7-1-1981

Tennessee Valley Authority: the establishment of a system for the development of agency objectives

Jeffery Randolph Shelton

Atlanta University

Follow this and additional works at: http://digitalcommons.auctr.edu/dissertations

Part of the Public Administration Commons

Recommended Citation

TENNESSEE VALLEY AUTHORITY: THE ESTABLISHMENT OF A SYSTEM FOR THE DEVELOPMENT OF AGENCY OBJECTIVES

A DEGREE PAPER
SUBMITTED TO THE FACULTY OF ATLANTA UNIVERSITY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF PUBLIC ADMINISTRATION

BY
JEFFERY RANDOLPH SHELTON

DEPARTMENT OF PUBLIC ADMINISTRATION

ATLANTA, GEORGIA
JULY 1981
TABLE OF CONTENTS

LIST OF CHARTS

I. INTRODUCTION ........................................ 1

II. THE PROBLEM AND ITS SETTING .................. 3

   Definition of Terms

III. REVIEW OF THE LITERATURE ..................... 6

IV. METHODOLOGY AND ORGANIZATION OF STUDY .... 11

V. THE ORGANIZATIONAL SETTING .................... 14

   Tennessee Valley Authority (TVA)
   Office of Community Development (OCD)

VI. ANALYSIS OF OBJECTIVE-SETTING IN OCD ...... 24

   The Program Planning Process ................... 24
   The Establishment of the Program Planning Team
   Actions of the Team
   Developing Objectives in OCD .................. 30
   Roles (Goals) and Missions
   Key Results Areas
   Indicators
   Inventory
   Writing the Objectives

VII. CONCLUSIONS/RECOMMENDATIONS .............. 39

BIBLIOGRAPHY ........................................... 45

APPENDICES ............................................ 48
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Map of the Tennessee Valley Region</td>
<td>17</td>
</tr>
<tr>
<td>2</td>
<td>Organization Chart of TVA</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>Organization Chart of OCD</td>
<td>22</td>
</tr>
</tbody>
</table>
The primary intent of this study was to establish an alternative approach for developing objectives within the office of Community Development (OCD) at the Tennessee Valley Authority (TVA). The office was suffering from program duplication and a lack of communication, participation, and motivation, all of which related to weak organizational objectives. The writer focused on the Program Planning Team that was set up by OCD to plan activities for the organizational units. Special attention was given to the team's actions in its attempt to reconstruct objectives through the identification of unit activities. The team's approach was not a total failure since it was able to establish lines of communication and participation. However, the team was unable to complete all its tasks.

The writer has used the MBO process as a frame of reference for this study. The problems prevalent in OCD and the approach it took to develop objectives were analyzed in the context of
the steps of the MBO process. MBO aids in solving many objective-related problems that exists in agencies. This process has been utilized extensively in the private sector and has been receiving increased recognition in the public sector.

The materials used in this study were derived from two data gathering methods. The first was participant observation in which the writer was a part of the Program Planning Team at OCD, and thereby gathered on-site information. The second was an exploratory inquiry which provided the theoretical framework necessary to address the topics of objective-setting and MBO.
I. INTRODUCTION

The purpose of this study is to analyze objective-setting as a management function, essential to the effective and efficient operation of any public or private organization. An organization is a group of people or units which emerges and continues to exist primarily for the purpose of accomplishing a desired end(s). All organizations must have a capability for developing and operationalizing viable objectives. One that has poorly established objectives will find its continued viability seriously compromised. Many organizational problems tend to be directly or indirectly caused by the lack of or poorly developed and/or communication objectives.

The reference for this study is an internship experience that transpired at the Office of Community Development (OCD), one of the components of the Tennessee Valley Authority (TVA). OCD provides a good laboratory for viewing and analyzing problems directly or indirectly related to the presence and quality of organizational objectives. Problems that are identified and analyzed in OCD are indicative of many organizations of both the public and private sector.

Objective-setting is more appropriately addressed in the context of a broader conceptual framework that speaks to the development and operationalizing of organizational objectives. The concept of Management By Objective (MBO) provides such a
framework. Although the focus of this study is limited to the development of objectives, realities with regard to operationalization must be taken into consideration. MBO is a seven step process that stresses the interaction of management and subordinates in the development and operationalizing of organizational objectives. The process includes the following: defining and stating roles and missions; determining key results areas; specifying indicators to measure effectiveness; setting objectives; preparing action plans; establishing controls; and developing lines of communication. Each step is important to the concept of MBO; however, the writer will focus less on preparation of action plans, establishing controls, and developing lines of communication, since these steps are encumbent in the operationalizing of organizational objectives once they have been developed. Thus, this study focuses on the development of objectives rather than operationalizing them.
II. THE PROBLEM AND ITS SETTING

In June 1980 OCD established an internship program which was designed to provide experiences in evaluation for graduate-level students as well as provide unbiased decisions during the evaluation process. The program was located in the Budget, Management and Evaluation Branch of the office and was a component of the Evaluation Unit. The purpose of this unit was to evaluate the programs of OCD. The unit consisted of a supervisor, two social science analysts, and several interns. The unit also consisted of facilitators of information--OCD's District Managers, an administrative officer, and one employee from each of the branches who was designated as a Branch Evaluation Associate (BEA).

As an intern, the writer was assigned two programs to evaluate in conjunction with the other evaluation staff. The process was to involve what OCD called rapid feedback evaluation, a method of collecting data by means of reading available information and interviewing various personnel involved with each program. Rapid feedback evaluation was part of the Performance Monitoring System that had been implemented by the organization. The evaluation program was to be an experiment for OCD as well as to provide evaluation experiences for the interns because this was the first time the organization participated in any type of
The evaluation program lasted for only a short period of time. It was terminated by the director of OCD who felt that planning activities should be the initial step. As a result, the Program Planning Team was established. This new planning team was comprised of seven persons including the interns from the Evaluation Unit. All of these persons were relatively new to the organization, having served for less than two years.

From the beginning, the team experienced both internal and external problems. Internal problems resulted from the team not knowing its purpose nor its responsibilities. It was not until much later that the team's purpose was specified. Ultimately, it became the team's purpose to establish a consensus among the divisions and branches in OCD on goals and objectives, and to assist the various branches in formulating objective and activity statements that would be consistent and directly related to the overall office goals. The final products termed "program plans" were to be collected by the Program Planning Team and compiled into a packet. This packet was to be submitted to the director of OCD by mid-September 1980.

The Planning Team sought the cooperation of each of the divisions and their branches in determining the various activities of the organization. It found that everyone had his own definition of the following terms: goal, objective, activity, and task. There was little consistency in the definition of these terms. Therefore many "activities" showed little or no relationship to "objectives", and objectives did not relate to
overall office goals. This caused a lack of communication and separate operating procedures among the divisions. The team realized that this resulted in a decrease in OCD's efficiency and effectiveness.

It is for the above reasons that the writer decided to examine objective-related problems and to discuss the process of objective-setting in their context to OCD. The degree to which such problems develop determines how the organization is affected. If corrected in time, a stronger, more viable organization may result.

**Definition of Terms**

Quite often in this type of research certain terms are used interchangeably. This sometimes confuses the reader thereby clouding information. Therefore, it is important to clarify the terms that are used frequently and interchangeably. The following terms are here defined.

**Mission** - The mission statement describes the reason or purpose for the existence of an organization or unit. It outlines the nature and scope of the organization. Usually, once the mission is established it is unlikely to change unless there is a shift of organizational interest.

**Goal** - A goal is an end toward which all effort is directed. It provides standards of desired performance. A goal is usually more general than an objective.

**Objective** - An objective is a specific statement of measurable results to be achieved within a given period. It serves as a mechanism for direction on a continuous basis. It forms a basis for determining what activities should be performed.

**Activity** - An activity is a sequence or a plan of actions to be carried out in an effort to accomplish the objective. It is usually performed by subordinates as a means of reaching or achieving the objective(s) of the organization.
III. REVIEW OF THE LITERATURE

Paul Maili states in *How to Manage By Objectives*, (1975), that it is commonly believed that writing a set of meaningful objectives is a simple task; but he adds, this is not so. A large portion of the time, objectives turn out hazy and results in misinterpretations as well as misunderstandings. Therefore, wording is critical to developing meaningful objectives. Maili further states that the objectives should be formulated with such clarity that they are understood by all. He states that this may be done through commitment and participation of the members of the organization, and to ignore participative objective-setting means ignoring management/subordinate communication that is necessary.¹

Dale Carnegie and his associates, authors of *Managing Through People* (1978), state that the development of objectives for the organization should involve participation of both management and subordinates. This will insure that all the ramifications of the objectives are taken into consideration. It will also establish a commitment to achieving the organizational objectives because each participant will feel that (s)he

has played a major role in the development of those objectives. Carnegie and his associates further state that the success of participation in the process, however, will depend upon the attitudes of top management. If an authoritarian approach is chosen, contributions to the development of objectives will tend to be insignificant. On the other hand, if ideas are encouraged, there will be a more significant number of contributions and objectives will tend to be more realistic.²

George L. Morrisey, in his book Management By Objectives and Results in the Public Sector, (1976), describes six steps in what he calls the MOR (Management By Objectives with Results) funnel. He additionally includes communication as a vital function, continuous throughout the entire process. Morrisey called the process a funnel because the steps move in a logical sequence from general to specific; that is, it takes something that is unmanageable and reduces it to a point where it is manageable. His first four steps, and to a certain extent the fifth step, are considered to be components of the planning phases:

1. Roles and Missions.-Before being able to develop objectives, management and subordinates must know the roles and missions of the organization. With this knowledge activities in which the organization is engaged can be properly evaluated in order to determine what objectives should be pursued. An organization that has clear and concise statements of roles and missions will have already begun to go a long way in reducing its problems. The process, however, of preparing such statements can be

---

very difficult and critical to organizational members, especially at top management level. Yet, roles and missions form the baseline from which all unit objectives are drawn.

2. **Key Results Areas**.—An important part of developing clear measurable objectives is the determining of key results areas. That is, the manager must determine where time, energy, and talents should be invested. These areas will represent areas within which objectives should be set. They normally are limited to about five to ten per manager in order to maintain a "critical few" rather than a "trivial many".

3. **Indicators**.—After properly identifying key results areas, the next step would be to identify those measurable factors within the given key areas upon which objectives can be established. In this sense, indicators tell what is to be measured, not how much or by when. Indicators suggest effectiveness to the organization. In developing indicators for a particular key results area, brainstorming is important. Once as many potential indicators as possible have been brainstormed, those that seem to be most representative of the desired results wanted in a given period should be selected.

4. **Objective Setting**.—The fourth step in the MBO process is the objective setting step. According to Morrisey, this step can be completed independently of the other steps, but the process will be more difficult if done in that manner. However, in order for any organization to have meaning, objectives must be set because they determine what activities should be performed and establish the criteria for determining how well an activity is being performed. The objectives that are developed should directly relate to a key results area and an indicator.3

The latter steps of the MBO process provide for the operationalizing of objectives once such objectives have been developed. Although step five involves planning, it is more closely associated with the operationalizing phase. Each of these steps

3George L. Morrisey, Management By Objectives and Results in the Public Sector (Massachusetts: Addison-Wesley Publishing Company, 1976), pp. 18-22.
are considered essential to assuring the accomplishment of objectives. The steps are:

5. **Action Plans.** - This step involves determining how to achieve already established objectives. Although this step actually follows the development of objectives, it is important because it explains how we are going to get where we want to go. There may be several action plans for one objective. An action plan can be considered another name for an activity. The step is important to having well-developed objectives; if the objectives are not adequately developed, the action plans or activities may not lead to the achievement of the objectives.

6. **Control.** - This step in the MOR funnel helps to keep the organization or manager on track toward accomplishing objectives. Morrisey uses control to close the MOR funnel because he feels that an objective will have little meaning unless there is some type of mechanism for making certain it is achieved. The control mechanism alerts management of approaching trouble in enough time to take necessary corrective action.

7. **Communication.** - Communication as used in Morrisey's text is not a separate component of the MOR funnel. Instead it serves as a catalyst in the funnel. That is, effective communication at every step is necessary to bring about understanding and commitment of the managers and subordinates in the organization. The entire MBO process is predicated upon participation which results from a clear understanding of the process and a commitment to getting the job done. Communication can be viewed as the essential ingredient in the development and operationalizing of organizational objectives.⁴

Burt K. Scanlan, author of *Management 18: A Short Course for Managers* (1974), agrees with the steps that Morrisey outlines in his book, but adds one extra step. Scanlan feels that upon completion of the third step, which involves identifying indicators, management and subordinates should prepare an analysis

---

of the organization or unit's present status as it relates to the major areas of responsibility. The manager with assistance from his/her subordinates must determine where the organization or unit stands, the results (s)he is presently achieving, and at the same time determine the largest problem areas and the largest payoff expected once improvements have been effected. Scanlan calls this an inventory, and says that this would allow the organization and/or unit to know where major reconstruction or development of objectives is needed.\(^5\)

IV. METHODOLOGY AND ORGANIZATION OF STUDY

The data gathering method for this study was twofold. The first method was that of participant observation. The writer was a participant in the internship program at OCD and was able to observe the everyday operations of the organization. Much of the material included in the study that pertains to TVA and OCD was collected during the internship experience. The data include miscellaneous reading material designed to familiarize the interns with the organization, policy information, and relevant memoranda. The data also include actual observed behavior in OCD as well as notes from the proceedings of the Program Planning Team. All of the material gathered by this method, along with the writer's actual participation in the organizational events, allowed him to become familiar with some of the routine activities of an organization.

The second method used in gathering data for this study was to research the available information that pertains to organizational objectives. The research focused on the manner in which objectives can be developed and the MBO process. Emphasis was placed on the factors that must be taken into consideration during the objective-setting process. Several writers who discuss objectives are concerned with the inadequacies and inconsistencies of objectives, and the various processes
by which objectives can be developed or improved in organizations—mainly the MBO process. They tend to focus more on that process because of its increasing acceptance in both the public and private sectors. Not all of them agree on every aspect of MBO; nevertheless, many of them believe that it is one of the best processes that can be applied to organizations involved in object-setting.

As a participant in the operations of OCD the writer was able to identify several problems that could be associated with the organization's objectives. The writer became a part of an attempt to alleviate the problems while participating on a program planning team, although the extent of the problems had not been properly identified. By incorporating data collected through the methods mentioned above, the writer can provide an account of what occurred at OCD.

In the following sections OCD will be analyzed in context of the planning and objective-setting steps in the MBO process. The sections will include discussions of problems associated with faulty, unclear, inconsistent objectives. They will also provide a review of the internship experience at OCD and present any conclusions that the writer may have.

Section five of this study will present an overview to background information of TVA and OCD. The writer presents a synopsis of the history of the Tennessee Valley Authority with attention given to its establishment, its mission statements, and its structure. Following this discussion the writer will concentrate on OCD, its structure, and its goals and missions.
In section six the writer will present an analysis of the planning efforts of OCD through its Program Planning Team, the unit which was established to accomplish the purpose which this paper focuses on. The writer focuses on the development of objectives in OCD to eliminate or at least to minimize its problems. The writer analyzes the situation in the context of the MBO process.

In the final section the writer will synthesize the findings of this study. After providing further discussion on the development of organizational objectives, this first phase is related to the steps in the second phase of the MBO process -- the operationalization of objectives. The writer then makes concluding comments and recommendations.
V. THE ORGANIZATIONAL SETTING

Tennessee Valley Authority (TVA)

The Tennessee Valley Authority is a corporation having more than 49,000 employees, established and owned by the Federal Government of the United States. It is designed to act as an independent agency under its own Board of Directors. TVA was established as a direct result of the TVA Act of 1933, but more so as a result of a "long ferment of American thinking about the Nation's resources and how to conserve and develop them." There had been a long history of wasting resources, primarily because of the general feeling on the part of the American public that our resources were abundant and inexhaustible.

It was not until the Presidency of Theodore Roosevelt in the early 1900's that attitudes about our natural resources began to change. Roosevelt recognized that the nation's resources were limited and tried to bring about a reversal of this vacuous American view. Although he was not too successful in establishing an agency to regulate the natural resources, his ideas received considerable attention in Congress. In 1902 the first Reclamation Act was passed. In 1903 Congress began to consider the development of the Tennessee River as a

---

6 A Short History of the Tennessee Valley Authority (Knoxville, Tennessee: TVA, 1973), p. 3
source of electrical power. Private development of power plants had already begun there. This led to the establishment of a National Conservation Committee by Theodore Roosevelt to represent the states, the Federal government, and private interests when citing areas for resource development.

Throughout the remainder of Theodore Roosevelt's term and through the twenties debates and negotiations occurred. Several pieces of legislation were passed. In the meantime World War I prompted further developments along the Tennessee Valley River. The new developments were to provide for wartime needs. Finally, in May 1933 President Franklin D. Roosevelt signed the Norris Bill to create a Tennessee Valley Authority governed by a three-man board of directors.

TVA was created during a time of depression; this meant jobs for many people. However, the authority experienced turbulence both internally and externally in its early years. There were battles over land, and the right to produce electricity, differences between the chairman and the board of directors, and quarrels over operating procedures. Yet, the organization continued to expand creating more and more jobs for the people of the Tennessee Valley Region while stimulating growth and development in the region.

Through its missions TVA has been concerned directly with the Tennessee Valley Region and indirectly with the rest of the nation. TVA has a fourfold mission which is as follows:

1. To develop the Tennessee River to provide a low-cost supply of electric power to the Tennessee Valley Region;
2. conduct chemical research and introduce experimental fertilizers useful in agriculture;

3. aid in the national interest, the comprehensive resource development and economic growth of the Tennessee Valley Region in cooperation with the Valley States of Tennessee, Kentucky, Virginia, North Carolina, Georgia, Alabama, and Mississippi, and their subdivisions and agencies. (See Figure 1); and,

4. in response to the energy crisis, utilize its power program and specialized technical skills to demonstrate approaches to solving regional energy production and conservation problems.7

The missions of TVA are carried out by the Board of Directors, the Office of the General Manager, the Office of the General Counsel, and seven operational offices (See Figure 2). Each of the seven offices is comprised of several divisions which may be further divided into branches, depending upon the extent of their jobs. Each of the components of TVA has been assigned its own missions that when combined will lead to the accomplishment of the missions of the total organization. The Board of Directors, which governs this organization, maintains a continuous update on the progress of each of the components as well as adding to or subtracting from the organizational structure whenever necessary. (Appendix A provides mission statements for TVA organizational components.)

Office of Community Development (OCD)

The Office of Community Development, the focus of this study, is one of the seven operational offices located at TVA.

---

7Office of Planning and Budget, Budget Summary for the Proposed 1981 Budget of TVA (Knoxville, Tennessee: TVA, 1980).
Figure 1. TENNESSEE VALLEY REGION

Source: A Short History of the Tennessee Valley Authority, p. 18.
Figure 2. ORGANIZATION OF THE TENNESSEE VALLEY AUTHORITY
November 1, 1979

BOARD OF DIRECTORS

OFFICE OF THE GENERAL MANAGER
Office of Planning and Budget Washington Office
Information Office Equal Employment Opportunity Staff

Office of the General Counsel

(continued next page)
OCD was officially established in 1979. Many of the programs that became a part of OCD were not new, but were drawn from other offices within TVA. OCD was established in an effort to consolidate those programs which directly related to the economic and social needs of the people in the Tennessee Valley Region, and to more effectively target available resources. Although these programs were brought under the OCD umbrella, the offices in which they were formally housed continued to provide technical assistance. It is the mission of OCD to:

...promote economically balanced and environmentally growth in the Valley which will expand individuals' opportunities to participate in the economy; develop, and sustain a balance of economic and social opportunities; and generally improve the standard of living in the Valley Region.8

Functionally, OCD attempts to continually improve the reputation of TVA as a leader in fostering economic growth in the undeveloped region. OCD also attempts to provide mechanisms for assuring future growth of the Valley Region. In an effort to do this the office states that its goals are:

1. to strengthen capabilities of communities within the region to capitalize on internal opportunities and resources in a manner that supports their future economic viability;

2. to provide present and future generations of Valley residents a quality human environment that ensures access to fundamental health, education, and human services; and,

3. to develop a viable, stable economy that provides diversified job opportunities and is capable of

---

8Director of the Division of Policy Development, OCD Strategic Plan, A Memorandum to the Office of Planning and Budget----Knoxville office (Knoxville, Tennessee: Office of Community Development, February 25, 1980), p. 1.
increasing regional per capita income to equal the national average.9

Figure 3 provides an organizational chart of OCD. The office consists of an Office Manager and a Deputy Manager who are responsible for the operations of three divisions, and one special program. The three divisions are the Division of Policy Development, the Division of Commerce, and the Division of Community Services. The special program is called Special Opportunities Counties and Cities. Each of the three divisions are further divided into branches.

Along with the various divisions of OCD are District Managers. These managers are located at district offices throughout the Tennessee Valley Region. They are commonly referred to as field-representatives and must report periodically to the OCD Office Manager. To remain abreast of OCD programs in their communities, the District Managers must also stay in constant contact with division and branch chiefs. In return, the division and branch chiefs look to the District Managers when concerned about establishing programs in their areas. The managers were placed in strategic areas of the Valley Region to encourage citizen input in planning programs. It is their duty to interact regularly with division and branch chiefs to provide the necessary feedback to the organization. (Appendix B identifies the types of programs that are introduced and implemented by OCD.)

---

9Ibid., p. 1.
Figure 3. OFFICE OF COMMUNITY DEVELOPMENT*

Manager - Hortense W. Dixon
Deputy Manager - David A. Patterson

Director, Policy Development -
Jean S. Moorefield
Assistant Director - Richard H. Ginn
Chief, Regional Planning Staff -
   H. Brown Wright, Jr.
Chief, Budget, Management, and Evaluation Staff -
   Erven N. Williams
Chief, Regional Analysis Staff -
   Hugh R. Granade

Program Manager, Special Opportunities Counties and Cities - Thomas C. Rogers
Personnel Officer, Personnel Services Staff -
   Doris F. Jackson
Editor, Information Staff - Donald K. Bagwell

(continued next page)
Division of Commerce
Director - Ralph D. Carnathan
Assistant Director - William V. Pace
Asst. to the Director - Larry W. Colaw
Chief, Economic Development Branch - William R. Attaway
Chief, Minority Economic Development Branch - Elbert H. Blackmon
Chief, Community Planning Branch - James L. Gober
Chief, Technical Services Branch - Robert E. Wetherholt

Division of Community Services
Director - Wayne P. Myers
Assistant Director - George White
Chief, Mitigation Staff - John B. Hendrix
Chief, Floodplain Management Branch - John F. King
Chief, Community Energy Branch - Philip W. Hyatt
Chief, Human Services Branch - Jane Parker
Chief, Education and Training Resources Branch - M. Dennis Mynatt (Acting)

District Managers
Wilma A. Dunaway - Johnson City (Appalachian)
Ralph D. Ford - Tupwlo (Mississippi)
William J. Garrett - Cleveland (South Eastern)
Harry F. McClure - Nashville (Central)
Frank H. Moses - Muscle Shoals (Alabama)
Robert H. Mundy - Hopkinsville (Kentucky)
Gilbert B. Petty - Jackson (Western)

*This represents the organizational structure of OCD as of February 27, 1980. The names and the structure may no longer be applicable since there was an office reduction-in-force in October 1980. However, for the purposes of this study, the chart is applicable since the period of discussion is from June through September 1980.
VI. ANALYSIS OF OBJECTIVE-SETTING IN OCD

It is important for components of any organization to develop and maintain missions, goals, or objectives that are clear and consistent, and that are in direct relationship to the overall goals and missions of the organization. When these elements become obscured, complications arise in the operational components. The organization must determine what the complications or problems are. The organization must also determine how it is being affected by these complications. Then, it must find ways to eliminate the complications.

In this section, the writer addresses the planning process as it occurred at OCD and its efforts to develop clear, consistent, measurable objectives. The efforts of the organization or office are analyzed in the context of the MBO process. OCD's initial intentions were to evaluate its programs; however, OCD felt that it first needed to initiate a planning process as a prerequisite to evaluation. The organization, therefore, organized the Program Planning Team to carry out this function.

The Program Planning Process

The Establishment of the Program Planning Team. Before the inception of a planning process, OCD considered the implementation of a systematic evaluation to be of high priority.
TVA's office of Management and Budget (OMB) requested that OCD provide information on the effectiveness of its programs and information on its productivity measures. This caused the office to become concerned with conducting an evaluation. At the time of the request, many of the programs that had been incorporated into OCD had been ongoing for several years without any type of evaluation to determine their effectiveness. Program managers knew how well their programs were being executed, but they had only vague ideas of whether or not objectives were being achieved. In order to assess both efficiency and effectiveness of each program, the office had to implement an evaluation system. This periodic, systematic evaluation was necessary to insure adequate program performance.

Upon implementation of the evaluation process several programs of immediate importance were identified and criteria for evaluating these programs were established. They included the Townlift Community Project, a revitalization project which focused on run-down areas of the cities and towns in the Tennessee Valley; Labor Force Development, a combination of programs designed to train and employ the unskilled as well as increase the labor force of TVA; Mitigation, a program designed to relieve the pressure and strain placed on communities as a result of TVA activities in those areas; and the Community Organization and Mobilization Demonstration Project, a community development project located in Manchester, Tennessee, which drew heavily on community participation. These programs were identified for evaluation because of their noted changes.
in recent months.

Shortly after the evaluation process began, attention shifted to planning. The office became concerned about being able to identify its programs and program objectives. The office also wanted to determine how each program and its objectives would be related to overall office goals and objectives. To do this, a program planning team was established. Eventually the planning process was to provide the basis for evaluation.

Actions of the Team. The team's first task was to explain its proposed planning process and to provide office-wide definitions of goals, objectives, and activities. To insure an understanding of the definitions, the team decided to meet with representatives from each branch--usually the branch chiefs. This was important because of widespread skepticism about what each term meant. Branch personnel was not always able to distinguish an objective statement from an activity statement. Nor were they clear on the differences between their goals and their objectives. Therefore, it was the task of the team to develop consistency in the way these terms were received throughout the office.

Once the office had been provided with a consistent set of definitions, the team began to ask that each branch prepare program plans. This caused a great amount of havoc in the office due to the fact that some of the activities that were in progress did not relate to any specific objectives. As a result, the Program Planning Team asked the branch chiefs to
meet with his/her subordinates and prepare an activity statement for each of the activities in which they were currently involved.

The intent of this exercise was to eventually forge out a relationship among the objectives in the various branches, and then relate these objectives to those of the office. Since branches could not adequately identify their objectives, the team decided to ask for activity statements with a stated objective to which the activity related. Also to be included was an activity description, its purpose, and its objectives. Although a justification for each activity statement was a part of the format, the branches did not have to supply it. The justification or criteria was used to determine which group of people or which community was eligible for a particular activity (See Appendix C for general information on the program plan and format for activity statements.)

In addition to the branches supplying the Program Planning Team with activity statements, the division directors were required to supply objective statements for their respective divisions as well as identify each program located within the division according to the way the program was listed in the Fiscal Year 1981 budget. This information was to be collected within a specified period of time and compared to the information received from the branches. By comparing the information the team hoped to determine which activities and objectives were related.

While engaged in this process, the team found that
branch chiefs felt division directors were not adequately stating the types of activities being conducted in the branches. The directors were not cognizant of what was transpiring within the branches. Therefore, branch chiefs contended that the information which directors were reporting would cause the elimination of some programs. The team recognized that such feelings existed because there was no real line of communication. Branch chiefs were acting at their own discretion. In many instances branch chiefs would not comply with guidance from higher level management because of management's lack of knowledge of branch activities. The lack of communication existed among the three divisions, because division directors would not come together to discuss their branch activities unless it was unavoidable. As a result, duplications occurred and divisions conducted the same activities or conducted activities that actually should have been located elsewhere.

In an effort to reduce the secrecy or lack of communication in OCD, the Program Planning Team decided to do two things. First, the team endeavored to make the entire office aware that none of the information it received would be confidential, nor would any submissions be modified before receiving office-wide input. Office managers and subordinates were to be allowed to request information, participate in any meetings that pertained to their work, and receive the team's assistance whenever necessary. Second, meetings were arranged for each division director and his lower-level managers so
that they could openly discuss programs, activities, and related objectives. Meetings were also arranged for the three division directors to discuss openly their programs and exchange ideas. The team wanted to insure cooperation among all units and employees of OCD, regardless of whether or not the employees were of management or subordinate status. The team wanted to instill in everyone the idea that all concerned should work together to accomplish the missions and goals of OCD.

Some of the organizational units were responsive to these methods, while others continued to operate as they pleased. For example, division directors still felt that they should modify information before it reached the team. The team could easily overcome this situation since it was acting independently of the three divisions. The team secured a signed memorandum from the Office Manager with the instruction that all information relevant to this effort be sent directly to the Program Planning Team.

Activity statements indicated that employees did not know the objectives of their units; therefore, they could not properly identify their activities nor their expected accomplishments. The Program Planning Team, however, continued to focus on activity statements, the FY 81 budget summary, as well as information from division directors in assisting the organizational components in determining programs, in order to clear and consistent objectives, and to establish relationships between activities and objectives.
Developing Objectives In OCD

OCD's Program Planning Team seemed to develop an activity approach in determining or developing program objectives. The team wanted to concentrate on the types of activities that each branch of OCD was conducting. Its efforts were directed at the determination of objectives that already existed and in the process of being achieved. Additionally, the team's efforts were directed at providing a means for determining the types of objectives that needed to be developed. As a result of concentrating only on activities, the team restricted its focus to specific activities rather than to a broader range of activities of the office.

The MBO framework could have served as a useful tool in helping OCD to formulate objectives. Preliminary to developing objectives for the organization, three steps are incumbent in the MBO process; identifying roles (goals) and missions, determining key results areas, and developing indicators of achievement. Once the organization has followed these steps it is in a better position to develop its objectives. When developing objectives, it is not absolutely necessary that the organization utilize nor complete each step; however, completing the steps will help insure that the correct types of objectives are set. It must be noted that for these steps as well as the other steps in the MBO process to be effective, communication and participation between managers and also between managers and subordinates are very important. These two functions are stressed throughout the MBO process. When
these three steps are followed and enhanced by communication and participation, they facilitate the development of objectives. ¹⁰

Roles (Goals) and Missions.-According to Scanlan, for an organization to be effective and efficient it must establish goals and missions. ¹¹ If the goals and missions do not exist or if they are not clear to those who must contribute to their achievement, success becomes minimal. The mission statements for components of an organization such as OCD includes the type of contributions to be made to the total organization as well as the kind of work that is undertaken. Furthermore, "This statement (mission statement) provides a logical starting point for determining objectives and a measure of testing their validity and establishing accountability for results." ¹²

OCD management should have developed and issued to all personnel, a clear, specific, understandable, realistic, and measurable statement of goals and missions toward which the organization was striving. In working with the division and branches of OCD the Program Planning Team found that no one knew the goals or the missions of the office. The Program Planning Team found that divisional objectives were neither clear nor consistent, and activities did not lead to the accomplishment of objectives. This further resulted in branch and

¹⁰George L. Morrisey, p. 66.
¹¹Burt K. Scanlan, p. 252.
¹²George L. Morrisey, p. 25.
divisional secrecy (lack of communication), a lack of motivation, little participation, and program and activity duplication. Consequently, the team decided to define the terms, goal, objective, and activity so that all personnel including management and subordinates would know the direction in which the organization was headed. Afterwards, the team directed its efforts towards identifying organizational activities. At the same time, the team requested that division directors write their perceptions of the objectives of their divisions and the programs associated with them.

Rather than immediately focusing on the activities of the various units, goals and missions could have been discussed with OCD management to determine a clear frame of reference for developing objectives. Following a discussion with management, the goals and missions could have been communicated throughout the organization. This correspondence of goals and missions by management could have provided an opportunity for developing new lines of communication as well as a logical starting point for determining objectives for the office. It would have also opened doors to greater participation in organizational activities. Employees of OCD lacked a structured approach for communicating and participating with office managers. The communication flow usually proceeded in a downward direction (i.e. from management to subordinates). Feedback was voiced only through complaints. As a result subordinate employee involvement was limited because there were little means for discussing views and voicing opinions. If top
management had communicated the goals and missions to staff at all level and requested feedback, employees would have begun to view management as being less authoritarian, and there would have been increased participation resulting in significant contributions.  

Key Results Areas. - Once the goals and mission of OCD had been made known, the next step would have been to get division directors to discuss collectively those areas that are most important in yielding results. To a degree, the team was accomplishing this task. It had provided a means of bringing division directors together to discuss their programs. The most important aspects of the team's effort, however, was the elimination of secrecy between divisions and the encouragement of subordinate participation. Subordinate participation played a role here in that division directors met only after each had talked with his/her staff to get an idea of the activities of the respective division. The key concern was the determination of key areas in which each division was to invest time and energy. When the directors came together, they discussed the several programs assigned to each division and determined whether or not any of these programs should be relocated to another division or branch. They also discussed methods of assisting each other with those activities that required the attention of more than one division in order to be

completed. In addition to the proceedings, the directors could have also asked themselves, "What are the functions that each of us must engage in if we are to accomplish the specified mission?"

The determination of key areas not only suggests to management and subordinates where time and effort should be placed, but also provides a mechanism for establishing priorities. That is, when management and subordinates determine key results areas, they limit the number of concerns. This allows more time and effort to be spent on the more critical areas. At the same time, it allows an allotment of time and effort to that which is most important and continues downward to that which is least important of the key areas. Often, many of the activities incorporated into the organization are neither important nor necessary. Determining key areas eliminates unimportant yet time-consuming programs or activities.

OCD's organizational units could have benefited from determining their key results areas in several respects. First, each unit would have been able to identify its areas of concentration. Second, duplication of programs would have possibly been eliminated. This would have resulted from a concentration of efforts in certain areas. Third, the organizational units would have been able to develop objective-related activities after identifying and developing their objectives. Fourth, determining key results areas in the organizational

---

14 George L. Morrisey, p. 49.
units would have promoted vertical and horizontal communication because the task would have necessitated the participation of management and subordinates.

**Indicators.**—The Program Planning Team also wanted to restore efficiency and effectiveness to OCD through the development of objectives and activities. In order to determine whether or not this is achieved in an organization, there is a need for quantitative measures. The team stressed that division directors write their objective statements in measurable and quantifiable terms and that branch chiefs write their activity statements likewise. (Refer to formats in Appendix C.) It was important to know how organizational units were going to determine whether their objectives had been achieved. As mentioned earlier, the process involves a continuous cycle. At various stages in the cycle there were to be program evaluations. Without the organization knowing what to measure, it would be difficult to ascertain the effectiveness of the various programs.

Before developing objectives many agencies identify measurable factors that will be included in the written objectives. These factors are called "indicators." These indicators provide the basis for measurement at the end of a fiscal year or whenever a systematic evaluation takes place. Although identifying indicators enhances the development of objectives within the organization, this step may be eliminated. The elimination of this step, may make the objective-setting step a little more difficult and can result in objectives that
have incorrect measures.

OCD chose not to identify indicators. Because OCD focused efforts on identifying activities, there was little concern for identifying indicators. However, the identification indicators could have been beneficial to the organization because indicators not only provide a basis for measurement, they also aid in the promotion of communication, participation, and motivation. Identifying indicators requires the brainstorming of both management and subordinates. Both groups must be utilized because the utilization of only one group may not produce the best choice of indicators. When the two groups interact, there will be a larger choice of indicators and consequently an increased opportunity to select those indicators that will provide the best measures.

Inventory.-Throughout the Program Planning Team's effort to develop consistent and clear objectives, it focused on organizational activities and anticipated objectives. As a result of focusing on activities, the team tried to determine objectives. In essence, the team used that which it already had (activities) to identify problem areas. The team, then, focused attention on those areas. It was hoped that, this could provide for the development of objectives and eliminate the objective-related problems that were in existence. The team's approach was limited to those activities which were in operation in OCD.

Some organizations examine the programs of the various organizational units to determine the weak areas before actually
writing their objectives. This step is considered to be an inventory step. The organization assesses its present status to determine problem areas and to determine where emphasis should be placed when developing objectives.\textsuperscript{15} Although OCD assessed its activities, there was no logical progression of steps in which an inventory step was utilized, however, OCD's entire effort could have been labeled an inventory since the process involved taking what was already present and determining what objectives should be developed for the office.

Writing the Objectives.-The most obvious and often the most independent step in any objective development process is the writing of the statement of objectives. Objective statements give activities meaning. They also lead to the accomplishment of the mission of the organization. Objectives provide direction and facilitate control and measurement. It is no wonder that OCD and other organizations spend considerable time developing objectives for their organizational units. Clearly defined objectives keep organizational units on track.\textsuperscript{16} This is true regardless of the approach the organization may use to set objectives. It can be seen that OCD's approach was somewhat different from the approach suggested in this study. Through its approach OCD was unable to finalize its objectives and activities. It was only able to identify the need to reconstruct objectives and begin a process of doing so.

\textsuperscript{15}Burt K. Scanlan, p. 152.
\textsuperscript{16}Ibid., p. 143.
The actual writing of objectives is complex and critical to an organization. Although there are several criteria that must be taken into consideration when writing objectives, three are most important:

The way in which actual performance will be measured should be clearly indicated.

The actual result being sought should be set forth in quantifiable terms.

The time period should be specified.17

The Program Planning Team realized these components were important to objective-setting. In fact, it stressed that management include the above criteria during the objective-and activity-writing stages. The team recognized the fact that once the organization's planning activities were complete and evaluation was again instituted, there would be a need for a method of determining whether or not objectives were being achieved. By requiring that office personnel include measures in their statements, results could be easily determined.

17Ibid, p. 153
VII. CONCLUSIONS/RECOMMENDATIONS

Developing objectives for an organization and/or its units is a difficult task. Many factors must be taken into consideration. It requires knowledge of the organization's goals, its mission, key results areas, and desired achievements. It also requires communication and participation throughout the organization. The Office of Community Development did not consider all these factors in their developmental approach. The office was, indeed, concerned with establishing lines of communication and encouraging participation; however, it did not place emphasis on other factors such as management and subordinates knowing the goals and missions of OCD. The office identified one major area of focus in its efforts to develop objectives and solve the problems of the organization.

The approach used by OCD was not fruitless. Improvements were made as a result of the approach. Channels of communication had begun to open up; there seemed to have been increased participation; and organizational units had begun to properly identify their activities. Managers and subordinates were beginning to confer and work with each other to determine the types or kinds of programs and activities that were present in the units. Managers and subordinates also
began to work with each other in writing activity statements according to specified activity formats.

The approach used by OCD and its Program Planning Team was still not adequate; although effective in some respects, it was ineffective in others. Objective statements, for example, were never completely developed. Division directors began to comply with the team's requirement that they specify their perceptions of program objectives. However, the objectives that were written were only tentative. Many of the objectives were not stated in measurable terms. Proper input was not solicited in the development of these objectives. In addition to objective statements, fear was also still prevalent in the organization. Lower-level managers and their subordinates were not yet confident of their superiors' ability to write correct program descriptions. They felt that their superiors still did not possess enough knowledge to describe adequately what was occurring in the organizational units. As a result, lower-level managers and subordinates feared that this lack of knowledge would cause the omission of certain programs and activities.

Several alternatives exist which could have aided OCD in developing objectives. The MBO process must be considered among the alternatives. In order for this process to be successfully implemented in any organization, problems of communication, participation, and commitment must be eliminated.

Participation and communication are very important when developing objectives. Management cannot act independently of
the rest of the organization if it is to develop clear, measurable, understandable, consistent objectives. Subordinate participation must be an active part of the process. In order for there to be participation there must be effective communication. Management and subordinates must be able to interact in order to develop the kinds of objectives that are conducive to an effective and efficiently run organization. Modern managers should encourage participation from their peers and from subordinates. When both are able to communicate and participate together, the objective-setting process is more beneficial to the organization and its units.

Management and subordinate participation and communication in developing objectives tend to result in objectives that are realistic, well thought out, and meaningful. The objectives reflect the best thinking of everyone in the organization. Moreover, as a result of a participative atmosphere, the organizational units experience heightened motivation and commitment to achieving these objectives. The participants know what the objectives are because they assisted in setting them. Therefore, the participants will put forth more effort to achieve the objectives.

Both the MBO process and the approach used by OCD in developing objectives stressed communication and participation. Although the Program Planning Team did not take into consideration the steps of the MBO process, it knew that in order for any type of improvements to occur in the office, there had to be communication and participation between management and
subordinates. The team continued to encourage managers and their subordinates to discuss programs and activities without fear and apprehension in order that objectives could be developed and operationalized.

In developing objectives, the realities of operationalizing must be considered. If the agency is using the MBO process, operationalization would fall under the action planning and the control steps, as they involve assuring that objectives of the organization are achieved.\(^\text{18}\) Action plans consists of activities of the organization. They determine how the objectives of the organization are going to be achieved. Controls help the organizational managers and units keep track of their progress toward achieving the objectives. When the units begin to deviate from their action plans, the controls serve as mechanisms for alerting the organization.

OCD could have benefited greatly from the use of MBO process in developing its objectives. Researchers support the process, although they sometimes modify it to apply to their own situations. MBO does not adhere to a strict pattern. It is a step-by-step process that can be applied at all levels of an organization.\(^\text{19}\) This system, as is true with most other systems or concepts, cannot produce overnight results; it is not a perfect system. Nevertheless, it does provide for the elimination of many of the problems encountered by OCD and its

---

\(^{18}\)George L. Morrisey, pp. 21-22.

Program Planning Team. OCD's approach only incorporated some elements of the MBO process. The Program Planning Team wanted to produce quick results in the office rather than extend the development of objectives over a long period of time.

Under the circumstances, the Program Planning Team did what it could to eliminate the objective-related problems of OCD. The team wanted to determine the kinds of activities that each organizational unit engage in. It also wanted to develop cooperation among the units and between managers and subordinates. Some of this was achieved in varying degrees. Nevertheless, the approach left much to be desired. This may have been due to a time element faced by the Program Planning Team. However, the writer feels that the approach was simply not sufficient for the task at hand.

In conclusion, the writer finds that it was difficult for the team to work with divisions and branches in determining objectives from activities rather than determining activities from objectives. The office, at one time, no doubt had objectives that were being accomplished by activities. Somewhere along the line, the units of the office lost sight of their objectives. New activities were developed, in the meantime, that did not necessarily accomplish earlier stated objectives. The Program Planning Team needed to redefine the objectives, and felt that beginning with the identification of activities was the best approach. The team found it difficult to determine objectives by this approach. The team did not
realize that other approaches such as MBO, may have provided better mechanisms for reconstructing or developing objectives and eliminating objective-related problems.
BIBLIOGRAPHY


Director, Division of Policy Development. OCD Strategic Plan. A memorandum to the Office of Planning and Budget----Knoxville office. Knoxville, Tennessee: OCD (February 25, 1980).


Appendix A
The Board of Directors approved the following statement of organization for the Tennessee Valley Authority to be effective July 27, 1979. It supersedes the organization statement effective February 26, 1979.

The Board of Directors, under the TVA Act, is vested with all the powers of the Corporation. The Board establishes general policies and programs; reviews and appraises progress and results; approves projects and specific items which are of major importance, involve important external relations, or otherwise require Board approval; approves the annual budget; and establishes the basic organization through which programs and policies are executed.

The General Counsel advises the Board on legal matters; and serves as Secretary to the Corporation, or designates a representative to serve.

The General Manager is the principal TVA administrative officer. The General Manager serves as liaison between the Board and the offices and divisions in the handling of matters of Board concern, and is responsible for coordinating the execution of programs, policies, and decisions which the Board of Directors approves or adopts. The General Manager brings before the Board matters which require its consideration or approval; assists the Board in presenting the TVA budget to the Office of Management and Budget and to Congress; affirms to the Board the adequacy of staff coordination and contribution in matters presented for its consideration, including judgments relating to broad public consequences, social and economic effects, and planning and program direction; interprets the Board's instructions to the offices and divisions; originates or approves administrative controls to ensure integrated execution of the total TVA program; and reports to the Board on overall efficiency, effectiveness, and economy of TVA operations.

The General Manager assigns duties and makes delegations to the TVA offices, divisions, and staffs in their execution of programs and policies which the Board of Directors adopts, subject to such controls as it may establish. The General Manager reviews and approves major TVA management methods, major organization changes within offices and divisions, and major staff appointments, and recommends to the Board basic changes in the TVA organization. The General Manager is responsible for ensuring that appropriate matters are presented in coordinated form to the Board at the proper time and that the Board has pertinent related information; and continuing delegations of authority and responsibility.

48-July 27, 1979
The Office of the General Manager includes Assistant General Managers, the Planning and Policy Analysis Staff, the Budget Staff, the Information Office, the Equal Employment Opportunity Staff, the Washington Office, and such other assistants as the General Manager may require to perform specialized duties or to aid in expediting, coordinating, and disposing of current business. The functions of the above groups are set out in the Organization Bulletin, "Office of the General Manager" (I. General Manager).

The Office of the General Counsel handles all litigation, legal proceedings, claims, and other legal problems relating to TVA's activities; advises and assists on legislative matters in which TVA has an interest; gives legal advice, assistance, and opinions; and prepares or approves and construes all documents affecting TVA's legal relationships.

OFFICE OF AGRICULTURAL AND CHEMICAL DEVELOPMENT

The Office of Agricultural and Chemical Development plans and manages programs for research and development of new and improved fertilizers and processes for their manufacture, for testing and demonstrating methods of chemical and organic fertilizer use as an aid to soil and water conservation and to the improved use of agricultural and related resources, and for operating and maintaining facilities to serve as a national laboratory for research and development in chemistry and chemical engineering related to fertilizers and munitions essential to national defense.

The Office of Agricultural and Chemical Development plans and manages programs for the preservation and enhancement of the Valley's agricultural resources and soil conservation; for demonstration of new and improved agricultural methods, placing emphasis on the Valley's small and limited resource farmers; and for readjustment of agricultural areas affected by TVA operations.

OFFICE OF POWER

The Office of Power plans and manages the electrical energy supply program to meet the requirements of the power-service area consistent with social, conservation, environmental, economic, safety, and lowest possible cost objectives. It promotes and demonstrates the most efficient utilization of electrical energy and plans and manages energy conservation demonstration programs. It plans and manages demonstration applications of new technologies in solar and other energy sources and generation, storage, transmission, and use of energy.

OFFICE OF ENGINEERING DESIGN AND CONSTRUCTION

The Office of Engineering Design and Construction provides engineering services in the planning and provides or obtains the architectural and engineering design and the construction of all permanent structures and permanent engineering works in accordance with requirements determined by offices and divisions having program responsibilities for structures and
works, except for power transmission, distribution, and communication facilities and switchhouses at substations not adjacent to generating stations; or as are delegated to the Office of Agricultural and Chemical Development. It provides engineering design and construction services for modernization and rehabilitation and major additions to existing plants and, as feasible and economical, for other engineering, architectural, and construction services.

It also provides general engineering services, geologic, and other technical data for use in planning, design, and construction of structures and works required in carrying out TVA's objectives. Makes independent and final review of all project planning reports which involve its interests, and prepares all statements of detailed estimate of construction cost included in such reports submitted for consideration by the Board.

OFFICE OF NATURAL RESOURCES

The Office of Natural Resources plans and manages programs to protect, conserve, and provide for the unified development of the natural resources of the Tennessee Valley region for sustained optimum contribution to the regional economy and environment. Programs are aimed at providing the people of the region with the multiple benefits of land use planning for quality growth management, timber, wildlife, fish, and associated recreation and environmental amenities such as clean air and water, healthy vegetation, stable soil, natural beauty, environmental education, and protection of historical and archaeological resources. It plans and implements programs for water resources conservation, development, and management; waste treatment and disposal; and biological vector and aquatic plant control. The Office of Natural Resources develops and promotes implementation of comprehensive land use planning and also plans and manages those lands and waters administered by TVA.

It recommends environmental policy initiatives for the agency and reviews and assesses the environmental impact of TVA programs and activities. It coordinates, administers, and conducts environmental research and demonstration projects carried out by TVA alone and in cooperation with other agencies and organizations. As appropriate, it provides technical guidance, assistance, and services as needed in the area of environmental compliance working with other program organizations and the Office of Management Services. It provides environmental monitoring to ensure its activities are in compliance with Federal legislation.

It plans and administers Land Between The Lakes. The office collaborates with other Federal agencies, State and local governments, quasi-public agencies, and other outside interests in carrying out its programs and serves as TVA's liaison with other governmental agencies concerned with natural resources development activities.
OFFICE OF COMMUNITY DEVELOPMENT

The Office of Community Development plans and conducts community-oriented programs to increase citizen participation in the realization of the Valley's sociological and economic potential. It works in collaboration with other Federal agencies, State and local governments, public and private institutions, industries, and citizen groups in the formulation, development, and execution of plans and programs. It provides technical assistance and demonstrates the value of community planning for the efficient utilization and conservation of resources and to improve the immediate and future quality of life in the Valley. It provides technical assistance in the accomplishment of orderly and balanced development of industry in the Valley; and manages TVA's efforts to mitigate the impact of major TVA projects on communities.

It develops programs to encourage and facilitate the establishment and growth of small businesses and minority enterprise. It demonstrates new methodologies for improving education and skills development and utilization of human resources including older citizens. It develops programs for the utilization of transportation resources, including navigation development. It provides technical assistance in flood plain management and local flood protection planning. It plans and demonstrates the value of community restoration, revitalization, and modernization. It develops programs to increase citizen awareness and appreciation for the unique cultural resources of the Valley. It plans and demonstrates new concepts and technologies in the fields of community health services, government services, solid waste management, and financial planning and administration.

The Office of Community Development draws upon the technical resources of other offices in developing plans for balanced unified development of rural and urban community resources.

OFFICE OF MANAGEMENT SERVICES

The Office of Management Services plans and manages a wide variety of logistical and administrative management support services to TVA programs and organizations and exercises appropriate control and ensures compliance with standards in its areas of concern. It provides for a system of personnel administration consistent with agency policy and applicable Federal laws and regulations, working closely with operating management. It provides building, office, land acquisition, computing, and transportation services for the agency and provides for law enforcement and the protection of TVA property.

It develops and administers policies and procedures relating to finances, accounting and auditing; keeps the official accounting records and prepares financial statements; maintains custody of funds and controls disbursements; and establishes systems of internal control. It formulates and administers the system for procurement, transfer, disposal, and shipping of equipment, materials, supplies, fuels, and services needed by TVA.
It operates a program of health and safety for employees and others affected by TVA activities, including the provision of medical services to employees; administration of the hazard control plan and compliance with relevant standards; studies and services related to industrial hygiene; and the radiological hygiene program at planned and operating nuclear facilities. It conducts independent reviews of TVA's nuclear safety program and assures TVA compliance with agency environmental commitments and standards.

It oversees and coordinates the development and implementation of management systems in TVA through the provision of management audits and productivity studies and industrial engineering services and systems development and management. The primary orientation of the office is assistance to program organizations in improving operational efficiency and effectiveness.
The Tennessee Valley Authority's Office of Community Development works in partnership with the people to advance the physical, economic, social, and cultural well-being of the citizens of the region. Following the mandate of the Congress in the TVA Act of 1933, the Office of Community Development continues a long-established tradition of providing people-to-people technical assistance at the grass roots level and by establishing programs designed to enrich the quality of life in the region. This mandate from the Congress has afforded the Tennessee Valley Authority the opportunity for one-of-a-kind programs in partnership with the citizens of the seven-state region.

When community development assistance is not available from other Federal or state programs, TVA can provide such assistance to enhance the abilities of communities in the region to serve the needs of the residents. It can be done in one or more of several areas: provision of more efficient local services; demonstration projects in local flood damage prevention, efficient community energy use, health care improvement, or solid waste management; minority economic development; programs for the aging or in child care; manpower planning; work in one of the special opportunity cities or counties; townlift and economic development programs; or other local government assistance programs. Many of Community Development's programs are concentrated in areas with special needs.

Specific Community Development Activities

Division of Commerce.

This division works with communities, development agencies, businesses, and individuals in an economic development program which has three major areas of emphasis.

The first is a community improvement program designed to help towns and nonmetropolitan areas in the region improve their physical appearance, revitalize central business districts, and encourage land-use planning, helping them make the best possible use of their resources and adequately prepare for and manage community growth. In 1979, 25 communities received community planning assistance, and more than $2 million was spent by both public and private sectors in downtown revitalization, housing, recreation facilities, and bikeway and traffic flow systems.

In another program, state, regional, and local development agencies can obtain economic research information and engineering support to use in
helping them plan and prepare for industrial growth. Marketing research and other growth indicators provide information which helps identify industries which might locate branch operations in the region. The industrial development program also provides engineering support to communities and development agencies to identify land suitable for development as industrial parks, provides data about industrial sites, and prepares preliminary development plans. In 1979, 17 communities were assisted in developing plans for industrial parks, and 159 market analyses and 80 other types of economic studies were made available to communities and development organizations.

The third major program emphasis offers assistance for improvement of minority businesses in the region. It promotes projects designed to expand the minority business sector throughout the Valley by encouraging minority enterprises to bid competitively for TVA contracts, developing sources of venture capital for businesses, and assisting in developing the entrepreneurial capabilities of socially and economically disadvantaged persons. In 1979, the minority economic development program helped 60 minority vendors who received TVA procurement contracts, inventoried all minority-owned firms in the Valley, prepared bidders mailing lists of more than 200 minority firms, and helped establish the Tennessee Valley Center for Minority Economic Development, Inc., in Memphis. The center assists minority businesses through technical assistance and training.

Regional Analysis.- Regional and community economic analysis within TVA is concentrated in this staff. TVA performs a wide variety of studies on the growth and development of the regional economy to serve its own programs and Valley communities as well. These include monitoring population, employment, income, unemployment, commercial activity, migration trends, cost of living, industrial development, and construction activity. Regional economic forecasts are made, and reports on the regional economy are published as appropriate. TVA's economic analysis activities provide support to other TVA organizations through small-area economic analysis for local economic assistance programs, and in providing analyses or data in such areas as transportation costs, location of generating facilities, analysis and mitigation of construction impacts, and cost-of-living information for personnel recruitment. Outside groups and agencies are provided economic analysis assistance related to industrial development, shopping center location, population trends and movement, labor force size and structure, the cost of living, and monitoring of general business conditions.

Community and Regional Planning.

TVA-State-Local Planning Agency Relationships.- In the 1930's there was a lack of state and local planning agencies in the region to support the comprehensive regional development program established by Congress through TVA. To overcome this problem, TVA has worked with states on basic enabling legislation and, in some instances, has provided financial assistance so that professional staffs could be employed by the state planning agencies to provide technical planning help to local communities. These assistance programs became the prototype for planning assistance available under Section 701 of the National Housing Act. As states and localities have been able to finance their planning needs with help from other agencies, TVA has concentrated its assistance on specialized problems and on integrating TVA projects into community plans.
Present Status of State and Local Planning.- Each of the seven Valley states now has agencies responsible for statewide planning. In recent years, growing largely out of the needs and opportunities related to Federal programs, 34 substate multicounty regional planning agencies have been established in the 201-county Valley region. In addition, there are 305 city, 27 city-county, and 81 county planning agencies in the 201-county region. Nearly every city of any size in the Valley has an official planning agency. The larger cities tend to have joint city-county planning agencies. In contrast, fewer than half of the 201 counties have planning agencies.

Regional Planning.- TVA cooperates with state, regional, and local agencies in the Valley to prepare comprehensive overviews of regional development trends. Such overviews provide a basis for planning TVA programs and projects sensitive to environmental as well as socioeconomic needs.

Reservoir Planning.- Since TVA reservoirs play a significant role in the development of communities in the region, TVA maintains a continual process of working with state and local planning agencies on shoreline improvement plans. This process supports several TVA programs to bring about the necessary changes in economic, recreation, and general community development opportunities. The process is currently being applied to free-flowing riverways within the Tennessee River watershed.

Community Planning.- Since 1963 TVA has helped communities through "Operation Townlift" studies designed to (1) improve central business districts, (2) identify and develop industrial areas, (3) improve traffic flow and highway beauty, (4) encourage consideration of areawide planning issues in the preparation of comprehensive plans, and (5) expand recreation opportunities and development plans. Quality economic development is the main goal of the Townlift program.

The TVA concern with urban growth problems includes construction in the late 1930's of the experimental town of Norris, Tennessee, which contributed to early national efforts at new town development. TVA is currently assisting Norris in the establishment of a comprehensive community energy management program which will attempt to monitor and efficiently manage all aspects of community energy consumption.

Energy planning is also being combined with present-day new town efforts in the Lower Elk River area, where TVA is working with local groups to develop a system of rural villages as a means of maintaining the environmental quality of the countryside and providing an alternative to urban sprawl and inefficiency. The first rural village, at Elkmont, Alabama, is nearing completion and will emphasize the saving of energy by incorporating both passive and active energy conservation measures.

Other community planning efforts are in the areas of housing, control of commercial strip development, historic preservation, planning education, and location of shopping centers in downtown areas. Community Planning also works closely with the Special Opportunities Counties and Cities program.
Floodplain Management—Local reduction projects by TVA are now being successfully integrated into broader programs of community redevelopment. The new neighborhood being developed at Thomas Village, near Duffield, Virginia, and a flood-proofed municipal complex in Rockwood, Tennessee, are examples of the work being done.

Schools of Planning—The growth of state and local planning has increased the demands for planning personnel not only in the Tennessee Valley but throughout the Southeast. To help supply this need, schools of planning have been established at seven universities in the Valley states. TVA has supported these schools by providing lecturers from its staff, by conducting student visits to TVA offices and project locations, by funding needed research in such fields as recreation and flood damage prevention, and by participating in the intern programs through employing graduate planning students for special assignments. Students from planning programs outside the TVA region are frequent visitors.

Special Opportunities Counties and Cities.

The SOCC program represents TVA's commitment to target special resources to those areas in the Tennessee Valley region which need it most. These rural areas and urban neighborhoods share remarkably similar problems: high unemployment, low levels of education and skill attainment, lack of access to available job opportunities, and lack of capital to stimulate local economic development. The SOCC program enlists the help and support of local residents and other public and private agencies to develop a broad-based economic development program which will use an area's resources to reverse the economic stagnation or decline prevalent in the locality. The SOCC program is actively supported by other existing TVA programs such as manpower training, agricultural development, forest development, and local economic development.

Division of Community Services.

This division plans, develops, and implements programs that contribute to reaching the Valley's economic and sociological potential. Its staff members work with other Federal agencies, state and local governments, public and private institution and organizations, and local citizens to formulate, develop and execute these programs.

Community Energy Projects—Communities receive assistance in developing comprehensive energy management plans, utilizing alternative and renewable energy resources, and establishing energy-related economic development ventures. Communities are encouraged to become involved in working out solutions to their energy problems and developing positive energy options that reduce consumption of nonrenewable energy sources and help achieve national energy goals. An example is the Lincoln County, Tennessee, community energy demonstration project, which involves wide citizen participation and broad-based energy conservation and production approaches.

Regional Waste Management—TVA provides assistance to communities to help them develop waste management systems that will meet community needs in a cost-effective and energy-efficient manner, maximize use and proper disposal of waste material, and minimize associated environmental problems. Planning and technical assistance are available in four waste management activities: energy from waste and resource recovery, solid waste collection and recycling, hazardous waste management, and alternative waste-water treatment and sewage
sludge disposal.

**Human Services.**—The primary goal of TVA's human services program is to strengthen the viability of economically disadvantaged and underutilized populations in the region. Special attention is given to older Americans, women, the handicapped, working parents in need of child care, and regional artists and crafts people. Pilot programs of potential regional and national significance targeted to the needs of the area are developed and demonstrated. The programs also assist other TVA offices in adapting their projects to fit the unique requirements of special emphasis groups.

An Older Americans Program has been developed in coordination with the directors of the commissions on aging in the seven Valley states. Three major areas of need were identified: income supplementation, health, and energy. Demonstration programs have been developed to address these needs as follows: seven health education projects, four intergenerational child care projects, a project to convert the homes of older people to provide rental income, an expanded home gardening program, and several energy conservation programs, such as energy conservation workshops, a warm room module program, and the hiring of older people as energy auditors.

The Intergenerational Child Care Program provides child care services for rural workers and at the same time supplements the fixed incomes of older residents. Homes selected are renovated to meet state licensing requirements, and the homeowners receive training in child development and small business management. Programs are operating in Scottsboro, Alabama; Hartsville, Tennessee; Iuka, Mississippi; and Mayfield, Kentucky.

Handicapped/Sheltered Workshop Program.—The Marketing Association for Rehabilitation Centers, Inc., in Asheville, North Carolina, is a corporation of 10 sheltered workshops designed to coordinate and improve the marketing of their goods and services. TVA is assisting in funding the project for a stabilize production contracts and to assist in work setups, specialized equipment, and material purchases as needed. Other possible projects are being investigated.

Community Health Services.—This program directs its efforts toward improving the health of Valley residents through technical assistance to citizen groups, governmental agencies, and other organizations in upgrading and developing services appropriate to the needs of the particular communities. Examples of work are the Dungannon primary health care center, Dungannon, Virginia; health manpower recruitment, including a new doctor, in Waynesboro, Tennessee; a system of satellite clinics that will serve Gatlinburg, Seymour, and Townsend, Tennessee; and the North Alabama Emergency Medical Service Project, a model rapid responder project with headquarters in Decatur, Alabama.

Manpower Programs.—TVA is vitally concerned with human resource development and utilization, both as a comprehensive resource development agency and as a major employer in the region. Continued action by TVA and cooperating education and manpower agencies is necessary to alleviate critical imbalances in the national labor market, reduce unemployment in Valley communities, and qualify more residents for high-wage job opportunities.
Manpower Industrial and Commercial Training Programs.— Emphasis of these programs is to improve the labor force of local communities and industries in the seven-state area served by TVA through a comprehensive plan aimed at improving domestic planning and training capabilities. Activities in these areas include: (1) training endeavors that link into other TVA demonstration projects, such as coal mining and CETA special projects; (2) aid to the seven TVA states by subsidizing their efforts in industrial training for new and expanding enterprises on a project-by-project basis; and (3) provision of technical assistance to the states, educational institutions, industries, and development agencies such as economic districts, chambers of commerce, and industrial boards, on matters relating to industrial and commercial training, e.g., program and curriculum development. In cooperation with interested industries, unions, and vocational schools, TVA develops training and supportive services to enable the underrepresented to qualify for non-traditional jobs.

Employability Training and Work Experience.— Unemployed, underemployed, or economically disadvantaged Valley residents are provided public service jobs and training through the efforts of TVA and Comprehensive Employment and Training Act prime sponsors of the region. Participants accomplish needed conservation work and become more employable after skills attainment. Education, training, counseling, and placement services are combined with public service employment opportunities in areas of Kentucky, Mississippi, Tennessee, and Alabama with high unemployment rates.

Community Manpower Assistance.— TVA assists local communities in training activities that are designed to bring economic relief to underserved areas in designated counties. This is done through development, with CETA funding, of special training projects which result in entry-level job opportunities. This effort aids local communities in developing effective and realistic strategies to help alleviate imbalances in the local labor market.

Education Demonstration.— Through technical and financial assistance, TVA supports activities which can demonstrate ways of dealing with major human resource development deficiencies in the Valley area. A current demonstration with community colleges focuses on adults with limited educational attainment and is producing approximately 500 high school equivalency graduates annually.

Labor Market Planning.— Working through universities in the region, TVA sponsors training institutes for manpower planners to improve their skills in designing local and regional comprehensive manpower plans based upon an understanding of the labor markets and economic structure of their respective areas. TVA provides assistance to nonprofit corporations to provide work experience projects involving educators so that students can obtain an overall picture of career opportunities, working relationships, new skill needs of businesses, and industrial operations.

Other Activities.— Other OCD activities include coordination of various watershed development projects, among them the Bear Creek, Beech River, Duck River, Tellico, and Tims Ford projects. Included are such varied activities as development of an environmental education center and a recreational riverway at Bear Creek; housing developments and rural fire protection at Beech River; completion of Columbia Dam on the Duck River; industrial projects on the new Tellico Reservoir; and development of first and second
home sites, demonstration solar homes, and a new state park on Tims Ford Reservoir. All these activities are carried out as cooperative ventures with local and state agency partners.
Appendix C
OBJECTIVE STATEMENT

I. Program Description (List activities included in this program and general statement of program.)

II. What are the Office Goal(s) to which this program relates?

State the Objectives to which each Activity of the program relates.

III. Program Purpose

To what needs do these Objectives relate?

How are the Objectives of the program met by these activities?

How do these activities build to form programs?

Why these programs and not some others to meet office goals?
The OCD Program Plan will be made up of goals, objectives, activities, and tasks. These are defined in the section following.

Program planning ordinarily concentrates on the activity and task level. Goal statements and objectives are the combined product of policy and program development, are based on identified needs, and represent the priority and kinds of responses as decided by OCD and TVA leadership. Program evaluation is an instrumental part of goal setting and helps determine whether and to what effect needs were met.

General Information - The Planning Process

<table>
<thead>
<tr>
<th>PLANNING PROCESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needs</td>
</tr>
<tr>
<td>Goals</td>
</tr>
<tr>
<td>Objectives</td>
</tr>
<tr>
<td>Activities</td>
</tr>
<tr>
<td>Tasks</td>
</tr>
</tbody>
</table>

Needs, goal, objective, activity, and task can be defined as follows:

Needs. - A statement of current as contrasted to desired or requisite conditions.

Goal. - General statement of purpose.

Objectives. - Specific statement of results to be achieved within a given period. They have associated with them a time/task schedule or target dates and an identification of resource requirement.

Activity. - A related grouping of tasks to support a particular objective.

Task. - A specified unit of work with an identiviable completion point.

The planning process is applicable at every level in the OCD organization. The OCD Program Plan will be made up of plans resulting from application of this process at the branch level.

Within the program planning process there are also included strategies, criteria, and assumptions. These are integral to the process and will be defined and discussed in another bulletin.
Program: (Name of program to which activity is related---to be supplied by division directors)

ACTIVITY STATEMENT
(one or two pages)

ACTIVITY NAME:

I. ACTIVITY DESCRIPTION (one paragraph narrative)
   State: (1) What is going on?
          (2) What is the service population group?

II. A. PROGRAM OBJECTIVE(S) TO WHICH THE ACTIVITY RELATES
      (List the program objective(s) to which the activity relates. The program name and objectives will be supplied by the division directors.)

      B. DESCRIPTIVE OBJECTIVE(S) OF ACTIVITY
         (Those program objectives as stated on the previous activity statement modified according to noted specifications.)

III. ACTIVITY PURPOSE
     (Describe the rationale for this activity, addressing the questions of, "How does this activity contribute to the accomplishment of the program?" "Why this activity and not some other activity?" and "How does this activity relate to other activities in the program?")

IV. A. PROCESS OBJECTIVES
      state: (1) How you are going to go about accomplishing the descriptive objective(s). [Means]
             (2) Time frame for completion, [when], and location, [where].
             (3) In measurable and quantifiable terms.

      B. IMPACT OBJECTIVES
         state: (1) What the expected outcome is [Ends].
                (2) Time frame for completion, [when], and location, [where].
                (3) In measurable and quantifiable terms.
V. TASKS ASSOCIATED WITH EACH PROCESS ACTIVITY

-Specify before listing each set of tasks the process objective to which those specific tasks relate. (See example)

Ex: Feasibility Studies (Process Objective)
A. ________
B. ________ (Related Tasks)
C. ________

-Specify those tasks not associated with a process objective but necessary to carry out the activity. (e.g.: internal management)

- State where possible the location(s) and date.

-Specify: (1) The number of professional person years associated with each task,
(2) The total number of person years (including the administrative and clerical support) specific to the task within this activity.

VI. CRITERIA
ACTIVITY STATEMENT

Program: Solid Waste Management

ACTIVITY NAME: Energy From Waste

I. ACTIVITY DESCRIPTION: This activity assists local communities in the development and evaluation of economically feasible, and environmentally acceptable, solid waste processing systems (SWPS) which emphasize cogeneration of energy and maximize recovery of materials in all regions of the Valley where 100+ tons of waste per day can be economically aggregated. Energy efficient refuse incineration, gassification, processing, and landfilling systems are among the technologies utilized.

II. PROGRAM OBJECTIVES TO WHICH THIS ACTIVITY IS RELATED:

A. To reverse the rapid depletion of raw materials and energy resources.
B. To provide environmentally acceptable systems of solid waste disposal.
C. To demonstrate the economic feasibility of alternative SWPS.

III. ACTIVITY PURPOSE: Energy from waste offers an opportunity for communities to obtain energy without having to purchase other expensive, increasingly scarce, energy producing resources (e.g., oil, coal). Solid waste is cheap, readily available, and offers a reliable supply. Energy from waste also offers an environmentally sound alternative to landfill waste disposal systems, which are becoming public health hazards in some communities. Local communities cannot capitalize and technically develop such projects without assistance, and private companies (e.g., General Electric) have indicated a reluctance to develop this technology. This activity will reduce the barriers to capitalization and technical expertise.

IV. ACTIVITY OBJECTIVES:

A. Process Objectives:
1. Complete 6 feasibility studies for SWPS (probable sites: Vonore, Knoxville, Triana, Soddy, Blue Ridge, Cleveland). - Completion date: July 30, 1981,
2. Complete 3 conceptual design plans for SWPS (sites chosen where feasibility studies indicate SWPS viability). - Completion date: October 30, 1981,
3. Provide oversight of SWPS construction at Gallatin, - Completion date: December 30, 1981,
B. Impact Objectives:
   1. Reduce the number of substandard landfills by two. Impact date: December 30, 1983,
   2. Recover 100,000 cubic feet of methane gas. Impact date: July 1, 1981,

V. TASKS ASSOCIATED WITH ACTIVITY:

A. 1. Feasibility studies
   a. Assess existing system 1/2 1
   b. Develop graphic maps (1/2 man-year) 2 1/2 3
   c. Conduct discussions with local community officials and potential industrial customers 1 1/2 2
   d. Produce study reports (1 man-year) 1/2 1
   e. . .
   f. . .
   g. . .

2. Conceptual designs
   a. Select site 1 1/4 2
   b. Select technology 2 1/4 3
   c. . .

3. Oversight of construction
   a. . .
   b. . .
   c. . .

4. Internal Management
   a. Professional seminar and development 1/4 1/2
   b. Board presentations 1/4 1

VI. ELIGIBILITY CRITERIA:

A. Criteria for Selection:
   1. Potential match of steam customers to output of resource recovery facility,
   2. Potential for well-organized waste collection system oriented to a central resource recovery system,
   3. Potential for political/institutional community support,
4. Potential for cogeneration of steam.
5. Manifested accessibility to various forms of financial support.

B. Criteria for Assistance (based on remaining years of life of present system):
1. Urgent = less than 2 years
2. Immediate = 2-4 years
3. Interest but not immediate need = 4-6 years
4. Long range = more than 6 years