerned with the employment of qualified persons, but also positively interested in producing an efficient, well informed and enthusiastic group of persons who are bound together by a purpose common to all of them, with their interests being closely associated with their achievements.

This lack of the positive spirit of personnel administration in HVA is one reason, and probably the basic one, why HVA has not been able to develop a personnel system with all the necessary technical and human aspects which a good personnel system should have. In spite of the fact that the "Rule of Procedure for the Development of the Helmand Valley Authority" has given freedom to the Board of Directors of HVA,<sup>2</sup> the Authority has so far paid little, if any, attention to developing its own personnel system.

The functions of the present personnel office are, (1) looking into and ensuring that the applicant carries the legally required documents prior to his entry into HVA's service; (2) proposing the

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1. A translated text of the law of Civil Service in Afghanistan is given in Appendix II.

2. See Art. 5 of the Rule of Procedure for the Development of the Helmand Valley in Appendix I.



applicant for appointment after determining his rank standing on the basis of the personal records; (3) maintaining a permanent record, for each official; (4) proposing the officials for promotions after the records of such officials are reviewed by a committee, the purpose of which is to ensure that the official is eligible for promotion; (5) preparing the "register record for the official who is on the promotion list; (6) applying and recording all the disciplinary measures taken against an official; (7) maintaining the time cards for all employees and registering their attendance; (8) dealing with the annual and sick leave of the employees, and ensuring that the legal requirements are observed; (9) dealing with transfers, resignations and retirements.

Such are the duties of the personnel office according to the prevailing practice. It should be noticed that many important aspects which are necessary for a good personnel system such as recruitment system, selection on the basis of personal merit and qualifications; employee training and development, and finally a human relation program, are lacking in HVA's personnel administration. It is this lack of the most important aspects of personnel administration in HVA which justifies the undertaking of the present study. With these introductory remarks in mind let us now focus our attention on the practices of personnel administration in HVA.

Recruitment Policy Staffing System of HVA: No specific regulations, or standard policy of recruitment to the Afghan Civil Service has been laid down as yet. Recruitment to government positions takes place on the basis of individual ministries; and mostly under the traditionally established

practices, to which HVA is no exception.

According to Article 12 of the Afghan Constitution "any Afghan subject according to his ability and capacity, is taken into government service as required."<sup>1</sup> According to Article two of the "Civil Service Law" recruitment for government service in Afghanistan is conditioned by the following qualifications.<sup>2</sup> (1) Afghan Citizenship. (2) eighteen years of age; (3) possession of Civil rights; (4) having good morals, and not being condemned by charges against character prestige and chastity; (5) having passed the military service (if the applicant's age is between 24-29); (6) possessing the required health certificates. Although these are the only legally stipulated limits, in practice however women are not generally allowed to enter government posts (except where the employment of women is necessary). Also those who have been suspected of taking part in partisan activities are practically barred from entering the Civil Service.

The main sources from which recruitment to HVA takes place are colleges and universities, and transfers from other governmental agencies. Some employees (especially in construction and mechanical and engineering fields) have also been recruited through contracts either from private sources or from foreign countries. This latter group does not have official status, as those who work permanently with the government and are thus career officials. In all cases, with the exception of recruitment directly from college and universities, the

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1. Amos G. Peaslee compiler, Constitution of Nations, Second Edition; (Martinus Nijhoff, The Hague, Netherlands: 1956), p. 22.

2. Royal Government of Afghanistan, Law for Appointment, promotion and Retirement of Civil Officials in Afghanistan, (Kabul, 1954) Art. 2. p.1.

applicant are required to fill an application describing their qualifications. Recruitment directly from colleges and universities usually takes place through formal channels, therefore, the candidate is not required to fill an application.

HVA seldom resorts to the practice of recruitment through publicizing. With the exception of the direct recruitment from among college and university students or graduates the practice of recruitment through personal acquaintances, nepotism, political considerations and family ties seems to be the common practice. HVA does not maintain any register: neither does it maintain any systematic qualitative and quantitative analysis for determining the qualifications of the applicants, as we saw in the case of TVA. In fact, as far as practice is concerned, little consideration is given to the application of the merit system (in the Western sense of the term). The law, however, allows for selection on the basis of competence and ability of the candidate.

Selection process: HVA does not have a standardized process of selection. The method of selection differs with the kind of sources from which the applicant is recruited. On the whole three different processes can be outlined here. First, is the case where a candidate is directly recruited from a college, university or any other officially recognized educational institution. In such cases whether through direct official channels or on the basis of personal application by the candidate, the acquired degree or certificate of the applicant is sufficient to make him eligible for appointment. No further selection processes such as qualification tests, interviews, rating of training and ex-

perience are required.

Second, is the case of the candidate who is not coming directly from the school, but has been previously working as a government official. Such applicants must have an official certificate from their previous places of work, which be supplemented by an official permanent service record including all the required information about the official and personal history of the candidates.<sup>1</sup> In such cases the selection process takes place on the basis of these documents which every official (regardless of his rank) must carry throughout his career service.

The third case concerns the applicant who has neither an academic degree nor certificate of previous work with the government. In such cases, according to Article four of the law, the candidate is required to take an examination given by a committee, the members of which are usually appointed for each individual case. There are no standard procedures, or standard forms for the construction and application of the examination. The examination seems to be a test of the candidate's literacy rather than his ability for the particular position. Such are the present procedures of selection in HVA.

Appointment Procedures: For an understanding of the appointment procedures in HVA, it is necessary to acquaint ourselves with the "rank system" which constitutes the basis of the Afghan Career Service. Since the "rank system" in the Afghan Career Service will be discussed in more detail during the later discussions in this chapter, at the present stage it will be enough to

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1. A translated copy of this form is presented in Appendix III.

remember that this System in Afghanistan is divided into 13 ranks. The highest rank is the first rank, and the lowest rank is the thirteenth.

Any permanent appointment to an official position in the Afghan Civil Service must fit one of these ranks, from which the official starts his career service and goes on climbing up the ladder. The criteria for determining the particular rank of a new appointee are as follows.<sup>1</sup>

Candidates with the primary and first secondary academic degrees are appointed to ranks thirteen and twelve respectively. Candidates with the degree of secondary or high school, or equivalent degree in professional schools are appointed to rank ten. Candidates with the degrees higher than BA or BS are appointed to the ranks above nine on the basis of the number of the required academic years for acquiring the degree.<sup>2</sup>

Candidates who have no academic degree, but have served as government officials preserve their previously acquired ranks and therefore are appointed to the same rank which they have previously acquired. Candidates with no academic degree and no previous service records are appointed to rank thirteen.

Appointments, promotions, and transfers to and from different ranks must be finally approved by the following hierarchical authorities.

(a) Officials of the first and second ranks are proposed by the Authority (or ministry) ratified by the Council of Ministers, and approved by His Majesty the King.

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1. See Appendix II, Article 4.

2. Ibid., Article 4.

(b) Officials of the third, fourth, and fifth ranks are proposed by the Authority (or ministry) and approved by the Prime Minister.

(c) Officials of the ranks between six to eleven are proposed by the divisions concerned (through the office of personnel) and approved by the President or acting President of the Authority (or Ministers in other Ministeries).

As a matter of formality, before the candidate is proposed for appointment by the personnel office, the opinion of the direct supervisor of the new candidate is asked. However, both the supervisor and personnel officer are well aware that the opinion of the supervisor is little more than a mere formality. This is particularly true if the new appointee has been recommended by top officials such as the President or vice President.

Promotion in HVA: Promotions take place from one rank to the rank immediately above, almost exclusively on the basis of seniority.<sup>1</sup> In very rare and practically non-existent cases promotion of one rank may be awarded on the basis of merits.<sup>2</sup>

No promotion can take place until the following three conditions are realized:<sup>3</sup> (1) Vacancy; (2) Priority; that is completing the minimum time requirement in the rank; (3) Register and ability.

1. Vacancy: The vacancy requirement denotes two things. First, the rank and position to which promotion takes place must be included

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1. Ibid., Article 29.

2. Ibid., Article 29.

3. Ibid., Article 10.

in the budget. Second, a position corresponding to the rank to which promotion takes place must be vacant. Thus, if for example an official is eligible for promotion from rank 5 to rank 4; there must be an allowance for a rank 4 post in the budget, and there must be vacant position corresponding to rank 4.

2. The minimum time requirement or "priority": Article 7 of the law sets a minimum time requirement for each rank which the official must complete by serving in the rank before he becomes eligible for promotion. The time requirement in each rank is as follows:<sup>1</sup>

Officials of the second	rank	3 years.
Officials of the third	rank	4 years.
Officials of the fourth	rank	4 years.
Officials of the fifth	rank	4 years.
Officials of the sixth	rank	4 years.
Officials of the seventh	rank	4 years.
Officials of the eighth	rank	3 years.
Officials of the ninth	rank	2 years.
Officials of the tenth	rank	2 years.
Officials of the eleventh	rank	2 years.
Officials of the twelfth	rank	2 years.
Officials of the thirteenth	rank	2 years.

3. Register: This refers to a confidential special questionnaire form, which must be filled by the direct supervisor of the official (who is eligible for promotion) and approved by the top superiors in the Authority.<sup>2</sup>

4. Competence: The competence of the employee (who is on promotion list) and his fitness for the new position is determined on the basis of the register above. Although the register form provides for a detailed personality evaluation of the official, yet in practice

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1. Ibid., Article 7.

2. A translated copy of this form is given in Appendix IV.

the supervisor who fills the form usually shows little objectivity in evaluating the employee correctly. Personal considerations in evaluating the employee often times play a role, and therefore more or less hinder the objectivity on the part of supervisors, and the reliability of evaluation.

Transfer: No official, according to Article 22 of the law, can be transferred from one position to another, before completing the minimum time required for promotion from the present position, except under the following conditions.

(a) From one ministry to another ministry on the basis of mutual agreement between the two ministries concerned.

(b) Due to some reasons connected with the administrative policy.

(c) Due to some reasons connected with the health of the employee.

(d) Officials of the Ministry of Foreign Affairs after they marry foreign wives.<sup>1</sup>

Although the provisions of this Article are expressed rather rigidly, yet, in practice, as far as HVA is concerned, the Article is not adhered to. Thus, many cases can be cited where an official has been transferred from one position to another position regardless of the minimum time requirement and without any clearly justifiable administrative reasons.

Promotion in the Afghan Civil Service does not seem to be automatic. Oftentimes because of one reason or another the candidate

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1. Ibid., Article 22



may not be promoted. One may not be able to get a satisfactory record; another may not have a vacant position to fill. The second case, however, is sometimes compensated for by transferring the candidate to an other division, where a vacant position is available.

#### Position Classification and Salary Policy

No aspect of personnel administration in HVA is so much completely unknown as a position classification plan. We remember from our previous discussions that the Afghan Career Service is based on the rank system. The differences between the position classification concept on one hand and the rank system on the other are more or less obvious. The following however, are some of the basic manifestations of the rank system in HVA, as compared with the position classification system of TVA.

The rank concept centers attention on the individual and status (pay, prestige, rights) in relation to other individuals in the organization. The position concept on the other hand, centers attention on the work assignment of the position as the status of that assignment in relation to other work status and assignment in the organization.

Theoretically, the concept of rank is based on the idea of hiring broadly-qualified persons and developing their overall capabilities in the long run, by changing their assignments from time to time according to the needs of the organization, and to a certain extent regardless of the significance of the individual assignments which they periodically assume. Thus in the long run the system is meant to produce strong and broadly experienced officials, with greater flexibility in the aptitude and fitness of the official for different kinds of work, and more loyalty and adaptability. On the other hand, the concept of

position is a logical corollary of narrow specialization of labour and systematic subdivision of responsibilities, and is therefore, closely geared to every aspect of management and the collection of duties assigned to individuals as segments of the general plan.

Another, and the most important manifestation of the rank system in HVA is in the matter of compensation to the individual. Whereas the position classification movement found its impetus in its slogan of "equal pay for equal work" which is still meaningful. The rank idea on the other hand ties its compensation plan with factors such as academic achievements. The responsible and high salaried positions are distributed on the basis of seniority and advancement in ranks; regardless of one's merits and capabilities.

The logical consequence of the later demonstration of rank system in HVA (compensation on the basis of seniority and personal needs and qualities) is that, the Authority is completely lacking a standardized compensation plan. At present the Authority maintains five pay rates. First, the rate for those officials who have been serving HVA prior to the year 1956. Second, the rate for those who have entered HVA service after the year 1956. Third, the rate for those educated officials who have degrees from foreign universities. Fourth, the rate for those educated officials who have their degrees from local schools and universities. Fifth, the rate for those employees who have been hired temporarily on contractual basis.

Thus, the concept of "equal pay for equal work" is almost completely lacking in HVA, and salary rates are fixed on the basis of individual employees, depending on their qualities and the attitude of the Directors of the Board.

Employee Relation Policies

In many aspects, HVA, lacks a well-established employee relationship program. Concepts such as handling of grievances, employee information, suggestion programs, counselling and exit interviews, and employee welfare and health policies are almost unknown. Probably the most important items which constitute HVA's employee relationship programs in practice are, terms of work such as leave, retirement system, and employee conduct inside and outside the service. These aspects are fully explained in the Civil Service law, and, therefore, will not be repeated here, since these provisions of the law are strictly adhered to in practice too.

One aspect of personnel administration, which is not provided for by the law, but which has recently been adopted in practice, especially under the influence of foreign advisors, is the present training policy. HVA has recently realized the importance of employee training in developing the skills and abilities of its employees. The present HVA training program is divided into two parts. First, training the qualified employees in the universities abroad under the ICA scholarship and fellowship programs. Second, job training of the employee by giving courses in fields such as accounting, engineering and cadastral survey, agricultural extension, and public health. These programs have been adopted recently; and therefore it is still early to evaluate them. On the whole, however, it seems that such programs have proved successful in providing HVA with more skillful employees. These programs will prove more useful if HVA can develop a position classification plan so as to specify the requirements of each position.

It should be clear from our discussion in this chapter that the present personnel system in HVA is lacking the most important aspects which a good personnel system must have. The following are the present deficiencies in the HVA system of personnel management.

1. HVA should set a standard program for recruiting competent and qualified candidates.
2. HVA should set up standard practices for maintaining the merit system in selecting the qualified candidates.
3. HVA should develop a position classification plan and a standardized pay schedule based on the principle of equal pay for equal work.
4. HVA should develop minimum standards of employee training and development, and an employee relation program, with the purpose of ensuring high morale among its employees. How HVA can bring about those improvements in its system of personnel management, and how it can utilize and adopt or adapt the experiences of TVA in bringing about those improvements will be discussed in the following chapter.

## CHAPTER X

### CONCLUSION AND SUGGESTIONS

Thus far, the study was meant to provide a basis for the final conclusion of whether HVA can utilize the experiences of TVA or not. We studied the environmental settings of the TVA and the HVA on the assumption that there can be no true and universal generalization about an institution or a system of public administration without a profound study of the varying national and social characteristics, and the national and social setting acting upon the institution or the system as a whole. Then we established the TVA system of personnel as a model, and described the various component parts of the system. Finally, we discussed the existing personnel system of the HVA, in order to show that the system, as it is, lacks some important aspects which a good personnel system must have.

The study has now reached the point where we are able to draw together the threads of the discussion in the previous chapters, in order to answer the question which was put at the outset of the study; namely, is it possible for an administrator to transplant a system of administration from the environment where the system has successfully flourished to a new environment where the environmental forces which act and react upon the system are different?

Before answering the question within the limits of the present study it will be useful to present a comparative summary of our findings so far. Our discussion of the environmental setting of the TVA and the HVA shows the following general similarities between the two Authorities.

1. It was the presence of certain favorable conditions, and

the existence of natural resources such as soil, water, mineral and a climate appropriate enough for the development and exploitation of these resources within a specific region which led the governments of the two countries (the United States and Afghanistan) to create public agencies in order to utilize these resources.

2. The presence of certain unfavorable economic, social and natural conditions in the region, made it imperative for the two governments to improve the situation by creating their respective Authorities.

3. The combination of the above mentioned environmental factors helped the Authorities to assume similar tasks and responsibilities. Thus, both of the Authorities came to perform developmental tasks; such as the development of water and other natural resources, economic and social development for the purpose of national welfare.

4. All of the environmental factors combined together and caused the two Authorities to assume similar administrative characteristics. Thus, both of the Authorities are characterised by such administrative characteristics as multipurposness, regionalism, decentralization and public corporation status.

The two Authorities also show some marked differences with respect to their environmental setting. These differences can be summarized as follows:

1. The most important difference which exists between the two environments is in their economic structure. Whereas the Tennessee Valley is now predominantly industrialized with a higher per capita income in comparison with the HVA, the latter is still predominantly agricultural with an abnormally low level of income and standard of

living. Closely connected with this is the difference between the two environments in respect to their labour market and labour composition and organization. Thus, whereas the industrial development in the Tennessee Valley has enabled the Tennessee Valley Authority to recruit well-trained and experienced employees from all over the Valley; the Helmand Valley, on the other hand, almost completely lacks this quality. Well trained and experienced employees in the Helmand Valley are rather difficult to get. The Authority is compelled to rely on other sources such as direct recruitment from schools and professional institutions.

2. The next most important difference between the environmental setting of the two Authorities is connected with the social, ideological, and value structures within the two regions. Thus, the social structure of the Tennessee Valley is now predominantly based on such secondary groups as political, social and economic groups. On the other hand, the social structure of HVA is composed of more or less isolated, self-subsistent rather than interdependent, communities with the family as the core of unity. Thus, whereas the industrial development in the Tennessee Valley has formed a highly interdependent society with a "tight" social structure, the Helmand Valley Authority is grown up in relatively loose social structure, composed of predominantly agricultural, self-subsistent and isolated communities.

The ideological structures within which the two Authorities operate are also different. Thus, the ideological structure of the TVA is mainly "secular"<sup>1</sup> with more or less traceable sets of political,

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1. The term "secular" implies heavy reliance "on the evidence of the senses, on inferences that can be drawn from study and manipulation of material things." See Riggs in William J. Siffin, (ed.) op. cit., p.53.

economic and social values. Religion plays but a secondary role in formulating the ideological setting of the individual. The ideological structure within which the HVA operates is more or less "sacral"<sup>1</sup> and is religiously dominated. It thus lacks, to a certain extent, a clearly defined economic and political philosophy. Religion, social and family traditions play the primary role in formulating the values and ideologies of the individual.

3. There are also observable differences in the administrative practices of the two Authorities. Although the administrative patterns of the two Authorities are basically similar in theory, yet, in practice, the two organizations show some marked differences, which are:

(a) The degree to which the two Authorities enjoy and utilize local autonomy. Thus, whereas the TVA has taken the full advantage of its local autonomy to the greatest possible degree, the HVA on the other hand has not been able to enjoy local autonomy in building its administrative system.

(b) TVA has kept the concept of decentralization not only in its relationship with the Federal Government, but also in its internal administration as well. Thus, delegation of authority in decision-making to the operational levels in the organization is the prevailing characteristics of TVA's internal administration. Relatively speaking, the top management in HVA, though competent and enthusiastic, has not generally delegated appropriate authority to subordinates.

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1. The term "sacral" as used here implies "intuitions and inferences based on psychic experience and speculation." See Ibid., p. 53.



(c) Whereas TVA was able to maintain cooperative relationships with the local institutions, mainly because of its emphasis on the importance of grass root administration, HVA on the other hand, still has to clarify its relationships with locally-existing institutions.<sup>1</sup>

Such being the similarities and differences in the environmental setting of TVA and HVA, let us now put the question: Is it then possible for HVA to adopt the TVA's personnel system and utilize it to meet some of its problems in this field? An experienced administrator will hesitate to give a ready positive or negative answer to the question. He may say: well, let us see the results in practice. But we are not going to wait for the practical results. Since we said at the beginning that the present study is a theoretical analysis of the problem. We are therefore, required here to reach the final conclusion by answering this question. The answer which the investigator will give to this question is this: Yes, on the basis of our findings in the foregoing chapters HVA can utilize the experiences of TVA with respect to its personnel system, by adapting the system to its own environmental setting. Notice that the emphasis here is on the word adapting.

The word adaptation as used here signifies two things. First, it eliminates the possibility of transplanted, meaning copying or accepting the system exactly as it is without making allowance for any change in it. Second, despite the existence of visible differences between the environmental settings of the two systems, HVA is still in a position to answer its needs in personnel system by utilizing the experiences of TVA.

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1. See USOM report, op. cit., pp. 9-17.

Let us now examine the various aspects of the model system under the originally existing environmental conditions first and then transfer them to the new environment and examine how far can they meet the needs of HVA. Where they cannot we shall consider how to adapt them to the new environmental setting.

Recruitment: From our discussion in the previous chapters TVA's recruitment system can be characterized as follows:

1. TVA's recruitment area is mainly limited to the geographical limits of the valley.

2. Technically, TVA's recruitment is mainly based on direct contacts, and circularization of such potential sources of recruitment as colleges and institutions of high and professional learning - outstanding private enterprises, associations and journals, and government agencies. Advertising has been occasionally resorted to, principally in engineering journals.

3. TVA maintains a continuously open and unranked register, so that the applicants can have their names on the register at any time, and those who are not appointed remain on the register.

Evidently, the environmental factors to which these characteristics of the TVA's recruitment system can be attributed are: First, the regional character of TVA; second, the presence of such potential sources of recruitment within the region as colleges and institutions of high and professional learning, outstanding private enterprises, professional associations and journals, and government agencies; and third, freedom of TVA from the regulations of the United States Civil Service Commission.

Let us now transplant the blueprint of TVA's recruitment system to HVA's environment, and study how far can it be applied under the new environmental conditions. From our previous studies of the HVA's environmental setting we know: First, that the Authority possesses the characteristics of regionalism similar to that of TVA. Second, that the "Rule of Procedure for the development of the Helman Valley" gives the freedom to HVA's Board of Directors to develop its own personnel system. Third, that HVA lacks the presence of such potential sources of recruitment as exists in the case of TVA.

To the extent that similar environmental conditions are concerned - that is regionalism, and local autonomy - HVA can adopt the blueprint of the technical aspects of TVA's recruitment system; namely, the open and unranked register practice and recruitment mainly through direct contacts with the potential sources.

On the other hand, owing to the difference of one environmental factor, that is, the absence of potential sources for recruitment within the region in which HVA is operating, the Authority will not be able in the short run to limit its area of recruitment to the geographical limits of its region. What can be suggested then in order to make up for this deviation from the model?

In the short run, HVA has to rely upon recruitment directly from schools and universities within and outside the area of its operation. This suggestion presupposes that HVA has to devise more effective recruitment policies in order to attract such candidates. Most important among these policies which can be suggested under the present conditions are:

(a) HVA should consciously publicize its programs and accomplishments. To do this, HVA should not depend only on publications, but also should initiate and help the top classes of schools and university students to visit the Helmand Valley.

(b) HVA should establish direct contacts with schools and colleges both through posting and through personal visits and interviews with the students of the top classes and thus encourage them to enter HVA service.

In the long run, however, the assumption is that the Helmand Valley will develop both industrially and from the point of view of human resources. Such industrial and human development will make it easy for HVA to recruit educated and experienced employees from within the region, and thus the problem will be solved.

Selection: From our studies in the previous chapters, the selection process of TVA can be characterized as follows:

1. The basic means for determining the relative fitness and qualification of the professional, administrative and clerical staff and the promotion of overall efficiency is the quantitative and qualitative analysis of the personal history record of the applicant. Thus, TVA does not use competitive examinations as the basis for evaluating the qualifications of applicants in the professional administrative and clerical positions.

2. TVA has occasionally administered examinations to select workmen, in order to determine their ability and fitness for different tasks. But such examinations are an exception to the general practice of quantitative and qualitative analysis.

3. For certain types of position such as clerical, stenographic, drafting and public safety, TVA has adopted the practice of supplementing the quantitative and qualitative analysis by special tests such as aptitude tests.

4. Finally TVA supplements its analysis of the personal record of the applicant by cross references, obtaining additional information of unusual details through inquiries from the previous employees and other individuals who know the applicant well. The standing of candidates for higher posts is particularly ascertained from universities, professional organizations and other similar sources.

Such is the blueprint of TVA's selection processes. Let us now transplant the system to HVA's environment, and examine how far can the system maintain its basic characteristics in the new environmental setting.

Evidently, no problem will arise if HVA just adopts the blueprint of TVA's selection processes. Two reasons can be given to support this point. First, the environmental factor which is, to a great extent, responsible for establishing this system in TVA also exists in HVA's environment. Thus, it was TVA's freedom from the normal regulations of the United States Civil Service Commission which enabled the Authority to establish its own selection process as an integral part of its personnel system. HVA has also been exempted from the normal regulations of the central government, and therefore it is in a position to adopt the TVA system for its own use.

Second, HVA is already practicing a selection process similar in certain respects to that of TVA. For example, the core of HVA selection process is the personal history record of the applicant.

However, HVA can improve its present system by adopting TVA's practice of qualitative and quantitative analysis. Following are the aspects of the TVA's personnel system which the HVA can adopt regardless of the environmental differences between the two Authorities:

1. HVA can adopt TVA's practice of qualitative and quantitative analysis in order to ensure selection on the basis of merit.

2. With respect to the selection of workmen and labour HVA can learn from TVA's experiences of workmen examination.

3. Finally, HVA can supplement its analysis of the personal record to determine the relative qualifications of the candidate by adopting TVA's practice of cross references and interviews.

An important problem which needs to be considered, and for which TVA's experiences does not suggest any answer is this. The qualitative analysis presupposes the existence of previous records. Candidates who are recruited directly from schools; and those who, for the first time, enter government services do not have records to determine their qualification for a particular position. On what basis then will HVA be able to evaluate their fitness? Such cases, in the opinion of the writer, should be met through placing the candidate on probation. All such candidates should be required to pass through a period of probation which may differ with different groups of positions. After satisfactorily passing the period of probation, the candidate should be permanently appointed to the position.

The period of probation to be useful, presupposes that the direct supervisor of the probationer should be consciously aware of his probationer. The probationary period should not only qualify the probationer for a particular position. It may be found that the probationer

is better qualified for another position rather than the particular position for which the candidate was recruited. In addition to the fact that probation will guide the personnel office to determine the qualifications and aptitudes of the candidates it will also help the candidate to get acquainted with the atmosphere of the work, the purpose of the agency, and the specific requirement of the position which cannot always be determined through qualification tests. In this sense, the probationary period will prove to be a part as the employee's development and training.

Promotion:- From our discussion in the previous chapter it can be gathered that TVA has not considered it desirable to develop a formalized promotion procedure. The following are the standards on the basis of which promotions in TVA take place. First, promotion on the basis of merit and of efficiency and cross organization. Second, primary reliance on the judgment of supervisors to take the decision. Third, promotion from within the organization rather than without.

To ensure adherence to the above standards, and to ensure fair treatment in promotion, TVA has adopted two practices. First, searching the files of the employees to determine the qualification available in the organization, as well as considering outside stocks when a position is to be filled. Second, making occasional postings of the vacancies and encouraging the employees to add to their records periodical statements of their recently gained training and experience. Such is the blueprint of TVA's promotion procedures.

Let us now transplant this blueprint of TVA's promotion system to HVA's environment and examine how far the system can survive in the new environment.

The first and the most important factor which will condition the transplanted system, is the present rank concept, on the basis of which, promotions in HVA take place. According to the present rank system promotion from one rank to the other is rather automatic provided the three conditions of vacancy; priority and satisfactory register record, are realized. Thus, the present promotion system in HVA is closely connected with the rank system in the service.

From the discussion above it can be concluded that the adoption of TVA's promotion system by HVA presupposes the replacement of the present rank system in HVA. The question which arises, however, is whether HVA is likely to replace its present rank system or not. Under the present conditions it seems unlikely to assume that HVA can replace its present rank system.

There are some reasons which make such replacement unlikely. First, the rank system in the Afghan Civil Service is sanctioned by law to which HVA is, of course, subject. Therefore, HVA is unable to remove this legally-sanctioned system unless the whole process of new legislation is gone through. The second reason for such unlikeliness to remove the rank system is that the rank concept and its associated social prestige, plus the relatively easy mobility of the government officials to higher ranks under the present rank system are the main factors which induce competent persons in the society to enter governmental service. Therefore, the removal of this system in HVA will, to a great extent, discourage the application of qualified candidates to the Authority, especially when everywhere else the system is in force. Those two reasons make it unlikely for HVA to remove at present the rank system.



The question then is, can HVA under the present rank system adopt the blueprint of TVA's promotion system? The writer's answer to this question is that HVA cannot adopt the blueprint of the system as a substitute to its present rank system. However, HVA can adapt the system to its own environment and can thus utilize TVA's experience. How this can be done is discussed in the following section under the classification of position.

Position Classification:- From our discussion about position classification system of TVA, the system can be characterized as follows:

1. In its broadest classification, the plan sets up six groups of services consisting of professional, sub-professional, clerical-administration-fiscal, custodial, inspectional and investigational, and educational.
2. Each service is further divided into occupational groups, each of which includes all positions of related activities within a service.
3. Each occupation group is further divided into services, including all positions in an occupational group closely associated with each other.
4. Each service is divided into grades in accordance with differences of degree and responsibility, with the number of grades varying according to the type of service.
5. The TVA has accepted the practice of class specification, but has been gradually avoiding long and wordy job descriptions.
6. TVA has tried to coordinate position titles with the technical and engineering nature of its tasks.

7, The classification plan has continuously been administered in TVA through "functional" and organizational review of the newly created position or the existing position the status of duties of which is changed. Such reviews are made by the personnel department through active studies and investigations, conducting surveys, if needed, and desk audits.

Such being the blueprint of TVA's position classification plan let us now transplant the system to HVA's environment and examine it under the new environmental conditions. At the outset two problems which may hinder the establishment of the plan should be considered. The first problem is that, the establishment of the plan needs the technical knowledge of "know how" to install the plan. This problem can be overcome by providing the required staff possessing the technical knowledge.

The second problem which needs to be considered is the coordination of the plan with the present rank system. We saw in the previous discussions how the present system of HVA personnel is based on the concept of rank, and we also saw the conceptual differences between the position classification system and the rank system. Furthermore we discussed how unlikely it is for HVA to replace its present rank system. The question which, therefore, needs to be asked is, will HVA be able to adopt TVA's system of position classification?

The writer's answer to this question is positive. The author believes that HVA can integrate TVA's system of position classification to the present rank system. The following are certain suggestions which the writer believes can support the proposal. Before proceeding further the reader is asked to turn to Appendix II and get acquainted

with the present rank system of HVA, and the time requirement for each rank.

Once the position classification plan is made up in accordance with TVA's blueprint, then the next step will be to integrate the plan with the present rank system. This can be done by specifying the required rank standing of the employee for each position. Such specification should be made in terms of the time requirement of practical experience for each position. Thus, for each position, three things should be specified: the qualification in terms of academic performance, the qualification in terms of practical experience, and the rank qualification. The time requirement for practical training should be set up in such a manner as to correspond with the particular rank which should be associated with the particular position. To take a hypothetical example, suppose that the required qualifications for position "A" are specified as follows. A degree of B.S. in Civil Engineering and two years of practical experience. In this example the time requirement for practical experience is set in such a way as to associate rank eighth with this particular position. Therefore, the third qualification which should be specified for this particular position is rank eighth. In this manner, for each position, in addition, to other qualifications, the specific rank requirement should be specified.

The next problem which needs to be considered, (after the required rank is associated with each position as a qualification for that position) is the correspondance of the time required for promotion from one rank to the rank above, with the time required for passing from one grade to the grade above within the same service. To do

this, it will be necessary to equalize the period of experience required for promotion from the present grade to the grade immediately above, with the time required for promotion from the rank corresponding to the present grade to the rank immediately above. Thus, in our example above, supposing that the engineer has completed the legally required time in his rank eighth and is now eligible for promotion to rank seventh. The next grade just above which should correspond to rank seventh should stipulate the requirement of three more years of experience after reaching rank eight. This period of three years will correspond to the legally required period between rank eight and seven, and thus the legal provisions will be safeguarded.

The second problem which arises, concerns position titles. This problem is important because of its connection with the national budget. At the end of every fiscal year, the Authority is required to estimate its expenditure for the following fiscal year. The main item among expenditures is the salaries. This item under the present rank system is estimated on the basis of the total number of ranks each of which stands for a particular position. Furthermore the titles of positions under the present system are based on the corresponding rank rather than the position itself. The question which then arises is, how to reconcile the position title under the position classification system with the rank title under rank system? One way which can be suggested to solve this problem is that each position title should carry with it the corresponding rank or a rank associated with the position.

Such will be some of the problems which may arise if HVA adopts a classification plan. It should, however, be noted that once the plan

is installed it is not final by any means. The plan needs a continuous administration; and appropriate allowances should be made to maintain the flexibility of the plan. Changes may occur frequently particularly at the earlier stages of the plan.

The plan must not become an end in itself aloof from the needs of the situation. It is of great importance for the success of the plan to convince employees of the wisdom of the plan and induce them to the utmost degree to take part in constructing and maintaining the plan. Unless the employees are convinced of the advisability of the plan, and of the fact that the plan is in their interest as well as in the interest of the organization and better management, the plan can have very little prospect of success.

Pay Policy:- Once HVA constructs its classification plan, then the next step will be to coordinate its pay schedule to the plan. The writer does not attempt to suggest the amounts which the Authority should pay since this depends on the situation and legal stipulations. One thing which deserves stress is that HVA must standardize its salary scales and adopt the principle of equal pay for equal work. The present unfavorable experiences which HVA is going through are enough reasons to convince the Authority of the importance of a standardized pay schedule and equal pay for equal work.

How the pay schedule for HVA should be, and how many grades and within-grade steps should be inserted in the schedule are questions which cannot be answered except in the light of the situation. The following are, however, certain suggestions which may be adopted in the light of TVA's experiences in this respect.

1. The pay schedule should be constructed in such a way as to

ensure the employee of enough chances of within grade advancement. This chance of advancement will serve as an incentive for the employee.

2. The time required for within grade advancement should be coordinated with the time required for promotion from one rank to the rank above. Thus, by the time the employee reaches the end of his grade, he should have completed his time requirement for promotion from the present rank (which corresponds to his present grade) to the rank above (which corresponds to the grade above). Thus, the present rank system can serve two things in constructing the pay schedule. First, it determines the number of grades and the group of grades. Second, it determines the number of within grade steps.

3. The present system of performance evaluation for rank promotion should be maintained. However, the supervisors should be made conscious of their responsibility for evaluating their employees. This evaluation takes place (according to the present system) at the time of promotion, that is, when the employee reaches the end of his grade (according to the suggested plan). This evaluation should be supplemented by periodic merit evaluations when the employee moves from one step to the next step within the same grade.

4. Finally, as all other aspects of the new system, pay schedules should be continuously administered, and made flexible enough to allow for changes if required.

Employee training and development program: It is very important for HVA to develop a training program. A training program is specially important for HVA, because of the fact that the Authority can rarely recruit employees already trained in the kind of work with which HVA is concerned. What methods of training should be adopted cannot be

answered unless they are considered in the light of the particular situation. One thing which should be stressed is that in training its employees HVA should take full advantage of the opportunities offered by such organizations as ICA for training its employees abroad. Other methods of employee training which can be suggested are in-service training through conferences, directed readings, job rotations, discussion groups, and so on. It will be advisable for HVA to use the period of probation not only as a means of selecting the best qualified candidate, but also as a period of extensive training and orientation to acquaint the employee with the requirements of the position.

Employee Relations Policy: The most important environmental factor which has contributed to TVA's employee relation policy is the presence of organized labour and professional unions. HVA is not in a position to encourage such organizations among its employee, mainly because of the present political setting of the county. In spite of this much of the problem can be solved if HVA adopts some other techniques from the TVA, which have contributed toward the establishment of good employee relationship in the TVA. The following are some of these techniques which HVA can adopt from TVA, and can apply them in her own environment.

1. The most important of these techniques for HVA's management will be to place more faith in human elements as the most important means toward achieving the end. This can be easily done through delegation of proper authority and allowing the employees on operational levels to take some of their own decisions. The writer does not see any clear device as to how much authority should be delegated. This is certainly a matter of good administration and proper evaluation of the

situation. What the writer is trying to suggest is that the employee cannot develop a sense of responsibility, and a sense of interest, enthusiasm and team work unless he is shown and give the opportunity that his participation in making the decision is important and that his decisions carry some weight. One way to achieve these ends is to delegate proper authority to the employee and place some faith in what he is doing.

2. Another technique which HVA can learn from TVA's experiences in connection with its employee relation policy is handling grievances. In this respect HVA can adopt the TVA's formula of keeping a balance between the authority of supervisors and their subjection to certain overruling of their mistakes. To maintain such a balance, HVA can further adopt the TVA experience of fitting grievances into the normal procedures of line administration rather than setting special appeal boards having quasi judicial functions outside the administrative line. The writer suggests this system because of its merits of flexibility and efficiency.

3. Other techniques which HVA can learn from the TVA's experiences for establishing a good employee relation policy are:

(a) HVA should provide for employee participation. This can be done by adopting the TVA's technique of encouraging employees to express their suggestions concerning the ways and methods of work improvement.

(b) Finally HVA can learn from TVA's practices of employee protection to provide for a standard program concerning the welfare and health conditions of employees.



Final Conclusion:

In this chapter we tried to show how far HVA can learn from, and adopt the TVA's experiences in order to meet some of its problems in the field of its personnel management. The purpose behind the discussion was to verify the hypothesis to the effect that: HVA can learn from the experiences developed by the Tennessee Valley Authority, and thus can adopt and adapt TVA's system of personnel administration as a model.<sup>1</sup>

On the basis of what we discussed in this chapter the following conclusions can be reached.

1. In some cases such as recruitment, selection, and some aspects of employee relation program HVA can adopt the blueprint of TVA's personnel system.

2. In other cases, such as appointment and promotion, HVA can neither adopt nor adapt the blueprint of TVA's experience.

3. In still other cases, such as position classification, and pay schedule HVA can adapt and modify the TVA's blueprint.

The above three conclusions suggest the following points: first, as far as this study is concerned, these conclusions confirm the hypothesis, which was put forward for investigation. Second, the above conclusion provide the following answer to the general problem, which was posed at the outset of this study. Strictly speaking, it is not enough for an administrator only to transplant an administrative system from an environment where the system has developed successfully

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1. See p. 2.

to a different environment. However, it is possible to transplant and adapt the system to the conditions of the new environment.

A P P E N D I C E S

APPENDIX I

RULE OF PROCEDURE FOR

THE DEVELOPMENT OF THE HELMAND VALLEY

(20 Acrab, 1331)

To conserve and develop the land and water resources of the Helmand River basin; to provide for flood control of the Helmand River and its tributaries; to provide for land reclamation and development of agricultural resources of said valley; to provide for settlement of government-owned and other lands; to provide for industrial development; to provide for the national welfare by the creation of an authority for the operation of government properties in and near the Helmand River Basin; and for other purposes.

Article 1

(a) For the purpose of maintaining and operating the properties now owned by the Government of Afghanistan in and near the Helmand River drainage basin, in the interest of the national welfare and for the conservation and development and use of the nation's land and water resources, and for land reclamation and settlement and agricultural development, and to control the destructive flood waters in the Helmand River and its tributaries, and for industrial development and hydro-electric power development, there is hereby created an authority by the name of the "Helmand Valley Authority." The board of directors first appointed shall be held to activate the Authority from the date of the first meeting of the board.

(b) The board of directors of the Helmand Authority shall be administratively responsible to the Prime Minister, through the Supreme Council for the Helmand Valley as hereinafter provided.

(c) The Supreme Council for the Helmand Valley shall include in its membership the president of the board of directors of the Helmand Valley Authority. The Supreme Council for the Helmand Valley will consult and advise with the board of directors of the Helmand Valley Authority on major policy matters affecting Helmand Valley Authority plans and programs as requested by said board; Provided, however, the following matters must be referred to the Supreme Council:

1. Contracts with foreign firms
2. Plans to encourage domestic private capital investment in the area.
3. New projects and modification of existing projects.
4. Financial needs in excess of the regular budget.
5. Annual budget (for approval).
6. Annual report on operations and finances.
7. Matters outside the authority of the HVA Board.

#### Article 2

(a) The board of directors (hereafter referred to as the "board") shall be composed of three members, to be appointed by the Prime Minister, by and with the advice and consent of His Majesty the King of Afghanistan. In appointing the members of the board, the Prime Minister shall designate, the President. The other two members of the board shall be Vice Presidents. All other officials, agents, and employees shall be designated and selected by the board.

(b) The terms of office of the members first taking office shall expire as designated by the Prime Minister at the time of nomination, one at the end of the third year, one at the end of the sixth year,

and one at the end of the ninth year, after the date of approval of this Rule of Procedure. A successor to a member of the board shall be appointed in the same manner as the original members and shall have a term of office expiring nine years from the date of the expiration of the term for which his predecessor was appointed.

(c) Any member appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(d) Vacancies in the board so long as there shall be two members in office shall not impair the powers of the board to execute the functions of the Authority, and two of the members in office shall constitute a quorum for the transaction of the business of the board.

(e) Each of the members of the board shall be a citizen of Afghanistan. In addition to his salary, he shall be permitted to occupy as his residence one of the dwelling houses owned by the Government. Members of the board shall be reimbursed by the Authority for actual expenses (including traveling and subsistence expenses) incurred by them in the performance of the duties vested in the board by this Rule of Procedure. No member of said board shall, during his continuance in office, be engaged in any other business, but each member shall devote himself to the work of the Authority.

(f) No member of the board shall have financial interest in any public utility organization engaged in the business of distributing and selling power to the public nor in any business that may be adversely affected by the success of the Authority as a producer of electric power or as a controller of water rights.

(g) No member of the board nor any permanent employee of the Authority may own agricultural land in the Helmand Valley or an interest in any industrial or commercial concern doing business with or within the sphere of operation of the Helmand Valley Authority.

(h) The board shall direct the exercise of all the powers of the Authority.

(i) All members of the board shall be persons who profess a belief in the feasibility and wisdom of this Rule of Procedure.

#### Article 3

(a) There is hereby created a Regional Advisory Council for the Helmand Valley to be composed of five members appointed by the Helmand Valley Authority board from among members of the Government or other persons having special competence, and the board shall designate a President and Vice President from the membership of said Council. A majority of the members, including President or Vice President shall constitute a quorum and all decisions shall require the affirmative vote of a majority of the membership.

(b) It shall be the duty of the Regional Advisory Council for the Helmand Valley to consult and advise with the board of the Helmand Valley Authority as requested by such board.

#### Article 4

The Helmand Valley Authority board is hereby authorized to request the assistance of any Ministry of Provincial Government to enable the Authority to carry out its powers and obligations successfully.

#### Article 5

(a) The board shall appoint such managers, assistant managers, officers, employees, attorneys, and agents, as are necessary for the

transaction of its business, fix their compensation, define their duties, require bonds of each of them as the board may designate, and provide a system of organization to fix responsibility and promote efficiency. The Authority shall provide housing, community facilities and services, and other amenities for its employees of a character and to an extent deemed necessary by the board to ensure and provide the means for an acceptable standard of living for such employees. Any appointee of the board may be removed in the discretion of the board.

(b) All contracts to which the Authority is a party and which require the employment of laborers and mechanics in the construction, alteration, maintenance, or repair of buildings, dams, canals, or other projects, shall contain a provision that not less than the prevailing rate of wages for work of a similar nature prevailing in the vicinity shall be paid to such laborers or mechanics. Where such work is done directly by the Authority the prevailing rate of wages shall be paid in the same manner as though such work had been let by contract, provided that the Board may authorize higher wage rates if necessary.

(c) The board shall select a treasurer and as many assistant treasurers as it deems proper, which treasurer and assistant treasurers shall give such bonds for the safe-keeping of the securities and monies of the Authority as the board may require.

#### Article 6

Except as otherwise specifically provided in this Rule of Procedure, the Authority

- (a) Shall have succession in its legal name.
- (b) May sue and be sued in its legal name.
- (c) May adopt and use a legal seal.



(d) May make contracts as herein authorized.

(e) May adopt, amend, and repeal bylaws.

(f) May purchase or lease and hold such real and personal property including water rights, as it deems necessary or convenient in the transaction of its business, and may dispose of any such property and rights held by it.

(g) Shall have such powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the Authority.

#### Article 7

The Authority is hereby authorized and directed

(a) To assume the responsibilities, duties, functions, and authority of the Royal Afghan Commission for Morrison-Knudson Projects; and the personnel, properties, funds, and other assets of said Commission are hereby transferred to the Authority.

(b) To assume the responsibilities, duties, functions, and authority of the Royal Afghan Commission for Agricultural Exploitation; and the personnel, properties, funds, and other assets of said Commission are hereby transferred to the Authority.

(c) To assume responsibility for administration on behalf of the Government of the contracts currently in force with Morrison-Knudsen Afghanistan, Inc.

(d) To develop and administer programs for the further development of the Helmand Valley projects, including land use planning and housing, land reclamation and settlement, range management and livestock improvement, afforestation of lands suitable for the growing of trees, agricultural and other necessary services and assistance to settlers,

agricultural research experimentation and demonstrations, village and community development and improvement, health and sanitation and education services and improvement programs, water control operations, irrigation systems development and operations, and such other plans and programs as may be deemed by the Authority to be necessary or desirable for implementing and maximizing the potential social and economic benefits created by the construction of the Arghandab, Kajakai and Boghra projects and associated works.

(e) To make industrial and agricultural studies and plans for the further physical and economic development of the Helmand Valley.

#### Article 8

The Helmand Valley Authority shall:

(a) Maintain its principal office in Girishk or Kandahar Province.

(b) Be at all times required to maintain complete and accurate books of accounts, and may prescribe its system of accounting.

(c) File at the end of each year a financial statement and complete report of the business of the Authority covering the preceding governmental fiscal year.

(d) Prepare and submit its own annual budget in accord with general governmental budgetary policies: Provided, however, that the structure and details of presentation shall be designed to define clearly major categories of projects and activities and the justification therefore, while retaining sufficient flexibility and delegation of discretion to the board as required to meet the operating needs of the Authority; and provided further, that the board shall prescribe the Authority's internal budgetary control system.

(e) In the discretion of the board, prescribe its own procurement policies and procedures: Provided, that such policies and procedures shall be consistent with good business practices, and shall protect Government interests and permit flexibility of operations: And provided further, that Authority may utilize the procurement and importation services of foreign contractors.

Article 9

The board of the Helmand Valley Authority is hereby authorized and directed to formulate and recommend any necessary legislative proposal needed to define further and provide for the efficient discharge of its planning, development and operating responsibilities.

APPENDIX II

LAW FOR THE APPOINTMENT, PROMOTION AND

RETIREMENT OF CIVIL OFFICIALS

IN AFGHANISTAN.<sup>1</sup>

Section A. Appointment:-

1. Those who are employed to perform government services, and are paid out of government budget, and are obliged to yield their "personal-record"<sup>1</sup> and "register"<sup>2</sup> are known as officials.

Note: Those government employees who serve in non-governmental institutions at the intention of government and reservation of their ranks, are also recognized as officials.

2. Conditions for entering official service are: (a) Afghan citizenship; (b) passing the eighteenth year of age; (c) having good morality, and not being condemned by charges against character and chastity.

Note: Investigation, that an official should not have been condemned by such charges, shall be made from the police headquarters in the residence of the official, during the probation period of the official. (d) Having completed the military service, if the candidate

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Note: The contents of this Appendix is translated from the original text of the law of 1954; second printing.

1. The term "Personal-record" as used in this translation refers to a special form which represents all the information concerning the official career of the officer. A translated copy of this form is produced in Appendix III.

2. The term "register" as used in this translation denotes that special form which must be filled by the direct superior of an official when the official is placed on promotion list. A translated copy of this form, which represents occasional personality evaluation of official is produced in Appendix IV.

in between 24 - 29 years of age, or possessing the required documents which indicate his exemption from the service; (e) Not suffering from such communicable diseases as are certified by health authorities, and being free from such physical and mental deficiencies which hinder the proper performance of one's duties.

3. All government officials are categorized according to the following thirteen ranks: First rank, second rank, third rank, fourth rank, fifth rank, sixth rank, seventh rank, eighth rank, ninth rank, tenth rank, eleventh rank, twelfth rank, thirteenth rank.

Note: Official titles and their salary grades are given in the general budget and organization.

4. Candidates having a primary school certificate shall be accepted at rank thirteenth. Those with intermediate school certificate shall be accepted at rank twelfth, and those having secondary school certificate, or equivalent professional school certificates, shall be accepted at rank tenth. Those who have the degree of "licence" shall be accepted at rank ninth. Those officials who have been in service prior to the enforcement of this law, in case their ranks are below the ranks specified in this article, they shall be automatically promoted to the ranks corresponding to their degrees in accordance with the stipulations of this article. Candidates who do not have official school certificates or degrees, and have received education privately, shall be given an examination by an examination board and thus shall be ranked between rank thirteenth and eleventh. In case the number of such candidates is great, acceptance shall take place on the basis their merit and performance score.

Note 1. Academic years of more than licence, if certified by the necessary documents, and accomplished within the assigned period shall be compensated for by advancing the official, or giving him the corresponding rank. Similarly, academic years of more than "bachelor" and less than "licence" shall also be compensated for by advancing the official. Academic term for "licence" is accepted to be three years.

Note 2. Those who have private education and are ready, in accordance with the regulations of the Ministry of Education, to take the examination equivalent to the standards of intermediate, secondary, or licence, are allowed to participate in the exams which are given for acquiring these degrees. In case they pass they will be given the corresponding degrees, and thus, they will become eligible to benefit from its rights.

5. Those who satisfy the conditions of article two, and are accepted at rank thirteen, twelve and ten, shall be placed on probation starting from the date of entering the service until six months. At the end of this period the chief of the office concerned shall fill a "register" for the probation, evaluating the moral character, and ability of the candidate. The case of those with unsatisfactory register shall be further investigated by a board. In case the board also confirms the unsatisfactoriness of the register, the candidate shall be removed from the office by the order of the chief officer. Such candidates shall be given another opportunity, and be placed on probation in another office. Such candidates are paid for their period of probation according to the rates of their respective ranks.

6. Those who are accepted as officials shall according to separate regulations take the oath that they will not commit treachery against His Majesty the King, the Nation, the Country, and all laws and regulations. That, they shall always try their best to spent their efforts for the progress, improvement and development of the country.

7. The minimum period of service which an official must spend in each rank is as follows:

- a. For officials of the second rank three years.
- b. For officials of the third rank four years.
- c. For officials of the fourth rank four years.
- d. For officials of the fifth rank four years.
- e. For officials of the sixth rank four years.
- f. For officials of the seventh rank four years.
- g. For officials of the eighth rank three years.
- h. For officials of the ninth rank two years.
- i. For officials of the tenth rank two years.
- j. For officials of the eleventh rank two years.
- k. For officials of the twelfth rank two years.
- l. For officials of the thirteenth rank two years.

8. Appointments, transfers and promotions of officials are made by the following authorities:

(a) Officials of the first and second ranks are proposed by the ministry concerned, ratified by the "Council of Ministers" and approved by the King.

(b) Officials of ranks third, fourth, and fifth are proposed by the ministry concerned and approved by the Prime Minister.

(c) Officials of ranks sixth, seventh, and eighth, are proposed by the concerned officers, and approved by the Minister.

(d) Officials of ranks ninth, tenth, eleventh, twelfth, and thirteenth are proposed by the concerned officers and approved by the Minister in the Capital and Wallies and High Governors (Hakim-i-Ala) in provinces.

Note: Authorities who give the primary "register" shall not have their relative under their direct supervision. Relatives are one's father, son, brother, nephew, father-in-law, brother-in-laws, cousins, uncles and sons-in-law.

9. Government officials can promote one rank at a time. However, in the time of need when no competent person is available for a high position, a person from lower ranks may be assigned to act for the position according to the provisions of article eight. Such persons act only for one rank above his rank. Teachers and experts can act for three ranks above their present rank if needed.

10. An official cannot promote until the following conditions realize: vacancy of position, completing the minimum required period of service in one's present rank, acquiring satisfactory "register" and competence in discharging the duties of the new position. Officials who are on equal footing with respect to the last three qualifications, promotion to the position shall be decided on the basis their seniority. In case they also have equal standing with respect to their previous ranks, then their degree of education shall be considered.

11. Officials who are on trial in connection with their duties, their promotion, if it comes, shall be postponed until the result of their trial is known. If such officials receive acquittal, their promotion



shall take place from the time of their entitlement to promotion, provided there is vacancy.

12. Officials who retire because of sickness, incapacitation and abolishment of their post, may reenter the service at their previous ranks, after their legal obstacles are removed. The period of retirement though sickness, and unemployment is not to be taken into consideration. The period of retirement because of incapacitation, however, is to be included within the period of service.

13. Officials who come under trial in connection with their official duties are entitled to their salaries and other rights, if they get acquittal. Such officials can not be replaced from their position until the result of their trial is known, where the position needs to be filled instantly, or where the appointment of the same officer to the same position does not seem suitable.

The period of trial for such officials is to be counted in the service. Officials who come under trial because of offences committed in their private capacity cannot benefit from the stipulations of this article except for their salaries.

14. Officials who are summoned to the military service, can reenter the Civil Service after completing their term in the army. The time thus spent in the army shall not be counted for promotion, whereas it is counted for in the advancement for retirement.

15. Absences without legally acceptable reasons shall not be taken into account for advancement of the official.

16. Officials who according to paragraph (a) of article 22 are transferred from one ministry to another ministry, or from Civil

to military service, the period of their previous service shall be taken into account for their advancement. Members of the "National Council" who have not been in the service previously, can enter the service at a rank agreed upon by the government after they complete their term of representation. Officials who become members of the "National Council" can reenter the service after they complete their term of representation provided there is a vacancy present, and the government agrees. The term of their representation shall be taken into account for their advancement, provided that their promotion, as a result of this advancement, does not exceed more than two ranks.

17. Officials who cannot receive good "register" with respect to the performance of their duties in one office shall by the order of his superiors be transferred to another office at their present rank. If they are still unable to show ability in the new office they will be then retired by the order of the same superior.

18. Officials who remained unemployed because of the abolishment of their position, shall be paid with full payment from the date of the abolishment of their positions until two months, and half of their payment from the second month until four months. In case they do not get employed in any government post after this period of six months, they will be retired. If within this period they are offered a position according to their ranks, but they turn the offer down without a reasonable cause, they shall be considered resigned in accordance with article 34.

19. One person cannot have two posts at the same time.

20. Those officials who are captured as war prisoners, their

period of such imprisonment shall be added to their service term, if they get acquittal after trial.

21. No official is to be compelled for more than two months to act for another position. Such officials who act in other positions in addition to their own duties shall, after acting for two months, be paid one fourth of salary of that position. On the other hand, if an official is acting in an administrative position his salary shall be increased by one seventh of the rank just above his rank. The total of one's basic salary and the increment paid for acting for a position should not exceed the salary of the rank which is acted for.

Note: Officials who come under one title, and are within the same category can act for a position in the same category. Since their duties are the same, therefore, they cannot be paid the increment for acting for the position.

22. No official can be transferred from one position to another position, until he completes the minimum period required for his promotion, except in the following cases.

A. If the transfer of an official is agreed upon between the ministries.

B. If the administrative policy requires.

C. If the transfer takes place for certain reasons connected with the health and physical conditions of the official.

D. The officials of the Ministry of Foreign Affairs after they marry foreign wives.

23. Officials who become sick are granted annual sickness leave of one month with full salary. Leave for continuous sickness in addition

to the period of one month, which is certified by official doctors shall be granted on the basis of each five years term in service in the following manner:

(a) Those who have been in service for five years shall be granted sickness leave of three months with full payment, after which they shall be retired.

(b) Those who have been in service from 5 - 10 years shall be granted sickness leave of six months with full payment, after which they shall be retired.

(c) Those who have been in service for more than ten years shall be granted one year sickness leave with full payment after which they shall be retired.

Note: Such sicknesses are to be certified by local governors in places where official doctors are not available.

24. Officials who go to prison because of committing a crime outside their official duties, shall be treated in the following manner.

(a) If their imprisonment is for a period of 6 (six) months, their official rights shall be reserved for them, except that they do not deserve payment for the stated period.

(b) If their imprisonment is from six months to one year, they will be discharged from their posts. However, they can be put on the waiting list after they complete their term of imprisonment, and thus can reenter the service.

(c) If the term of their imprisonment is more than one year, then they shall be retired.

25. Each official shall be given in return to a fixed price, an identification card during every promotion, which shall carry the photo of the official.

26. Official titles, and ceremonial occasions are specified according to separate regulations. No one can use such official and ceremonial occasions except government officials.

Section B. Merit Certificates:

27. Officials who show activeness and ability in their duties shall be gratified through awarding a merit certificate. Merit certificate must carry the reasons for which it is issued.

28. Merit certificates according to their importance are divided into three classes, of first, second and third.

29. Merit certificate of the first class is issued either directly by His Majesty the King, or through the heirarchy channel. Such certificate is awarded to an official who has rendered excellent services during the time of war or internal disturbances. Officials who receive such certificates are entitled to a promotion of one rank, provided they have already completed half of the term within their present rank.

30. Merit certificates of the second class are awarded to those officials who have shown excellent accomplishment in their duties. Such certificates are signed by the Prime Minister, and grants the official one year of advancement in his present rank.

31. Merit certificates of the third class are awarded to those officials who have shown better accomplishment and ability in their duties than their companions or colleagues. Such certificates which shall be signed by the Minister concerned, awards the receiver with

three months salary as reward.

Section C. Resignation:

32. Every official has the right to resign from the service in accordance to the provisions of this section.

33. Those who have had their education on the account of government in any school or professional and specialized institution are obliged to serve the government for the specified period of time according to separate regulations; after which they become entitled to resign.

34. Resigned officers, after they leave the service cannot reenter the service until after one year. However, if they want to enter the service after one year, they will be accepted at one rank below their present rank.

35. Application of resignation shall be offered through the hierarchical channel to those authorities who are authorized to grant the appointment of the resigning official.

36. The resigning official shall continue with duties until two months, in case he does not receive the answer for his application. In such case he is entitled to be paid for the period. However, if after two months he still does not receive the answer, then he can leave his post after informing his superior. Those who resign because of urgent reasons can leave their post without waiting for the answer after they notify their superiors. In the time and place of war, internal disturbances and epidemic diseases the resigning official cannot leave his post until some one else is appointed to the post and takes over the duty.

37. Those officials who have financial and accounting responsibilities can resign. However, they cannot be actually released from the duty until they clear up their responsibilities.

38. Officials who are owing money to the government at the standing of their official status can resign, but they cannot be released until they pay their debts, or guarantee legally that they will pay their debt within a specified limit of time.

39. The term of one year specified in article 34, is applied in the case of officials who are in debt to the government or who have financial responsibilities, from the date of the certificate of their separation.

40. Resigning officials who perform sharing duties, shall by the order of their superiors, turn their duties over to their sharing companions. If the resigned officer does not share his duties with any other official, should submit all the official documents to the person introduced by the chief of the office.

41. Officials who are sent abroad on government scholarships, cannot resign until they return to their country.

42. Officials who are transferred from one post to another, but without reasonable causes reject the new post, shall be considered resigned. If such officials apply for the service, they shall be accepted at one rank below.

43. An official who is appointed to a post, is obliged to attend to his post within a period of twenty days after receiving the post. If he does not attend the post within the stated period, without the permission of his superior or without reasonable causes, he shall be considered resigned.

44. Collective resignation of several officials working in the same office is forbidden.

Section D. Retirement:

45. All Civil officials acquire the right of retirement at the end of thirty years of service.

46. All Civil officials shall be retired under the following conditions:

(a) Reaching the compulsory age of retirement. This age is from 60 - 65 years for the officials of the first and second ranks; from 55 - 60 years for the officials of the third, fourth, and fifth ranks; from 50 - 55 years for the officials of the sixth, seventh, eighth and ninth ranks; from 45 - 50 years for the officials of the tenth, eleventh, twelfth and thirteenth.

(b) Incapacitation caused outside duty.

(c) Sickesses mentioned in article 23.

(d) "Register"

(e) The decisions and orders of courts.

(f) Remaining in one rank for ten years.

(g) Abolishment of one's position.

47. Civil officials become members of the retirement system from the following dates:

(a) Officials with "high education," become members from the date they start "high education."

(b) Officials with no high education become members from the date they enter the service.

Note: High education is education above high school level.



48. Officials who after they have reached their compulsory age of retirement are still needed in the service for their useful expert service can continue in the service by a decree of the Council of Ministers, and the approval of His Majesty. However, their extended service must not exceed more than five years.

49. The same Authorities which grant the appointment of an official are also authorized to grant retirement for the same official.

50. Officials who retire because of completing the number of years in the Service, or because of reaching the age of retirement, or because of sickness, their retirement allowances shall be computed on the basis of their latest salaries. But the retirement allowances of those who retire because of their "register," or because of remaining in the same rank for ten years, or because of the commandment of the court, shall be counted on the basis of that salary which the official has received for one full year.

51. Retirement pensions start from the beginning of the month next to the one in which the official leaves his post.

52. Retirement pension for those who retire because of completing thirty years in Service shall be 60 percent of the basic salary of their last rank.

53. Retirement pension for officials who after completing thirty years in the service do not apply for retirement and continue in their service shall be computed by multiplying  $1/50$  their latest salary by the number of years served.

54. Those who retire according to articles 46 and 47 shall be treated in the following manner.

(a) Those who have served for five years shall be paid two month salary in cash and released.

(b) Those whose service term is more than five years up to fifteen years, they shall be paid an amount computed by multiplying their latest salary by the total number of years served, and thus they shall be released.

(c) Those who have served for more than fifteen years, their annual pensions for each of service shall be fixed by multiplying 1/50th of their basic salary for that year by the number of years served.

55. Retire allowances shall not exceed more than 85 percent of the basic salary.

56. Those who because of certain necessity reenter the service, shall be reaccepted at their previous rank. Their second period in service shall be added to their previous term in the service. If they are promoted during the second term, and retire after such promotion, their pensions shall be computed on the basis of their latest rank, and the total number of years in service. The same process will be repeated if they enter the service for a third and fourth time.

Note: Payment of pension for those who reenter the service shall be postponed as long as they are in the service. However, those who receive employment in a private enterprise, or enter government official with unofficial status, or are elected for the "National Council" their pensions shall be paid continuously.

57. Those officials who commit such crimes outside duty which sentence them by one year imprisonment shall be considered retired.

58. Officials who retire because of sickness, incapacitation, and abolishment of their post, and reenter the service in according to article 56, their pensions shall be postponed.

59. Retired officers who commit such crimes which sentence them to death, exile, or imprisonment; their retirement allowances shall be paid in accordance to article 76.

60. Retirement pensions of those, whose commitment of national treachery is proved through trial, shall be eliminated.

61. Retired officers who, without the permission of government, enter the service of a foreign country, or leave their citizenship, shall be deprived of the right of retirement.

62. Pensions of those who travel abroad for acceptable reasons shall be paid by their legal agents in the home country.

63. Those who under the provisions of this law become entitled to receive retirement pensions, shall be given a certificate. The holders of this certificate shall register their presence once every year by attending the local authorities within the country, and the Afghan delegations in foreign countries. Payment of allowance of those who do not register their presence shall be postponed. Those who remain absent for three years, for justifiable reasons such as sickness, imprisonment, shall be paid for the whole period of absence.

64. Retired officers who move from one place to another place shall report their new address to the authorities concerned, which authorities are obliged to transfer their allotments to their new residence.

65. The age of the retired person shall be counted on the basis of solar calander, and from his identity-card.

66. A friction of six months or more in the period of service shall be counted as one year. A friction of less than six months in the period of service shall not be taken into account.

Section E. Incapacitation:

67. Those officials who while performing their duties have an accident which renders them unable to perform their duties in the future are known as incapacitated. Such persons shall be examined by a committee composed of three official doctors. The committee shall certify and report the degree of incapacitation, and its reason and date, and the report shall be further approved by the Ministry of Health. It is after the approval of this report by the Ministry of Health that the incapacitated shall be placed on incapacitation pension.

68. The degree of incapacitation and the corresponding incapacitation allowances are as follows:

(a) Incapacitation of the first degree : This includes blindness with both eyes in such a way which cannot be cured, or loss of both hands or one hand and one foot. Such persons shall receive their full salary as their pension of incapacitation.

(b) Incapacitation of the second degree: This includes loss of invalidity of one hand or one foot. Such persons shall receive 80 percent of their basic salary as pension for incapacitation.

(c) Incapacitation of thir degree: This include such slight accidents which hinder the performance of one's duties. Such persons shall receive 65 percent of their basic salary as pension for incapacitation.

69. Those incapacitated officials whose pensions have been fixed, shall be examined by a medical board three years after setting their

salary. This board shall identify any change in their incapacitation.

(a) Those who recover, their pensions shall be stopped. They can reenter the service according to their previous rank if they have not reached the age of retirement. If they have reached the age of retirement, then they shall be retired according to article 54.

(b) Those who show a change in the degree of their incapacitation, their pensions shall be set according to the changes and the new degree of incapacitation.

70. These incapacitated officials who reenter the service, their pensions shall be stopped from the date of entering the service.

71. Officials who become incapacitated outside their duties shall be considered retired. Such persons shall be treated according to the provisions of Article 54.

Section F. Orphans and Hiers:

72. Those officials who are killed during war or internal disturbance, or get wounded and die during a besige or under treatment, their orphan shall be paid 75 percent of the pension for the incapacitation of the first degree.

73. Officials who die while performing their duties during a mobilization, or suffer an accident which causes their death instantly or under treatment, their orphan shall receive 65 percent of pension allowed for incapacitation of the first degree.

74. The orphans of those officials who die because of sickness, or accident not connected with duty shall be treated as follows:

(a) Those who have served for less than five years, their orphans shall be paid two months salary.

(b) Those whose service term is from 5 - 15 years, their orphans shall be paid in total one month salary for each year in service.

(c) Those who have served for more than one year, their orphans shall be placed on pension allowance. These allowances are computed by multiplying 1/50th of their latest salary by the number of their years in service as provided for in article 72.

76. When retired, incapacitated and resigned officials die, their local governments shall certify and report their death to the General Directorate of Retirement.

77. Pensions of retirement, and incapacitation shall be distributed among the heirs in such a way, that the amount shall be divided on the number of beneficiaries plus one. Thus, after deducting the share the additional one the rest of the amount shall be shared among beneficiaries.

78. If the monthly allowances of each orphan and heir becomes less than 10 Afghanis, then every one of them shall receive an aggregate amount computed by multiplying the amount into the number of months up to the age of eighteen of the orphan or heir.

79. Heirs of the first class according to this law, are wife and children, and those of the second class are father, mother, unmarried sister, and dependent brother. The second class heirs shall not be paid if heirs of the first class are present, unless the retired or incapacitated person has had expressed his will effectively their inclusion.

80. Pensions shall be equally distributed among male and female heirs. If the share of one member eliminated because of certain legal

reasons, the eliminated part shall not be added to the share of the rest of them.

If the widow of the dead is pregnant, the amount of pension after the birth of the new born shall be divided on the new number of beneficiaries in order to include the new born child.

81. Those widows, daughters, and sisters who receive pensions, shall be deprived of this right after they marry. Sons and brothers shall be paid until the age of eighteen. However, if they are in school, their pension shall continue until they finish high education. If they are permanently incapacitated, their pensions shall continue until the end of their life.

82. Those orphans who deserve various types of pensions shall be paid the type which is the most in amount.

83. Those retired and incapacitated officials who die without leaving any heir, their one year allowances for retirement or incapacitation shall be paid to their nearest relatives as the funeral expenses of the dead.

84. The heirs of the retired officials who die, shall in addition to their retirement pension receive an additional amount as bonus, in the following manner.

(a) The heirs of those retired officials who have served for 30 years shall receive a three month salary plus the normal pension.

(b) The heirs of those retired officials who had served from 20-30 years shall receive two months salary plus the normal pension.

(c) The heirs of those retired officials who had served from one to ten years shall receive one month salary plus the normal pension.

85. The stipulations of articles 60, 61, 62, 63, 64, 65, and 66 are also applicable in case of incapacitated ones and their orphans.

Section G. Administrative Discipline:

86. Disciplinary punishments are of the following types:

- (a) Warning; (b) salary-cut; (c) demotion, (d) suspension, (e) discharge from the duty.

Note: These punishments are divided into two parts. The first part which include warning, salary cut and demotion can be applied by administrative officers. The second part which includes suspension and discharge from the duty can be applied by courts after completion of the required investigation.

87. Warning is to call the attention of the official toward his duties. This can be issued by every superior, and shall not be recorded into the register of the official. Warning is given under the following conditions.

- (a) Carelessness in duty.
- (b) Wasting official time by chatting about things not connected with one's official duties.
- (c) Mistreatment with other office colleague.
- (d) Showing disorderliness in work.
- (e) Performing in an undignified manner.
- (f) Not performing the duties in their proper time, because of neglect.
- (g) Quitting the duty before the official working time.

88. Salary-cut can be from one to fifteen days, and applicable in the following cases:



- (a) Spreading one's duty-connected secrets.
- (b) Causing unnecessary delays and difficulties.
- (c) Ignoring the proper turns of petitioners.
- (d) Leaving the office, for official or non official work, without the permission of one's superior.
- (e) Mistreatment with petitioners.
- (f) Showing indifference toward one's superiors during the official time.

89. Demotion which adversely affects the advancement of an official can be from one to ~~six~~ months. This is applied only by high superiors under the following conditions.

(a) Ignoring the performance of such items which are required by decrees, and regulation.

(b) Spreading the content of such investigations which have been intrusted to the official.

(c) Gambling

(d) Showing impoliteness toward one's administrative superior outside one's duty.

(e) Contempting one's colleagues and subordinates inside duty.

(f) Disobeying the orders of one's superior.

90. Suspension is to suspend the official rights of an officer. This can be from one to three years and is applicable by courts in the following cases.

(a) Taking part in official auctions and tenders, which have been trusted to the official;

(b) Directly entering business.

(c) Contempting one's superior during official time, or in connection to one's duties;

91. Discharge means firing an official in such a way that the official cannot reenter the service. This can be applied by courts in the following cases.

- (a) Becoming accustomed to gambling and using liqueurs.
  - (b) Performing such actions which cause contempt degradation, disgrace, and repulsiveness in the Community.
  - (c) Leaving one's post without acceptable reasons disturbances, and other emergency times.
  - (d) Spreading the confidential contents of the documents related to one's duties.
  - (e) Committing crimes against one's chastity and good character;
- Committing the following crimes:

- 1. Bribery
- 2. Forgery
- 3. Theft and slyness
- 4. False witness
- 5. False oath
- 6. Embezzlement
- 7. Unchastity
- 8. Entering the service of foreign countries and institutions without the permission of government.

92. Disciplinary punishment is applied by the following Authorities.

- 1. Warning can be issued by any superior to his subordinates.
- 2. Salary-cut can be applied by the following authorities in the following manner:

(a) Ministers, independent Presidents, Walies (Provincial Governors) High Governors, from one to fifteen days.

(b) Officials of the first, and second rank from one to ten days.

(c) Officials of the third rank from one to five days.

(d) Officials of the fourth rank from one to three days.

3. Demotions are applied by the following authorities in the following ways:

(a) Ministers, independent presidents, Walies and High Governors from one to six months.

(b) Officials of the first and second rank from one to three months.

Note: If the rank of the superior is equal or below the rank of his subordinate disciplinary punishments shall be applied by the approval of the top Superior.

93. Employees are those native or foreigners who are temporarily hired on the basis of a contract. Such persons are subject to the provisions of Law of Employees, and are not entitled to benefit from the provisions of this law.

94. Those officials who are appointed to the posts of ministry, independent presidency, ambassador, and provincial governor, then official rights are reserved for them until the end of their posts. After ending such posts they can reenter the service at their previous ranks. The resignation of a minister of independent president from the post of ministry of independent presidency shall not be considered as resignation from service.

95. Walies and High - Governors can for security purposes of their locality discharge, at their own discretion, such officials whom they think are dangerous for the security of the place, and can send them to the capital. However, they must give the reasons for such actions of theirs, and complete the required investigations concerning the discharged persons within fifteen days. If the discharged official receives acquittal as a result of such investigation, they shall be appointed to a duty in some other place at their previous rank, and their salary and all other rights for the days of unemployment are reserved for them.

96. The provisions of this law abrogates all previous laws, regulations, and decrees.

APPENDIX III

PERMANANT SERVICE RECORD

OF OFFICIALS

IN AFGHANISTAN

The Ministry of :

The Department of :

The Directorate of :

The Division of :

Name:

Father's Name:

Rank (            ) in the year of.

Permanant Service Record of Officials

In Afghanistan

Page 1

: The Ministry of ( )	: Personnel Office	: Year:
: Name, Father's Name : Identity and Residence		
: The Date of Birth : and Place of Birth		
: The Number, date and : Place of issue of : Identity Card.		
: The Date of Entry : to Civil Service.		

Permanant Service Record of Officials  
In Afghanistan

:	The Ministry of ( ) Personnel Office	Year;	:
:	The Degree of Education and other scientific works.		:
:	Rewards: The reasons, and Date:		:
:	Penalties: Reasons, and Date:		:
:	Literary Works:		:

Note: Each box stands for two or more 14 x 9 inches page in the original form.

Permanant Service Record of Officials  
In Afghanistan

The Ministry of ( )	Personnel Office	Year:
Honorary Services:		
Symbols and Medals acquired.		
Marriage and the number of Children		
Health Record.		
Disposition in Military Service.		
Tours inside the country and abroad.		

See the note on the previous page.







The Information required with respect to the personality of the official

1. Sense of loyalty to His Majesty the King and the country.
2. The sense of sacrifice in duty, and the degree of forever patience, tolema - tion and activities.
3. The degree of effort, continuity and concern in duty.
4. The degree of the power of will and resolution.
5. Is he reliable? Does he have the power of self-control, and self-defence or not?
6. The degree of orderliness and keenness in duty.
7. Morality, behavior and conduct out-side duty.
8. Training and development.
9. Treatment, courtesy and seriousness with petitioners.
10. The degree of obedience to superiors and treatment and behavior with subordinates.
11. Is he deliberate or negligent?
12. What is the total of his absences, sick leaves, and other leaves during this year?
13. Does he have the full ability of performing his duties under the supervision of his superior or not?
14. In which division can he be more successful?
15. What is his vocational speciality?
16. The ability to motivate his subordinates.
17. The degree of adherence to laws, regulations and instructions.
18. Can he shoulder responsibility or not?
19. Does he have the power of decision and accomplishment or not?
20. If there are secret remarks in his register, are these correct or not?
21. Can he improve his weakness under the guidance and instructions of his superior or not?
22. The degree of power and authority of the new rank.
23. Conclusion: (Can he be promoted or not?)

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