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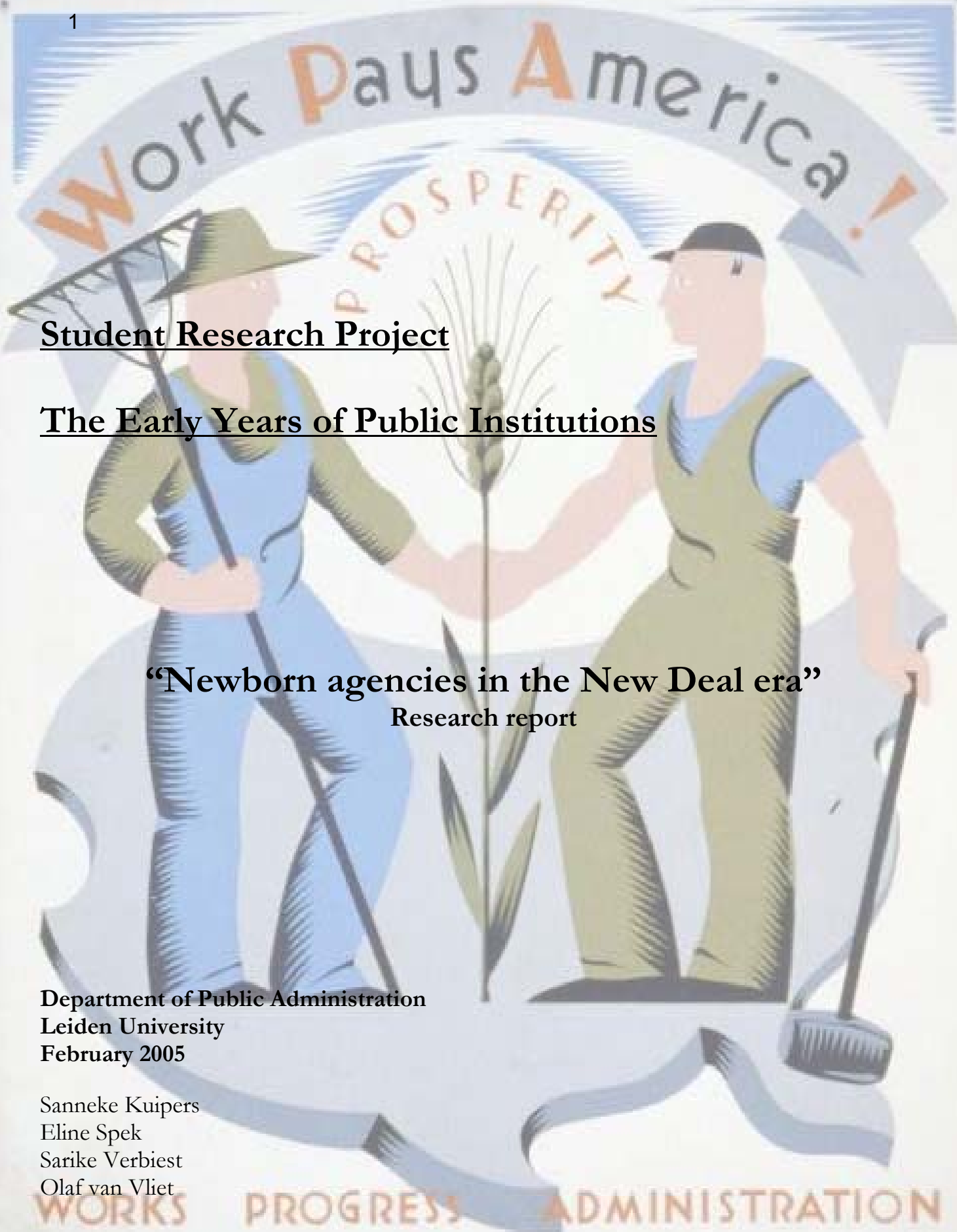
The Early Years of Public Institutions

**“Newborn agencies in the New Deal era”
Research report**

**Department of Public Administration
Leiden University
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Sanneke Kuipers
Eline Spek
Sarika Verbiest
Olaf van Vliet

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Appendix 1 List of New Deal Organizations

“ ... significantly, conservatives raised no hand against the New Deal’s core achievements: Social Security, farm price supports, child labor and minimum wage legislation, and banking and securities regulation. Those reforms were already firmly in place as untouchable pillars of the new social and economic order that Roosevelt had wrought out of the Depression crisis”

(D. Kennedy, 1999: 783).

1. Newborn agencies in the New Deal era¹

Policies take shape through the organizations that implement them. When governments plan societal intervention, they need an organization that collects revenues, (re-)distributes resources, designs and employs instruments of regulation, monitors effects, etc. Organizations are the mechanisms through which goals are achieved that are beyond the reach of the individual (Parsons, 1960: 41). They allow a policy to become embedded in its environment. In fact, the very point of organizational creation and maintenance is to produce stability, reduce uncertainty, increase efficiency, and nurture enduring relationships and authority patterns (Skocpol, 1985; Kuipers, 2004). Organizations sometimes become so persistent that they even outlive the policies that justified their creation (Krasner, 1984). Although they start as means to accomplish specific ends, some organizations become ends in themselves. The utilization of resources to maintain the organization itself is “a common curse that besets all organizations” (Scott, 2003: 11).

Among those who study organizational persistence, the question rose why some organizations ‘live’ longer than others (Stinchcombe, 1965; Kaufman, 1976; 1985; see Aldrich, 1999; Hager et al, 1996). Competition and selection, induced by the organizations’ environment, provide us with powerful explanations for organizational mortality. It explains why competition is likely to increase when organizational density in a particular field is low. This competition will promote increased selection among the variety of organizations engaged in a particular activity or field. This selection will weed out the weaker variations of a ‘species’. This explanation may enlighten the studies on steel companies, newspapers, interest groups, etc., but it leaves those who study public organizations in the dark.²

¹ This research report benefited from comments by Arjen Boin, Martijn Groenleer, Erwin Hargrove, Celesta Kofman, David Lowery and Paul ‘t Hart. It is a concept draft, which means work in progress: please do not cite or use without contacting the authors.

² Some additional insights may be gained from a study of organizations on the middle ground between public and private, examining mortality and survival of non-profit organizations (see Hager, Galaskiewicz,

Competition among public organizations, if at all present, is by definition imperfect. Public organizations are often created to fulfill those tasks which ‘the market’ is unlikely, unable or unfit to take on. In doing so, the public organization often establishes a monopoly.

Literature on public administration suggests that government agencies are therefore ‘immortal’, because of a lack of competition that could cause their demise and because the nature of their task is often so complex that it can never be fulfilled. Public organizations are thus bound to exist forever. Yet, some of those organizations ‘die’, and others survive. This could be explained by looking at the political context of these organizations. A political turbulent period could very well explain the sudden demise of a public organization. For instance the political turnover from the democratic Truman to the republican Eisenhower government in 1953 produced an unprecedented and swift reorganization of the agricultural sector, in which many organizations such as the Bureau of Animal Industry, and the Bureau of Entomology and Plant Quarantine were absorbed into larger federal agencies. More dramatically, the demise of the Berlin Wall rendered a great number of former GDR³ government agencies obsolete in a short period of time. Organizational persistence requires a more structural explanation than political behavior at one moment in time, however.

An institutional perspective could shed a light on both the creation and termination of government organizations. Institutionalists analyze how organizations become valued internally and externally, how they acquire stability and legitimacy (Perrow, 1986). Not all perspectives on the influence of institutions agree to this approach however. The tree that is institutionalism has many branches (Peters, 1999).

Two of those are valuable for the purpose of this study. First, the sociological institutionalists, students of Selznick (1957), make an analytical distinction between organizations and institutions. Organizations are “expendable tools, rational instruments to do a job” (Selznick, 1957: 5), whereas institutions are “infused with value beyond the technical requirements of the tasks at hand” (ibid: 17). Second, historical institutionalism stresses the fact that such institutions tend to persist.⁴ An institution assumes a life of its own, beyond the functional requirements it was designed to meet. Institutions extract resources, socialize individuals and can even alter the basic structure of civil society. Thereby, they can “perpetuate themselves into a future whose functional imperatives are radically different” (Krasner, 1984: 240). These two perspectives will be employed to study organizational survival diachronically.

Bielefeld and Pins, 1996) or interest groups (Brasher and Lowery, 2004). Still, competition (for funding, or other forms of support) forms the main component of their explanation.

³ German Democratic Republic, or former East-Germany.

⁴ This tendency is often considered characteristic of public organizations, as Gulick (1937), Drucker (1968) and Kaufman (1985, 30 n8) point out.

2. Organizational survival

Organizational survival can be explained by looking at the features of organizations and at environmental volatility. The case selection aims to control for the latter, in order to allow this study to focus on features of organizations as our main source of explanation. If some organizations live longer than others, this should be explained by looking at differences in the organizations themselves: what do they do to institutionalize, and which conditions promote institutionalization? It is assumed here that institutionalization and survival go hand in hand. When organizations are valued both by their own grassroots and by their external stakeholders, they are unlikely to be dissolved only because of political turnover or other exogenous shocks. Not all organizations that seem immortal need to be institutions, however, and some organizations flourish only briefly, while they exist for decades (Meyer and Zucker, 1989).

Students of the institutionalization of organizations typically resort to the domain of the single case study (Perrow, 1986). The case study is “an empirical inquiry that investigates a contemporary phenomenon within its real-life context.... [in which] multiple sources of evidence are used” (Yin, 1989: 23). The case study accurately portrays many aspects of a case as a whole, in its natural environment. It seeks in-depth knowledge, often to correct misrepresentations of the subject or to offer a new representation on the matter (Ragin, 1994: 92). This befits the ‘exposé tradition’ of the institutional school, which aims to look beneath the surface that preoccupies the other social sciences and tends to scrutinize deviations from the obvious (Perrow, 1986: 158). Based on detailed studies by Selznick (1949) and his followers (Messinger, 1955; Gusfield, 1955; Zald and Denton, 1963; and much later Hargrove, 1994; Doig, 2001) a picture of the process of institutionalization in each of their cases can be reconstructed. What is lacking, however, is a systematic comparison of organizations on conditions that influence their institutionalization.

Comparison of cases that do and cases that do not institutionalize could reveal which factors influence that institutionalization process for public organizations. The problem is that the analytic frames available to pinpoint institutionalization require an in-depth, holistic study of the organization. It seemed impossible to conduct a case survey with the analytical instruments currently available for the study of institutionalization. The survey and comparison of 30-40 cases does simply not allow for in-depth, holistic probing of details in organizational development (such as specific contextual factors of influence, personal traits of leadership, internal organizational conflicts, etc.). This paper therefore focuses on the relation between a number of variables that reflect the structural characteristics of the organizations (and that seem to matter as conditions for institutionalization also) and a relatively simple dependent variable: organizational survival. If organizational longevity and

institutionalization are positively related, the conditions for survival will also inform us on factors that cause some organizations to become institutions.⁵

The independent variables selected here are structural features of organizations that could influence their performance (as perceived by their environments) and affect the outcome: lifespan. This study examines the initial conditions or characteristics of organizations that may further or hamper organizational prosperity and survival. A comparative study of some 30-40 cases could focus on outcomes such as mortality on the one hand and on independent variables such as autonomy, hierarchy, resources, newness, etc on the other. This analysis should tell us whether some factors that are generally considered to play a role in the process of institutionalization, also influence an organization's survival. Based on the results of this first cut, cases for the more detailed and sensitizing study of institutionalization can be selected for further research.

We study the absence or presence of conditions in the first two years of the organization's existence because many studies imply that "the conditions under which an organization is born and the course of its development in infancy have crucial consequences for its later life" (Kimberley, 1980: 20; see also Stinchcombe, 1965, Wilson, 1989). This argument is supported by the historical institutionalist notion of 'path dependency', which asserts that initial steps along a particular path produce deterministic consequences that come to define later choices (Krasner, 1984; 1988; Mahoney, 2000; Pierson, 2000; see for an elaborate case example King, 1995). Switching to alternatives becomes increasingly expensive, and uneven distribution of resources and influence tends to reinforce the position of those already in power. Therefore, early decisions on goals, instruments, positions, resources, and access to decision making venues are considered to become progressively important over time. The 'early years'-data in this study would allow for some cautious inference about the actual importance of initial organizational design once we select cases for further research on institutionalization. Additionally, patterns could be detected in the presence of initial conditions that co-vary with the age of organizations.

In this study we focus on the possible impact of those initial conditions on the lifespan of the organizations in our research population. The central question of this study is: *Why do some organizations survive while others do not? More specifically, are there specific features of organizations that make them more or less likely to survive?*

The independent variables are listed in the box below, and will be related to the dependent variable: survival. We measure survival by looking at organizational lifespan (L), whereby L =

⁵ Because if we discover 1) the conditions for organizational survival, and 2) presume that survival and institutionalization are positively related, we can 3) also presume that the conditions for survival positively influence the process of institutionalization.

abolishment date (A) – founding date (F). The abolishment date is defined as the moment at which the agency was abolished, merged into an organization of a distinctly different signature, or absorbed into a much larger organization, by Law or executive order. The founding date is based on the date the agency has been established by Law or executive order.

3. Early Years in the Early New Deal

This study examines New Deal organizations that were established during Roosevelt’s first term in office⁶. The *U.S. Government Manual* tells us that of all the ‘independent establishments and government corporations’ listed in the volume 2004/2005, 11 organizations (19 % of the total) originate in the first years of the New Deal (1933-1936). Even though these organizations were created in a blaze of large-scale government intervention that responded to urgent societal needs, their structures seem to be resilient enough to survive their initial reasons of existence and acquire a status of permanency.

The New Deal period provides us with a very interesting population of well-documented organizations. The sample of organizations created within the same short period of time in the same political environment usefully controls for other independent variables beyond the organizational characteristics identified for this research. All organizations selected experienced the same economic depression and recovery, the same political power relations and turnover, and served the same population in the same country. Of course, not all environmental conditions affect each organization in a similar way, which is why dummy variables have been included into the analysis identifying the different kinds of economic activity the agencies were designed to address. The Second World War may have affected agricultural organizations in a different way than it affected industry, or commerce. Also, the type of legislative authority by which the agency has been created (executive order by the President, or laws enacted by Congress) has been included as a dummy variable into the analysis. In this fashion, sources of environmental volatility were identified to tap the difficulty of the survival task facing each type of organization. More general environmental volatility caused by macroeconomic or political changes is considered to be a constant for the New Deal agencies because the sample controls for such macro-level features in the organizational environment. In this identical context, all organizations face similar challenges concerning their resource dependency, legitimacy, autonomy and control over personnel and internal affairs.

⁶ It may be wise to avoid discussion on which organizations truly belong to the “Early New Deal” and which organizations are characterized by the spirit of the second New Deal – this would require a great deal of personal judgment by the analysts that we would rather leave to the expertise of historians. To improve the precision and objectivity of selection in this study, it was decided to analyze all the organizations created during the first incumbency of president Franklin D. Roosevelt (1933-1936).

While the challenges to those organizations are still relevant⁷, today's advantage is that we now know what has become of those agencies over the years.⁸ Organizations selected are federal agencies which can be characterized as "divisions of the federal government organized around a specific function and with an individual identity apart from any umbrella organization" (Wolf, 1993:162).

But how do we determine when an organization comes into existence and when it ceases to exist? Kaufman (1985: 13-17) identifies organizational existence as the consequence of "deliberate demarcation of the organization's boundaries". The boundary of an organization is defined by the criteria employed to distinguish members of the organization from all other people (or objects, territories, bodies of knowledge, etc.). If this condition is met, the group is likely to have other traits of an organization also. The start or discontinuation of boundary maintenance serves to mark organizational creation or termination. However, structural features of organizations may change during its existence, and these changes can accumulate to the extent that the organization does no longer bear resemblance to what it was previously. Kaufman argues that an organization exists as long as a group of people uninterruptedly maintain a boundary around themselves. From his organic approach it follows that a changed organization is like a man who can change name, appearance, office, life style etc, but still hasn't died: in fact his physical integrity remains, with different characteristics. When people in an organization are still able to demarcate the organization's own boundaries (i.e. when it is not merged into a much larger organization, or split into several small organizations), its life continues, whether organizational goals and other characteristics have changed or not.

The early years of New Deal organizations are thus defined by their infancy as a group of people consciously and actively creating and maintaining boundaries to distinguish themselves as individuals cooperating within a common setting. Defined by physical and juridical boundaries such as a building, payrolls and employment contracts and a shared moral conviction among officials, supporting citizens and complying businesses ("We Do Our Part"), the National Recovery Administration ("the Blue Eagle") became identifiable as an organization. Once organizations cease to employ individuals to do a certain job or once they no longer have resources or interest to pursue a common goal (for instance provide relief to individuals through employment, such as the Federal Arts Projects which was abolished in 1943 by failure of appropriation), their boundaries erode or collapse.

⁷ Today's basic challenges to organizations: define their goals, induce members to contribute to the pursuit of their objectives, exploit resources, produce and dispense services or products, recruit and train members and establish a working relationship with the environment (Scott, 2003:11) are not so different from organizational efforts 70 years ago. Wilson (1989: 370) adds that even the keys to organizational success have not changed since.

⁸ Additionally, this study can now draw on a considerable body of literature on the 1930s.

In literature on the New Deal era, in the national archives records and the U.S. government manual, 36 organizations were found to be created during Franklin D. Roosevelt's first term in office. Because the scope of this research project was limited in time and resources, we selected 13 organizations out of these 36 for our analysis. The organizations selected represent the diversity of policy sectors in our total population, as we included organizations governing agricultural, industrial, work relief, housing, finance, planning, labor, and social security domains. Out of the total population (36 organizations created within the same turbulent years of the early 1930s), 13 (35%) still exist today, some 70 years later. In our representative selection of 13 cases we included 5 cases (which is approximately the same proportion) that survived to this day. What makes these seemingly immortal organizations so special, and what can account for the demise of others?

4. Crucial conditions

Organization studies suggest a wide variety of factors that can influence patterns of organizational survival (such as density dependence, see Hannan and Freeman, 1989; normative support and regulatory regimes, see Baum and Oliver, 1991; DiMaggio and Powell, 1991; resources and cooptation, see Pfeffer and Salancik, 2003). In this study, a few characteristics of organizations are selected for analysis of their comparative relation to organizational lifespan.

In his *Foundations of the Theory of Organization*, Selznick (1948: 25) sees formal organization as the mobilization of technical and managerial skills requiring 'a pattern of coordination, a systematic ordering of positions and duties which defines a chain of command and makes possible the administrative integration of specialized functions'. The continuous elaboration of the formal and informal mechanisms of control and coordination is the process of institutionalization of relationships that soon follows. The formal traits that characterize the organization from the onset are the **hierarchy** (ordering of positions and duties which defines the chain of command), **delegation** of authority (discretion of operational activities), the variety of the **staff** (the technical and managerial skills, the representation of constituencies) and the organization **size** (in large organizations, deviations from the formal system tend to become institutionalized).

The features above all characterize the organization's internal formalization of coordination and control. Selznick points at the organization's relation to its context only with regard to its ability to 'coopt' this environment into the formal and informal structures of the organization. In fact, the environment can as such be 'internalized'. In addition, a number of structural features that define the organization's external relation to its task environment have to be taken into account. Political **support**, the existence of similar

organizations (isomorphism) as opposed to the possible ‘newness’ of an organization, the existence of **competition** (for resources or outlets), the organization’s formal **autonomy**, and **resource dependence** are characteristics that can be studied when an organization has just been created. These factors were considered relevant to organizational survival in literature on population ecology (see Stinchcombe, 1965; Kaufman, 1985; Aldrich, 1999; Pfeffer and Salancik, 2003) or mentioned in studies with more attention for the external dimension of institutionalization (Wilson, 1989; Scott, 2001; Boin, 2001).

A list of such conditions and characteristics present in the first year of the organization’s existence that may influence their lifespan positively or negatively are presented in the box below.

Table 1 Description of variables

| |
|--|
| <p>Organization size – the size of the organization staff, combined with the size of its budget.</p> <p>Hierarchical structure – the extent to which the agency was organized in a vertical command and control structure, with distinct functional units. The structure is characterized by narrow spans of control, but not necessarily by close supervision of routine tasks.</p> <p>Delegation of operational decision making authority* – the extent to which operators and field agents were granted discretion in how they implemented agency programs, the relative share of street level bureaucrats in the organization.</p> <p>Professionalism – the extent to which the recruitment of the staff is based on specific educational background and expertise (which brings with it an adherence to professional norms and standards not defined within the organization) or recruitment for in company trained routinization of work.</p> <p>Newness – the extent to which the agency is newly created ‘from scratch’, or that it leans on existing structures, or succeeds previously existing organization(s).</p> <p>Political autonomy* – the extent to which the agency leadership was authorized by law to operate free from constant and particular direction from the executive government or courts, expressed for instance in the required frequency and substance of reports and monitoring activities, absence or presence of detailed description of standard operation procedures, organization’s control over personnel recruitment and budget allocation .</p> <p>Competition – the extent to which the agency is the sole provider of services or goods, and the extent to which the agency needs to compete for jurisdiction or resources related to its mission and critical tasks.</p> <p>Resources – the nature of the resources on which the agency depends, the automatic generation/growth of its budget.</p> <p>Presidential/congressional support *– the extent to which the president, congress and other stakeholders supported the establishment of the agency (voting records).</p> <p>Dispersion of Costs and Benefits – the balance between the relative number of people that pay for the service and the share of the population that benefits from it</p> |
|--|

* based on Wolf (1993: 179 appendix B)

The next section presents the variables and their operationalization in more detail. The idea is that these variables can be measured on five-point Likert-type scales⁹ to gather information on the survey items. The value of these variables can be measured by an assessment of the attributes found in the empirics for each survey item. The coder encloses the marks on each scale in brackets that represent 90%-confidence intervals. However, for the initial analysis we will use the comparative method designed by Charles Ragin (1994), which requires an indication of absence or presence on each variable. The coder will still mark the scores on each variable in a case on the five point scale (this will enable the researchers to use the data to calculate likelihood estimations in the future), but we will initially focus on a dichotomous score. This means that a mark on the left half of the five point scale will be considered a score that equals ‘absent’ or ‘A’ and a score on the right half of the scale equals ‘present’ or ‘P’. A more concrete description of how the variables will be coded and how the coding scheme will be applied can be found below. One well-known and widely studied agency from the sample, the Tennessee Valley Authority, will be discussed as an example case.

5. Operationalization: A Case Example

Probably one of the most well-known New Deal agencies, the Tennessee Valley Authority has been extensively studied and documented.¹⁰ “In the minds of men the world over, the initials TVA stand for progress...”, president John F. Kennedy trumpeted at the Authority’s 30th anniversary, an age which has now been more than doubled. The Authority, established

⁹ Likert (1932) developed a scale for which the value, e.g., 1 - 5, of the response for each item in a survey is the score for the item. See Likert, R (1932) ‘A Technique for the Measurement of Attitudes’, *Archives of Psychology*, 21 (140).

¹⁰ This case study did not employ primary material but leans on previous case analyses of the TVA by other scholars. Their conclusions on and assessments of the presence or absence of each variable were used. Their case studies were carefully read to find information on the identified attributes of the variables selected for this study. It is assumed that these assessments together represent valid and reliable measurements. If several studies gave information on the same survey item, we used the quote that reflects the required information most accurately, or the provided information most completely. In case of contradictory information, both sides of the controversy are mentioned, except for when several studies conclude similarly and thus outweigh a single dissident assessment. Case studies used include: Avery, R. S. (1954) The TVA and Labor Relations: A Review, *The Journal of Politics*, **16**: 413-40; Callahan, N. (1980) *TVA: Bridge Over Troubled Waters*, New York, A.S. Barnes and Company; Greene, L. S. (1939) Personnel Administration in the Tennessee Valley Authority, *The Journal of Politics*, **1**: 171-94; Hargrove, E. (1994) *Prisoners of Myth: The Leadership of the Tennessee Valley Authority 1933-1990*, Knoxville, University of Tennessee Press; Martin, R. C. (Ed.) (1956) *TVA: The First Twenty Years, A Staff Report*, Knoxville, The University of Tennessee Press; McCraw, T. K. (1971) *TVA and the Power Fight: 1933-1939*, Philadelphia, J.B. Lippincott Company; Morgan, A. E. (1937) Sociology in the TVA, *American Sociological Review*, **2**: 157-65; Russel, D. (1949) *The TVA Idea*. New York, The Foundation for Economic Education; Selznick, P. (1949) *TVA and the Grassroots*, Berkeley, University of California Press; Wengert, N. (1951) TVA: Symbol and Reality, *The Journal of Politics*, **13**: 369-92; Wildavsky, A. (1961) TVA and Power Politics, *The American Political Science Review*, **55**: 576-90.

to stimulate the development of the impoverished and underdeveloped Valley of the Tennessee river (encompassing seven States) has also often been praised as one of the most successful New Deal agencies. Its tasks were to control floods, develop inland waterways and irrigation systems, generate power and provide the region with cheap electricity. Most of these tasks required the construction of dams and power plants by TVA's own engineers. The slogan "Built for the people of the United States of America" was engraved in many of its construction works (Callahan 1980), even though the character of the agency was more regional than national (Martin, 1956). A daring and unprecedented enterprise at the time, controversial from the start and debated to this day, it certainly is one of the most multi-faceted and interesting cases of our research population.

The scores on the variables as coded for the Tennessee Valley Authority are summarized in this table and will be substantiated in the remainder of this section.

Table 2 Score chart variables

| Dependent variable | value | Score* |
|---|---|---------------|
| Lifespan | Long: ≥ 71 years | P |
| Independent variables | | |
| Newness | Created from scratch | P |
| Organization size | Large staff, Large budget | P |
| Hierarchical structure | Most non-hierarchical | A |
| Delegation of operational decision making authority | Much delegation | P |
| Political autonomy | High autonomy | P |
| Competition | Most competitive | P |
| Resource dependency | Most independent | A |
| Support | Broad support | P |
| Professionalism | High professionalism | P |
| Dispersion of agency benefits | Low: large but limited group of beneficiaries | A |
| Dispersion of agency costs | High: large general/open group of payers | P |
| Dummy variables | | |
| Created/authorized by | Congress | |
| Operated under the authority of | President | |
| Sector | Energy/Interior | |
| Organization type (Wilson) | Production Organization | |
| Original Mandate (duration) | Infinite | |

* P means 'present' and indicates that the case scores high on this variable, A means 'absent' and indicates a low score.

We will discuss each of the scores separately below. The dependent variable 'lifespan' was measured by simply deducting the year of birth from the present year, since the TVA still exists as an independent organization.

| Dep.variable | Value | Evidence | Score |
|---------------------|--------------------------|--|--------------|
| Lifespan | Long: ≥ 71 years | Established May 18, 1933 by Congress, still exists today (www.tva.gov) | P |

The scores of the independent variables were based on the presence of indicators identified as relevant measurements of that organizational characteristic. The variables will be both discussed regarding their operationalization and substantiated with evidence from the case material in consecutive order.

The organization’s **size** was measured in terms of its number of employees and the size of its annual budget in U.S. dollars (at 1930s currency rates). It is a relative size measurement: the figures are compared to the scores of the other organizations and to the total budget and number of government employees at the time.

| Ind. variable | Value | Evidence | Score |
|-------------------|-----------------------------|---|-------|
| Organization size | Large budget Large staff | \$50 million in 1933 (Callahan, 1980: 28), \$40 million annually during 1930s (Hargrove, 1994:77) 10,000 employees in the earliest years (Martin, 1956: 41), 16,000 TVA employees by 1935 (McCraw, 1971: 145). | P |

The presence of **hierarchy** can be distinguished by looking at the organization structure (vertical or squat); the ranking among staff (strict or little); the existence of central command or decentralized decision-making; and whether employees got their instructions by order, or were rather guided by consultation.

| Ind. variable | Value | Evidence | Score |
|------------------------|-----------------------|--|-------|
| Hierarchical structure | Most non-hierarchical | “The authority of relevant knowledge rather than the authority of profession or rank has been guiding principle in these relationships” (Martin, 1956: 44). “A.E. [Morgan] disliked hierarchy and wanted a free flow of views within the organization. His resistance to hierarchy was seen in his policy, as chief construction engineer, of encouraging engineers to revise plans at the site in response to newly perceived conditions. Such discretion became part of the TVA culture” (Hargrove, 1994: 32). | A |

Delegation of operational decision making authority is indicated by the guidelines for and standardization of operations and procedures; the supervision of routine activities; the required permission for taking decisions on the deployment of materials and work capacity and the focus of accountability: bureaucratic reliability or professional content of judgment. If the case scores high on all attributes of this variable, there is little delegation of authority in the organization.

| Ind. variable | Value | Evidence | Score |
|---|-----------------|--|-------|
| Delegation of operational decision making authority | Much delegation | “In general, TVA avoids spelling out detailed procedures except where uniformity or consistence is important, thus allowing as much discretion as possible to those directly responsible for doing a job” (Martin, 1956: 45). “Once the board decided what it wanted to do, it made sense to | P |

| | | | |
|--|--|---|--|
| | | delegate the doing to the skilled technicians below. It also made sense for the board to draw on the expertise of TVA staffs to assess the feasibility and desirability of particular plans and goals” (Hargrove, 1994: 65) | |
|--|--|---|--|

The **professionalism** of the organization’s staff is indicated by the background diversity of the staff members, their liaisons with professional organizations, the basis of their authority (rank or expertise) and the requirements of their core tasks (specific education/specialization or in company trained skills).

| Ind. variable | Value | Evidence | Score |
|-----------------|-------|--|-------|
| Professionalism | High | “...enabled TVA to assemble an exceptionally competent staff of engineers and builders” (McCraw, 1971:144). “...to establish a system of personnel administration based on ‘merit and efficiency’” (Greene, 1939: 171). | P |

The **newness** of the organization was measured on a continuum, ranging from (1) ‘previously existing public organizations with similar task’, via (2) ‘previously existing public organizational divisions with similar task (merger, split)’; (3) ‘previously existing field of public organizations with related tasks (existing policy sector)’; (4) ‘previously existing related public policies without organizational structures organized around their implementation’ to (5) ‘created from scratch: no such previous public organization, unprecedented govt. task’. In the literature on TVA was little dispute about the uniqueness of the project. The two quotes below characterize the overall assessment of TVA as an organization new in design and task. The only thing that was not new about TVA was the controversy between those who wished to see the power industry in public hands, and those who vehemently oppose any public interference in the power business.¹¹ This underlines however, the boldness of the TVA experiment.

| Ind. variable | value | Indicator | score |
|---------------|----------------------|--|-------|
| Newness | Created from scratch | The TVA was “a philosophical and historical as well as a political and social laboratory” (Leuchtenburg, 1995: 159). “H.A. Morgan remembered years later how clean the slate was: ‘We got into TVA with no tradition. We didn’t have a pattern ... Nobody had ever set up the idea of integration of natural resources, water, land, air and everything else, including human ability. The result was that there was nobody that could give us advice from the outside’”(Hargrove, 1994: 24). | P |

Autonomy is reflected in the required frequency and substance of reports and monitoring activities, absence or presence of detailed description of standard operation procedures, organization’s control over personnel recruitment and budget allocation. We have tried to

¹¹ See McCraw (1971) for a balanced analysis of the ‘power fight’.

assess the formal autonomy of the organization, which means the room for maneuver the organization has according to the Law or decree by which the agency was constituted. Inclusion of informal elements or later developments would put the later analysis of explanations at risk (when we wish to explain the possible relation between those organizational features and the outcome, organizational survival).

| Ind. variable | Value | Evidence | Score |
|--------------------|---------------|---|-------|
| Political autonomy | High autonomy | “To provide unified direction, Roosevelt proposed that Congress create ‘a corporation clothed with the power of government, but possessed of the flexibility and initiative of a private enterprise’ (Schlesinger, 1958: 324). “At the same time, the very form of the agency established under the new Act was a new departure. There was created a relatively autonomous public corporation free in important aspects from the normal financial and administrative controls exercised over federal organs” (Selznick, 1949: 5). “...the president’s weak statutory authority over the internal organization of TVA. The fundamental weakness of TVA was, he [Emmerich] felt, the absence of ‘real political control’” (Hargrove, 1994: 72). | P |

To assess whether the organization has to deal with **competition**, it was checked if there were any rival organizations providing the same goods or services and if there were organizations (with similar or different products) competing for the same resources or clients.

| Ind. variable | Value | Evidence | Score |
|---------------|--------------------|---|-------|
| Competition | Mostly competitive | There was fierce competition among TVA and other suppliers of power – “The power companies could have supplied all of the demands of their customers by generation at their own plants, without purchasing any TVA power” (Callahan, 1980: 60). “During the long period of legal challenge, TVA’s biggest problem was to find new markets for its power. If demand failed to match supply, then Willkie’s oft repeated prediction that TVA was overbuilding the region’s electrical capacity would come true, to the acute embarrassment of the New Deal” (McCraw, 1971: 122). TVA competed also for its congressional appropriations to build dams and other power projects (Hargrove, 1994: 23), and for its exclusive right to execute its regional tasks. “TVA was hostile to competition within the valley, and succeeded in keeping the Soil Conservation Service out. The crime of the SCS in TVA’s eyes was that it would not agree to do its work through the TVA channel of delegation to county agents but wanted to use its own people. TVA argued, both selfishly and on principle, that it was the agency for coordinating federal services in the valley and that it | P |

| | | | |
|--|--|--|--|
| | | should be accorded that role. It was clear that the TVA saw any federal program parallel to its own as a threat to its existence”(Hargrove, 1994: 97). | |
|--|--|--|--|

Resource dependency means that the organization derives its vital information, funding, and possibly other resources such as mandates and workforce from external resource providers. The dependent organization has little influence on both the size of its revenues and its expenditure (for instance, a social security administration has little influence on the number of claims it will have to face in the next year). In addition, it is dependent on a single resource provider and lacks alternative sources of capital, information or labor capacity in case its main resources become scarce, or when the relation to its provider becomes troublesome.

| Ind. variable | Value | Evidence | Score |
|---------------------|--------------------|--|-------|
| Resource dependency | Mostly independent | “The resource situation itself is constantly changing, constantly being modified as new needs and new opportunities appear. Resources do not just exist; they become resources” (Martin, 1956: 6). “TVA was blessed with professionals of the highest competence; it could select from among the very best applicants during the depression” (Hargrove, 1994: 65). “TVA controls its own expenditures (...) The General Accounting Office audits TVA’s books and reports to Congress any disagreements with TVA as to the propriety of expenditures, but the expenditures cannot be disallowed (in contrast to other govt. agencies). The TVA Act makes it possible for TVA to determine within its own organization, using its own staff and its own lawyers, what expenditures come within the limits of its authority” (Martin, 1956: 28). | A |

Support for the establishment of the organization before it was founded and in its first years will be indicated by voting records in Congress, the behavior of the President and assessments of stakeholders’ sympathy for the new organization by case study authors. Support is considered to be most broad when in both the Senate and the House are in favor of the new organization, when support comes from congressmen from both parties, when the President expresses support for the organization, and other stakeholders such as specific states or interest groups (farmers, organized business, trade unions) advocate the policy and the establishment of the organization too.

| Ind. variable | Value | Evidence | Score |
|---------------|---------------|--|-------|
| Support | Broad support | “At a stroke, Roosevelt had thus earned the gratitude of the two most disparate elements in the unlikely political coalition he was trying to assemble: traditional southern Democrats and forward-looking Republican progressives” (Kennedy, 1999: 148). The House passed by 306 to 91 a modified bill limiting the TVA power. But on May 3, by a vote of 63 to 20, the Senate passed the | P |

| | | | |
|--|--|---|--|
| | | Norris Bill without the limited provisions inserted in the House. In conference the President intervened in favor of the Senate version, the House accepted this decision, and on May 18, 1933, Roosevelt signed the TVA Act” (Schlesinger, 1958: 326). In the House, the Bill had faced strong criticism, “as an attempt to graft onto our American system the Russian idea”, and as a threat to existing power suppliers in the region “I can see no market whatever for this power” (ibid: 325-326). However, “by 1939, TVA had won all its law suits and had secured a large, integrated territory for its yardstick” (Mc Crow, 1971: 140) “TVA easily won the fight for the loyalty of the Tennessee Valley” (ibid:149). “TVA was ‘the apple of his [Roosevelt’s] eye’”(ibid: 149). | |
|--|--|---|--|

The analysis of the **dispersion of benefits** means that it was assessed whether a large and unlimited or undefined group of citizens enjoys the work of the new organization, or that only a small, or restricted group of people are advanced by its pay offs. A policy target group could include only railroad workers, native Indians, elderly or newborn infants. There could be many members of this group, but it still would be bounded to certain characteristics that entitle some to the benefits of an organization and excludes others. In that case we would still code the group of beneficiaries as concentrated instead of dispersed.

| Ind. variable | Value | Evidence | Score |
|-------------------------------|---|--|-------|
| Dispersion of agency benefits | Low: large but limited group of beneficiaries | “The authority, though federal in origin and in legal authorization, is essentially a regional agency (...) Frequently, it has to remind the people of the Valley that the TVA has a national responsibility” (Martin, 1956: 4). “Completely successful in its effort to sell itself to the Valley, the TVA never realized its concurrent aim of capturing the allegiance of the nation as well” (McCraw, 1971: 140). One Willkie theme hit TVA in its most vulnerable spot: “Whenever a householder in Tupelo, Mississippi, switches on a light, everybody in the United States helps to pay for it”(ibid:151). | A |

For **dispersion of costs** goes the same as for dispersion of benefits: costs are dispersed when the group of people paying for the organization’s service or products is undefined and includes for instance all tax payers. Costs are concentrated when only a small, or clearly defined group of citizens pay for it, through levies or duties.

| Ind. variable | Value | Evidence | Score |
|----------------------------|---|--|-------|
| Dispersion of agency costs | High: large general/ open group of payers | “It is costly; it does benefit a fraction of the country at the expense of the Federal Treasury” (Callahan, 1980: 84, quoting the <i>Economist</i> of June 10, 1939) | P |

Furthermore, this analysis includes some dummy variables to account for other possible explanations. Not all sources of environmental volatility are macro features. We do not know whether farm, labor, and financial sectors all recovered at the same time, or whether the changes in their environment were more staggered over the late 1930s and the 1940s. Therefore the score charts include some indicators of environmental instability to tap the difficulty of the survival task facing each type of organization. For instance, it may matter under which authority the organization was established and under whose authority it operated. The different kinds of economic activity – agriculture, finance, labor, and so on – the agencies were designed to address, were identified using the public sector categories identified by the National Archives (see their website at www.nara.gov). Also, an assessment was made of the organization type employing James Q. Wilson’s typology (1989). Wilson identified four organization types distinguished by the visibility of both process/output (what does the organization do?) and outcome (to what end?). Some organizations have both visible processes and outcomes (production organizations); some only show what they do, but the results of their work go unmeasured (procedural organizations); some produce visible outcomes, but in an intransparent, uncontrollable fashion (craft organizations); and for some organizations neither process, nor results can be observed (coping organizations).

Table 3 Dummy variables

| | |
|----------------------------------|-------------------------|
| Dummy variables | |
| Created/authorized by | Congress |
| Operated under the authority of | President |
| Sector | Energy/Interior |
| Organization type (Wilson, 1989) | Production Organization |
| Original Mandate (period) | Infinite |

The dummy variables cannot be coded binary, but will be used next to the patterns that we hope to derive from the comparison of the cases on the other variables.

The cases were coded by different students, therefore a coder reliability check was required. When a case was analyzed and all information on the variables listed was gathered, the coder would fill out the core chart and substantiate the score in the fashion explained above. Six cases (AAA, CCC, FCC, FWP, HOLC and SEC) from the sample were double-checked by two different people to assess whether the scores on each variable were consistent and reliable. Findings on coder reliability will be presented in the ‘analysis and appraisal’ section. The method by which the cases will be compared is outlined below.

6. Comparative Method

Ragin (1994) suggests a method to examine differences and similarities across a moderate number of cases. Ragin’s comparative approach befits our goal to distinguish causal patterns

connected to the different values of the dependent variable. Once the scores on the dependent variable are known, cases can be categorized according to their different outcomes. In this case study, cases will be categorized as either short-lived or persistent organizations. The central aim of the comparative approach is to link patterns of diversity on the independent variables to the different outcome categories (Ragin, 1994: 105-130). The objective of the case survey is therefore to identify which (combinations of) structural features of organizations relate to organizational persistence.

Once each case has been scored on all the variables presented above, analysis will reveal if combinations of attributes relate to either outcome (short-lived or long-lasting). The analysis therefore proceeds by comparing configurations of causes rather than relating single conditions to outcomes. Several combinations of attributes can generate the same outcome. For instance, a study on the conditions for revolution could reveal that both the presence of sudden famine and despotism are related to mass revolt, or the combination of despotism, succession, and structural poverty. Contradictory patterns can occur, when both the absence and the presence of an attribute relate to the same outcome, in combination with different other variables. Ragin (1994: 122) gives an example of a study on schools that group children according to ability ('tracking') into relatively homogeneous classes. It appears that tracking occurs when 1) schools are racially diverse and their teachers are unionized or when 2) schools are racially homogeneous and their school boards are elected. Although the variable 'racial diversity' is absent in one pattern and present in the other, both combinations of school characteristics are related to the same outcome.

Irrelevant causes can be eliminated, when combinations of attributes that lead to the same outcome are similar on all variables except for one. This single variable has, in addition to the rest of the configuration, no discernible impact on the outcome and it can thus be eliminated as a factor (Ragin, 1994). Imagine A, B, C, and D are all potentially relevant causal conditions. The scores of two cases both lead to outcome 1 in the data found, and one case leads to outcome 2 (whereby 'a' indicates absence of a condition and capital 'A' indicates presence of that condition). The information on the three cases could be represented as:

Case x: A•b•C•D leads to Outcome 1

Case y: A•b•C•d leads to Outcome 1

Case z: A•b•c•D leads to Outcome 2

The score on variable 'D' (present in case x, and absent in case y) has no discernible impact on the outcome: in spite of the variation on factor 'D', both cases result in 'Outcome 1'. The rest of the configuration of conditions (the presence of factors a and c, and the absence of factor b) in case x and y is identical and can be concluded to be the conditions for Outcome 1. In sum, the conclusion of the example is that outcome 1 occurs when a and c are present and b is absent.

A presence-absence dichotomy is used in order to be able to code all variables either “yes” or “no” – or, preferably, 1 or 0. This increases the comparability of the cases and considerably simplifies their representation in configurations of causes. By eliminating irrelevant causes, the analysts can further reduce and simplify the number of combinations of causal conditions step by step. This process continues until a final statement is reached on the combinations of crucial conditions that lead to the outcome under study (Ragin, 1994). This conclusion will provide us with propositions on ‘early years conditions’ that influence the survival of public organizations in general.

7. Purpose, Relevance and Limitations

The aim of this study is to reveal patterns of organizational characteristics of federal agencies in their early years that relate to their survival as an organization. The 5 organizations in our case selection that still exist survived for more than 70 years, whereas some others were abolished within a single decade. The scores on the ten independent variables may reveal a pattern of characteristics that the former have in common as opposed to a combination of features that characterizes their short-lived counterparts. In spite of their different tasks and sectoral backgrounds the commonalities of those agencies may disclose their ‘secret of survival’. It is improbable that this study will conclude with the recipe for an organization’s life elixir, but so little is known about the influence of early years of public organizations that any conclusion will make relevant and valuable contribution to this puzzle.

The Second World War is a major critical juncture that may have caused an early death of some of the organizations, but it does not account for the persistence of others, nor does it explain the demise of all organizations that were abolished within the first decade. Special awareness of factors related to the war industry and politics is justified however, and we will evaluate its impact on the population along with the presentation of the results of our analysis.

Additionally, it is impossible to say whether New Deal organizations form a special category of species, that do not represent characteristics of organizations of other ages. Before a complete picture is reconstructed of all public organizations created during the past century, it cannot be said whether the New Deal provides us with an exceptional number of cases. Moreover, as long as we have not analyzed organizations from other eras we will not know how exceptional the New Deal cases are. However, when this study provides us with intriguing findings on organizations from the early 1930s, the study of other cases will certainly be worth the effort. The current study is an experiment in operationalizing variables, employing the score charts and tracing patterns, and as such it may present useful

and interesting information for now, and hope for more substantial and dramatic conclusions later.

8. The Cases: A brief description

The thirteen cases selected in this research are all New Deal organizations established between 1933 and 1935, some of them famous icons of their era (such as the Tennessee Valley Authority and the National Recovery Administration). In the cases selection we aimed to provide variety of policy sectors and variety on the dependent variable. The table below displays the cases and a brief description of their role, in order to give some idea of the diversity of the policies these public organizations implemented.

Table 4 Brief description of the selected cases

| | |
|--|--|
| Agricultural Adjustment Administration (AAA) | The purpose of the AAA was to reduce the production of farm products. The AAA wanted to accomplish this by raising the farm prices to the same level as the prewar period and giving benefit payments to farmers who would cut back their production. |
| Civil Works Administration (CWA) | The CWA was created to reduce the large amount of unemployment. Four million people got employed on public projects like park and playground construction, feeder roads, water mains and sewer extensions. |
| Civilian Conservation Corps (CCC) | The CCC offered public jobs to young unemployed men in camps in the forest. The CCC implemented the Emergency Conservation Work program. The work in the forests was diverse, like fighting fires, constructing roads and killing prairie dogs. |
| Federal Communications Commission (FCC) | The FCC was established in 1934 to regulate all communication by wire and radio. A second goal of the agency was to offer such services of good quality to all Americans at a reasonable price. |
| Federal Writers Project (FWP) | The FWP was set up to provide work relief to unemployed professional and non-professional writers. All those writers together were given the task to write 48 state guides containing the local histories of every state. |
| Home Owners Loan Corporation (HOLC) | The purpose of the HOLC was to offer relief to people who suffered income losses during the depression and who were not able to make timely mortgage payments. The HOLC refinanced individual loans. |
| National Labor Relations Board (NLRB) | The Labor Relations Act made sure that workers would have the choice on belonging to a union or not, and it promoted collective bargaining as the most important way to insure good industry-labor relations. The NLRB determined proper bargaining units, conducted elections for union representation, and investigated charges of unfair labor practices by employers. |
| National Resources Planning Board (NRPB) | The National (Resources) Planning Board was created in 1933 when the greatly expanded work relief of the New Deal required coordination and planning of public works projects. In addition, this board should conduct research on societal trends and developments, and on nations "highest and most efficient use of resources". The Board would directly advise the president, but did not have legal authority by itself. |
| National Recovery Administration (NRA) | The NRA was a regulatory organization. The NRA formulated codes of fair competition regarding to industrial sectors like 'cotton-textile'. |

| | |
|--|---|
| Securities and Exchange Commission (SEC) | The SEC was set up to administer the Securities and Exchange legislation of 1933 and 1934. Its tasks included registration of companies and their stock exchanges, issuance of stock market regulation, prohibit price manipulation and oversee the financial practices of public utility holding companies. |
| Social Security Administration (SSA) | The SSA was created to administer the new federal-state system of unemployment compensation plans and a federal system of old age and survivors' insurance (both systems financed equally by employers and employees, contributions collected by the state). |
| Subsistence Homestead Division (SHD) | The SHD was given the task to help poor families, which recently lost their industrial jobs because of the Depression. The SHD created communities funded by the government, in which the families would get much better homes and have gardens where they could produce their own food. |
| Tennessee Valley Authority (TVA) | The TVA was established to stimulate the development of the impoverished and underdeveloped Valley of the Tennessee river (encompassing seven States). Its tasks were to control floods, develop inland waterways and irrigation systems, generate power and provide the region with cheap electricity, and the nation with a yardstick for electricity prices. |

The variety on the dependent variable reflects the proportions found in the total population of 35 New Deal organizations that were established in Roosevelt's first term. Five organizations are still active, whereas most others have survived no longer than ten years after their establishment. The table below shows the variety in lifespan.

Table 5 Variety on outcome among selected cases

| Survived | Short-lived |
|------------------------------------|--|
| Federal Communications Commission | Agricultural Adjustment Administration |
| National Labor Relations Board | Civil Works Administration |
| Securities and Exchange Commission | Civilian Conservation Corps |
| Social Security Administration | Federal Writers Project |
| Tennessee Valley Authority | Home Owners Loan Corporation |
| | National Resources Planning Board |
| | National Recovery Administration |
| | Subsistence Homesteads Division |

One of the two categories of outcomes in the table above contains considerable variety among the agencies listed. Some short-lived organizations such as the HOLC existed for eighteen years, whereas the curtain fell after merely two years for others, such as the NRA. Some of them were designed to exist for a very short period only, and remarkable held on for twice or three times as long (such as the FWP). The five survivors have in common that they still exist, more than 70 years later. In each column different sectors are represented, such as regulating organizations (FCC, SEC, but also NRA, AAA), or conservation and public works (CWA, CCC, but also TVA).

9. Case comparison: Preliminary findings

In this section we present the scores of all cases compared. Thirteen cases tell us little about possible patterns of conditions that influence survival, particularly because we do not know whether cases that score deviant on a particular variable are exceptions to the rule or underrepresented in our sample. However, we can say something about theoretical assumptions on characteristics important for organizational survival that are contradicted by our findings. In addition, we can make propositions about possible patterns and other interesting findings that justify further research. Finally, this report aims to assess the research process resulting in these outcomes, and the findings below are very informative with respect to both the variables analyzed and the cases selected.

Table 6 presents the findings for each case on all variables. Some variables were difficult to score, such as the absence or presence of hierarchy in the organization and support for the organization. Some cases, such as the FCC, were more difficult to score than others, which also caused trouble in terms of coder reliability. The information found on the variables was in those cases insufficient, ambiguous or both. Coder reliability issues will be discussed later, first the scores will be compared and possible patterns will be analyzed.

Table 6 Results on independent and dependent variables for each case

| Name | Life | New | Size | Hier. | Deleg. | Auton. | Comp. | Dep. | Supp. | Prof. | Disp.B | Disp.C |
|------|------|-----|------|-------|--------|------------------|-------|------|-------|-------|--------|--------|
| AAA | A | P | P | A | P | A | A | A | P | P | P | A |
| CCC | A | P | P | P | A | A | A | P | P | A* | A | P |
| CWA | A | P | P | P | A | A | P | P | A | P | A | P |
| FWP | A | P | P | P | A | P | A | P | A | A | P | P |
| HOLC | A | P | P | ? | P | P | P | A | P | A* | A | P |
| NRA | A | P | P | P | P | P | A | P | A | A | P | A |
| NRPB | A | P | A | A | P | P | A | P | A | P | P | P |
| SH | A | P | P | A | A | P | A | P | ? | A | A | P |
| | | | | | | | | | | | | |
| FCC | P | A | A | P** | ? | P | P | A | ? | P | P | A |
| NLRB | P | P | A | P | P | P after 2 yrs | A | P | P | P | A | A |
| SEC | P | P | A | A | A | P | A | P | P | P | P | A |
| SSA | P | P | P | P | A | P | A | A | P | A | A | P |
| TVA | P | P | P | A | P | P | P | A | P | P | A | P |

* scored by second coder

**score based on information that was derived after the reliability check (cf. p. 29 table 10)

Table 6 and 7 show that patterns are few and far between. For each separate column in table 6, we must conclude that no independent variable scores exclusively A for short-lived cases and P for the cases that survived, or vice versa. Likewise, none of the dummy-variables in table 7 have identical values for all short-lived organizations and other values for all long-lived organizations or vice versa. One interesting finding here is that although relief through work programs was considered more politically resilient than relief through employment benefits, the social security administration (SSA) survived (swallowing within its first years of

existence the previously existing independent U.S. employment service) and the work relief programs (CWA, CCC, FWP) were all abolished.

Table 7 results on dummy variables for each case

| Name | Created by | Authority of | Sector(s) | Wilson Type |
|------|-----------------|------------------------|-----------------------------------|-------------|
| AAA | Congress | Dept Agriculture | Agriculture | Craft |
| CCC | Executive Order | President | Work Relief | Production |
| CWA | Executive Order | Hopkins/President | Work Relief | Production |
| FWP | Hopkins | WPA | Work Relief | Production |
| HOLC | Congress | Federal Home Loan Bank | Housing/Treasury | Procedural |
| NRA | Congress | President | Commerce | Procedural |
| NRPB | Executive Order | President | Interior/Environmental | Procedural? |
| SH | Congress | President | Agriculture, Housing, Work Relief | Craft |
| | | | | |
| FCC | Congress | President | Commerce? | Procedural |
| NLRB | Congress | ? | Labor | Production? |
| SEC | Congress | President | Commerce | Coping |
| SSA | Congress | President | Labor | Procedural |
| TVA | Congress | President | Energy, Interior | Production |

In table 6, the first variable “life” (lifespan) gives us a true correlation but this is our dependent variable, on which the case selection was based. Furthermore, almost all cases score high on “newness”. This can be easily explained by the fact that our case selection was based on organizations that were newly established. This variable does not tell us much in its current form, because all scores fall between 4 and 5 and count as ‘present’ (see fig. 1).

Figure 1 Continuum on which newness is scored

| 1 - - - - - 2 - - - - - 3 - - - - - 4 - - - - - 5 | | | | |
|---|--|---|--|--|
| Previously existing organization(s) with similar task | Previously existing organizational division(s) with similar task: -merger -split | Previously existing field of organizations with related tasks | Previously existing related policies without organizational structures around their implementation | Created from scratch: No such previous organization, unprecedented task |

Therefore the variable could maybe better be ranging from ‘previously existing field of related public organizations or related public policies’ to ‘created from scratch: no such previous public organization, unprecedented govt. task’. Cases that were before scored as present between 3 and 4 (such as the federal writers project or the civilian conservation corps) will then in the future be assessed more accurately as different from organizations that were created from scratch.

10. Analysis and appraisal

The problem here is that we cannot use Ragin's (1994) method of simplifying truth tables based on these outcomes. Either our cases are too different from each other to produce a pattern when their characteristics are compared, or the number of variables is too high to employ Ragin's method. One of Ragin's basic rules was that rows of a truth table could be simplified by eliminating one condition at the time from pairs of rows. It seems that Ragin's method works best with many cases and few variables. In this respect, his comparative method does not help us much further as an alternative to more quantitative approaches as Ragin's method shares the limitations of quantitative studies such as the required large number of measurements and the impossibility of combining more than a handful of variables.

None of the rows in table 6 presents a combination of variables that differs from another row on only one condition. The logic behind the comparative method does not allow us to eliminate two or more variables at once – the combination of the eliminated variables could have been a factor by itself. In addition, when one compares all cases with all cases individually and starts eliminating more than two variables that differ for each pair of cases, the systematic comparison ends there.

What can be concluded from table 6 by looking at consistencies is that almost all cases that did not survive are large whereas most survivors are small. Autonomy is present for all long-lived cases, and for only half of the short-lived organizations. Dispersion of costs occurs for all but one of the short-lived cases, and for only two of the five cases with a long lifespan. Almost all survivors score high on professionalism, whereas half of the short-lived organizations have an administrative staff, instead of specialized professionals. The cases score less consistent on all other variables.

Table 8 Most consistent patterns on independent and dependent variables for each case

| Name | Life | New | Size | | | Auton. | | | | Prof. | | Disp.C |
|------|------|-----|------|--|--|------------------|--|--|--|-------|--|--------|
| AAA | A | P | P | | | A | | | | P | | A |
| CCC | A | P | P | | | A | | | | A* | | P |
| CWA | A | P | P | | | A | | | | P | | P |
| FWP | A | P | P | | | P | | | | A | | P |
| HOLC | A | P | P | | | P | | | | A* | | P |
| NRA | A | P | P | | | P | | | | A | | A |
| NRPB | A | P | A | | | P | | | | P | | P |
| SH | A | P | P | | | P | | | | A | | P |
| | | | | | | | | | | | | |
| FCC | P | A | A | | | P | | | | P | | A |
| NLRB | P | P | A | | | P after 2 yrs | | | | P | | A |
| SEC | P | P | A | | | P | | | | P | | A |
| SSA | P | P | P | | | P | | | | A | | P |
| TVA | P | P | P | | | P | | | | P | | P |

* scored by second coder

Surprising is that **size does not seem to matter for survival** as we find both large and small organizations that survived. Based on organization literature we could have expected a positive relationship between the size of the organization and its lifespan (see Hager, Galaskiewicz, Bielefeld and Pins, 1996; Freeman, Carrol and Hannan, 1983; Wholey, Christiansson and Sanchez, 1992). This hypothesis does not hold for our study.

Wolf (1993) hypothesized a positive relationship between autonomy and lifespan. This holds for our survival cases, they all scored high on autonomy. **Autonomy does not seem to be a sufficient condition for survival**, however. At least half of the organizations that lived shortly scored high on autonomy also.

Professionalism as an organizational characteristic is present for all but one of the cases with a long lifespan. However, it is also characteristic for half of the short-lived organizations. The scores on professionalism are more consistent than the scores on most other variables, yet we have to conclude that **professionalism is neither a sufficient** (because short-lived organizations can also have a professional nature) **nor a necessary condition** (because one of the long-lived cases scores low on professionalism) for survival.

This line of reasoning also goes for the dispersion of costs, its presence is neither a sufficient condition for a long lifespan (because the AAA and NRA concentrated their costs and yet lived shortly) nor does it necessarily influence lifespan because the long-lived organizations vary in this respect. However, **the costs of most of the short-lived organizations are dispersed over society** (for instance because they are financed by general taxes), whereas **the costs of most survivors are concentrated on a limited group** (because they pay the levies or fees). Yet policy literature on blame avoidance (REFS) would lead us to expect that organizations capable of dispersing the costs of their policy are better equipped to survive. Organizations whose costs are concentrated on a group in society capable of mobilizing against the policy or the organization run the risk of de-legitimization by interest groups. The results of the analysis above point at the contrary.

In sum, the comparison of the 13 New Deal cases at best lead to the rejection of some hypotheses based on organization and policy literature. Most of the variables do not correlate at all and provoke the **question whether early structural characteristics of organizations are the key to understanding their development over time**. Our analysis suggests they are not. Before jumping to conclusions it should be emphasized that this study is by no means as sophisticated as it should be in order to conclude with some certainty of our measurements. The table still shows far too many gaps and question marks, and the coder reliability is not yet optimal either, the next section shows.

11. Coder reliability

Four different people coded the variables of the 13 cases in this study. Additionally, the operationalization of the variables was new and untested, therefore it required some reliability checks to detect different interpretations of the same variable. Table 9 presents the coders, their cases and the cases they checked from another coder. The reliability rate is calculated here to give some impression of the mismatches between coders divided by the times the codes matched. Important to note here is that un-scored variables (the question marks in the table) were taken into account as matches in table 9. The rates say less about the coder than about the difficulties of his or her case.

Table 9 Coder reliability for each coder

| | Cases scored | Cases checked | Reliability |
|---------|----------------------------|---------------|--------------------------|
| Coder 1 | NRPB, SEC, SSA, TVA | | 2/11 = 0.82 |
| Coder 2 | FCC | FWP, HOLC | 3/11 = 0.73 |
| Coder 3 | CWA, CCC, HOLC, NRA | AAA, SEC | 0.73 + 0.64 average 0.69 |
| Coder 4 | AAA, FWP, NLRB, SHD | CCC, FCC | 0.91 + 0.73 average 0.82 |

Table 10 presents the outcomes of the check more precisely. On page x (CHECK) the five-point Likert type scale was mentioned that we used to score the cases. The case comparison only uses of the rough distinction between a variable's absence or presence, based on a score lower (means absent) or higher than 3 (means present), which was the middle on the five point scale. The cases were scored more precisely somewhere between 1.0 and 5.0 on the scale, however. This was convenient for the coder reliability check, which now revealed whether the second codes came close to the initial ones. Table 10 presents the codes for each case, first by the coder / then by the check.

Table 10 Coder reliability for each case and each variable

| Case S/C* | New | Size | Hier. | Deleg. | Auton | Comp | Dep. | Supp. | Prof. | Disp. B | Disp. C |
|-----------|----------------|---------|--------------|--------------|--------------|--------------|--------------|------------|----------------|---------|---------|
| AAA | 5/5 | 5/5 | 2/2 | 4/4 | 2/2 | 2/2 | 2.5/2 | 3.3/3.5 | 4.5/3.5 | 5/5 | 2/2 |
| CCC | 3.5/2.5 | 3.5/3.5 | 4/4 | 2/1.5 | 1.5/2 | 3/4 | 4/4 | 3.5/3.8 | ?/2 | 2.5/2 | 4.5/4.5 |
| FCC | 2.2/2.5 | 2.5/2.5 | ?/? | ?/? | 4/2.3 | 4/1.5 | 2/2 | ?/? | 4.5/3.5 | 4.5/4.5 | 1.5/1.5 |
| FWP | 4/4 | 4.5/4.5 | 3.5/2 | 2.5/4 | 3.5/4 | 2.5/? | 3.5/4 | 2/2 | 1/1 | 4/4 | 5/5 |
| HOLC | 4.5/4.5 | 5/5 | ?/? | 3.5/? | 4/4 | 3.5/2 | 2.7/4 | 3.5/4 | ?/2 | 2/1.5 | 5/5 |
| SEC | 4/? | 3.5/4 | 2/? | 2/2 | 4/4 | 2/2.5 | 3.3/3.5 | 3.7/3.3 | 3.5/3.3 | 4.5/4.5 | 1.5/1.5 |

* S/C means score/check, indicating the initial score of the case coder followed by the conclusion of the second coder who checked the case.

The figures in bold are the scores on which the coders disagreed by a full point or more. The marked figures include a question mark from either both coders or one of them. Disagreements within an interval of 0.9 are considered reliable assessments of a variable. Out of 66 scores, only 20 differed substantially (including the un-scored variables, see question marks) which comes down to 30%. A code reliability of 70% could be improved considerably if only the question marks would be replaced by data. Furthermore, attention should be paid to improvements of the assessment of the variables.

The discussion of their checks between the coders was informative as to which improvements should be made with respect to the operationalization. For instance, the scores on competition should be related to whether funding was scarce in the first place. Some organizations may formally depend on the same resource providers as others, but when there is no lack of funding, competition is still low. The variable “competition” should therefore be slightly amended, similar to what we did with “newness” earlier.

12. Conclusions and suggestions for further research

Further research on the data above should definitely include more cases, because each additional case provides information on the strength or weakness of the correlation between the characteristics and the outcome variable. For now, we must conclude that correlation between the independent variables and the outcome remains difficult to find.

One explanation could be that the cases are too different from each other and therefore they cannot be fruitfully compared. Such a conclusion must be a setback for the study of (public) organizations, as it is often implied that organizations of many kinds share structural characteristics that influence their development and mortality. This study already set out for a selection of only public organizations, established by the same government and within the same period. The differences between the organizations were supposed to inform about the early conditions of short-lived organizations as opposed to those organizations that survived. The information that can be inferred from table 6 is that these early conditions do not seem to matter much.

Perhaps the time leap between the organization’s early years and the dependent variable, the organization’s survival, is simply too big to find relations between characteristics and performance. It could be that organizations ‘get going’ three or five years after their creation. In that case our analysis would have ignored a crucial part of their development and an important reason for their survival. Future research should then include an additional moment of measurement, some ten years after the organization’s birth. Some organizations in the current study did not even exist as long as ten years, however. In addition, some of the

independent variables (such as autonomy or support) can only be assessed as independent characteristics at the moment of organizational creation. Over time, these characteristics are likely to change as a result of organizational development, which makes it impossible to study them as causal factors at the same time.

For now, the question why some organizations survive while others do not remains. Our best hunch is that the analyzed structural features of organizations do indeed matter less than expected and that more emphasis should be placed on the study of leadership and organizational culture. The social integration of organizational life, as advanced by the organization's leadership (Selznick, 1957: 40, cf Boin, 2001: 22), could be highly important for organizational endurance and therefore a crucial factor for survival. This brings us back to the classic institutionalism discussed in section two.

We did not study institutionalization. This research aimed to compare descriptive characteristics of organizations in order to map out a population. Our map tells us that organizational characteristics vary widely for both short-lived organizations and survivors. It points in some directions that may be worth further study, such as the combination of early support, professionalism among staff and formal autonomy at the time of creation. The presence of these conditions simultaneously correlates with a long lifespan. In addition, the map could guide us to crucial cases that meet these conditions shared by survivors, and yet were abolished within ten years.

Drafting this map taught us about the variety of New Deal organizations, about difficulties in operationalizing and assessing variables to score, and about the potential value of the outcome of this comparative research. As such it has been a rewarding experience and vantage point for further research.

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APPENDIX 1

| Organization ¹² | Year | Exists until: ¹³ |
|---|-------|--|
| Agricultural Adjustment Administration | 1933 | Merged into Prod. & Marketing Adm. '45 |
| Bureau of Entomology and Plant Quarantine | 1934 | 1953 |
| Civilian Conservation Corps | 1933 | 1942 |
| Commodity Credit Corporation | 1933 | Still exists |
| Civil Works Administration | 1933 | Before 1943** |
| Electric Home and Farm Authority | 1933 | 1942 |
| Export Import Bank | 1934 | Still exists |
| Federal Communications Commission | 1934 | Still exists |
| Federal Deposit Insurance Corporation | 1933 | Still exists? |
| Federal Emergency Relief Administration | 1933 | Before 1943 |
| Federal Housing Administration | 1934 | Merged into Dept. of Housing in 1965 |
| Federal Art Project | 1935 | Before 1943 |
| Federal Music Project | 1935 | Before 1943 |
| Federal Theater Project | 1935 | 1939 |
| Federal Writers Project | 1935 | 1943 |
| Federal Surplus Relief Corporation | 1933 | Merged into agr. marketing adm. 1942 |
| Grazing Service | 1934 | Merged into Bureau of Land Mgt. '46 |
| Home Owner Loan Corporation | 1933 | 1953 |
| Immigration and Naturalization Service | 1933 | Still exists |
| National Archives Establishment (NARA) | 1934 | Still exists |
| National (Resources) Planning Board | 1933 | 1943 |
| National Labor Relations Board | 1934 | Still exists |
| National Mediation Board | 1934* | Still exists |
| National Recovery Administration | 1933 | 1935 |
| National Youth Administration | 1934 | Before 1943 |
| Public Works Administration | 1933 | Before 1943 |
| Railroad Retirement Board | 1934* | Still exists |
| Resettlement Administration | 1935 | Now Farm Security Adm., still exists |
| Rural Electrification Administration | 1933 | 1973?/Still exists? |
| Securities and Exchange Commission | 1934 | Still exists |
| Soil Conservation Service | 1933 | Became Nat. Resources Cons. Serv. '94 |
| Social Security Administration | 1935* | Still exists |
| Subsistence Homestead Division | 1933 | Became Resettlement Adm. 1935 |
| Tennessee Valley Authority | 1933 | Still exists |
| Works Progress Administration | 1935 | Before 1943 |

* according to the current U.S. Government Manual

** exact date of abolishment yet unknown, but certainly somewhere between 1939 and 1943

¹² At this moment, it is impossible to forecast whether we will found sufficient valid information on each case to fill out the score chart. Some organizations may therefore not be included in the final population.

¹³ In the right column, the year of abolishment is displayed, to give an impression of the variety of longevity among these organizations.