BECHTEL
SAIC COMPANY, LLC

DEC 1 3 2002

December 13, 2002

W. John Arthur, III, Deputy Director
. U.S. Department of Energy
Office of Civilian Radioactive Waste Management
Office of Repository Development
P.O. Box 364629
North Las Vegas, NV 89036-8629 .

CONTRACT NO. DE-AC28-01RW12101 - SAFETY CONSCIOUS WORK ENVIRONMENT
(SCWE) ISSUES ON BSC AQ AUDIT

As requested, attached is a summary discussion of issues and recommendations developed by
BSC associated with SCWE issues identified after the BSC QA Audit team debrief on November
19, 2002. The behavior exhibited in the Audit teams debrief meeting by BSC personnel is
inconsistent with the training that BSC managers have received and with my expectations.

We will implement the recommendations fully, and in fact have already started. A meeting was
held with the individuals involved on December 12, 2002 where an apology was offered and a
discussion of the unacceptable behaviors that were exhibited in the November 19 meeting. This
discussion assisted in the development of the recommendations found in the attachment.

BSC management is committed to continuous improvement in SCWE, which includes learning
from our errors and changing the way we do business. Although unfortunate that it occurred,
this incident provided a positive opportunity to reinforce expectations and improve how we
practice the SCWE principles. In particular, this incident demonstrated the need for constant
awareness of both how and what we are communicating to each other. We have found that it is a
normal and accepted practice to conduct ourselves in a manner that to any neutral observer

1213025449
Page -2-

would be considered hostile and/or intimidating. We will focus on changing this accepted culture.

Please contact me, Dennis Sorensen, or Don Beckman if you have any questions.

Kennon G. Hess
President and General Manager

12/13/02
Date Signed

KGH:CDS:lrr - 1213025449

Attachment:
Summary of Issues

cc w/encl:

G. E. Runkle, DOE/HQ (RW-1), FORS
Donald Beckman, BSC, Las Vegas, NV
D. W. Pearman, BSC, Las Vegas, NV
C. D. Sorensen, BSC, Las Vegas, NV

Summary of Issues
November 20, 2002 Management Team Debrief
For
SCWE Issues Associated with November 19, 2002 BSC QA Audit Meeting

1.   Background

On 11/19/02, during a meeting among the BSC project management, technical, licensing, and QA staffs regarding data management issues identified during a   BSC QA Audit, the BSC staff's behaviors were identified by NRC observers as representing an unacceptable Safety Conscious Work Environment. Additionally, there had been an earlier meeting on the morning of the same day on the same subjects in which similar behaviors occurred. In both cases, the behaviors were inconsistent with BSC's expectations.

During the meetings, a BSC QA Audit Team Leader explained the basis for potential audit findings regarding conditions adverse to quality identified by his team that involved data management. The attending BSC staff challenged the Audit Team Leader in ways that were contrary to BSC's SCWE principles as further discussed below. This was initially identified as a concern by the BSC Performance Appraisal Project Manager at the BSC Projects Plan of the Day Meeting on the morning of November 20 and was initially discussed by the BSC Projects management staff at that meeting.

Later that day, during the audit exit briefing on November 20, 2002, an NRC audit observer identified the environment at the November 19 meeting as potentially chilling with respect to the group's treatment of the issues and behaviors toward the Audit Team Leader.

It should be noted that the Audit Team Leader later characterized his perception of the meeting environments as stressful, but normal and not chilling or hostile. Notwithstanding this perception, on reflection by the meeting attendees, the environment was considered unacceptable as further discussed below.

Following the audit exit briefing, BSC management convened an event critique on November 20, attended by the participants in the November 19 meeting (as documented herein). These notes were circulated for participant input and follow-up working sessions of the participants meetings were held on November 26, December 11, and December 12.

On December 11, 2002, a draft of this report was provided to and discussed with the BSC General Manager and the BSC Manager of Project and their direct report managers and staff members.

2.   Summary

Although the Audit Team Leader indicated that he did not consider the meeting environment as unusual or hostile, the fundamental SCWE issues involved the management and staff failing to either recognize or intervene (or both) in a situation that had attributes of a hostile work environment.

Additional important issues are: the lack of infrastructure support, training in recognition and intervention techniques, and policies that would assist in the management of such situations. Similarly, the corrective action program and other problem reporting processes are viewed by many as burdensome and contentious; the project staff is not motivated to use them as vehicles to performance improvement. These factors are also considered to be contributors to the environment.

A third issue involves the BSC management team's ability to function in the "reverse chilling effect" situations discussed above. A similar lack of training and tools exists in this regard.

3.   11/19 & 20 Meeting Attendees

N. Williams	J. Whitcraft	M. McDaniel	W. Watson
M. Jaeger	K. Beall	R. Keele	D. Krisha
R. Hartstern	S. Swenning	R. Howard	R. Andrews
D. Beckman	G. Grant		

4.   Objectives Resulting from Participant Follow-up Meeting

◆ Identify and examine overall issues associated with BSC management and staff SCWE performance and behaviors
◆ Determine need for and details of specific actions that may be necessary to address the aspects of the subject situation
◆ Identify actions to be taken to ensure lessons learned are disseminated and to prevent recurrence

5.   Issues Identified:

◆ Group behaviors were:
  ➢ The attendees were polarized into three groups:
    ▪ The Audit Team Leader
    ▪ BSC staff who were oppositional to the Audit Team Leader's position
    ▪ BSC staff who were generally passive observers

➢ The oppositional staff was largely comprised of middle and senior managers who, by virtue of their positions, represented a potential for intimidation "by rank."

➢ The polarization, positions, and numbers of the oppositional staff and the lack of support by the other meeting participants resulted in the Audit Team Leader essentially being the sole proponent of the proposed deficiency findings. This could be perceived as a hostile and intimidating environment.

➢ The passive observers did not extensively participate in nor adequately moderate the discussions; little support was afforded by the group to the Audit Team Leader, relative to either the developing issues or the developing environment.

➢ The group overall failed to recognize the developing environment, permitted the energized discussions to continue beyond the point of productivity by failing to intervene.

◆ Individual Behaviors were Inappropriate

➢ The oppositional staff projected their positions with substantial energy, creating the potential for interpretation of their actions as defensive and hostile (although, as individuals, neither they nor the observers recognized or reacted to that potential). The lack of reaction to the circumstances contributed to the failure of management to intervene.

➢ The oppositional staff used sarcasm and irony in the presentation of some of their positions and questions to the Audit Team Leader, adding to the perception of hostility, even though in some cases it was intended to be humorous, facetious, or "tongue-in-cheek."

➢ Frequently the exchanges took on an inappropriate tutorial tone in the identification and interpretation of project requirements, adding to the sense of hostility.

➢ Comments by both the oppositional staff and the Audit Team Leader involved focusing of the oppositional positions on individuals rather than on the issues resulting in a personalization of the contentions.

➢ Occasionally the comments and questions either became philosophical or historical rather than focusing on the contemporary issues of implementation and acceptability of data management performance. This included the introduction of peripheral information which fed the energy of the discussion and tended to obscure the current issues.

➢ The oppositional staff believed that their long history of personal and professional association with the other attendees and the Audit Team Leader supported their perception that aggressive behavior was the norm and not an adverse SCWE behavior.

➢ The preceding factor appears to have resulted in (or at least contributed to) the meeting attendees' tolerance of the behaviors as an acceptable norm irrespective of the potential that the behaviors had for creating the fact or the perception of an intimidating environment to others who may not have similar norms.

> The meeting facilitator was not sufficiently detached from the issues and was, at least in part, aligned with the staff members who were challenging the Audit Team Leader.

◆ Other Significant Issues
> The project culture accepts aggressive behaviors and argumentative settings, both real and perceived, as normal and, that depending on the meeting participants and audience, could evolve into a chilled working environment. These situations are considered by many project staff members to be project norms, i.e. an accepted status quo.   -
> A number of the meeting attendees had previous histories of involvement with the data management issues that affected their objectivity and   ‒ contributed to the personal energies attached to the issues.
> Managers expressed frustration with their lack of skills and tools to manage situations in which individuals aggressively promote issues with which management does not agree. This results in the potential for (and in a number of cases, the existence of) a "reverse" chilling effect which inhibits some managers from implementing their responsibilities and being accountable for them.
> The project culture does not embrace the use of "process" to more objectively and unemotionally deal with abrasive issues, i.e. referral to CIRS, DPO, ECP or similar processes.
> Similarly, the project staff's acceptance and use of the corrective action process is not sufficiently mature to support balanced understanding, resolution, and, where needed, escalation of issues when compared to other successful nuclear projects' performance. The process is frequently viewed by the staff as a burden rather than as a beneficial vehicle for improving project performance and products and is another aspect of an accepted status quo.
> Project policies and training are currently not sufficient to prepare workers and managers for recognition, avoidance, mitigation or prevention of adverse SCWE behaviors using techniques for intervention, disengagement, referral to process, or escalation.

6.   Actions Recommended for Management Consideration

◆ Convene the BSC Senior Management Team to review circumstances and initiate follow-up action
> Debrief with the meeting attendees
> Consider specific actions as further recommended below
(This action was completed on December 11, 2002)
◆ Recommendations for specific actions:
> Conduct a final meeting of the original participants and present the results of this follow-up activity and an apology to the Audit Team Leader. (This was accomplished on December 12, 2002.)

➤ Use Project & departmental level staff meetings as a vehicle for participants in the above incident to communicate the circumstances and lessons learned to the general BSC, Lab, and USGS staffs.

➤ Develop and deliver additional training
  - Include training on conflict resolution as well as recognition, avoidance and mitigation of unacceptable SCWE behaviors to build on the "primer" provided in the initial SCWE training.
  - The training should be periodic/recurrent and provide the managers and staff tools and techniques for use in the workplace (Such training is commercially available).
  - Get the senior staff (GM and down) involved in the delivery (not just the endorsement) of the training. Other facilities have used senior management role playing to demonstrate unacceptable and acceptable behaviors as part of the training process and to emphasize management's personal commitment.
  - The Institute of Nuclear Power Operation commissioned a study on enhancing professionalism called "Excellence in Human Performance". The study documents practical suggestions for improving human performance, i.e., behaviors. While the study is targeting human error many of the suggestions have merit for the project. Also, the suggestions include those for the individual leader and organization. These suggestions could be used at the project to address effective implementation of SCWE principles.

(The BSC Employee Concerns Program Manager is implementing plans for training and providing other workplace activities intended to address prevention of and/or intervention for SCWE problems like those identified herein. Activities under way and planned include:
  - *Management participation in strategy development*
  - *"Hot Spot" Identification and turnaround activities*
  - *Leadership training and role modification activities*
  - *Senior management team building*
  - *SCWE and culture change skills training*
  - *Acquisition of external, expert support for these activities*
Inclusion of the considerations of this report in the above activities was discussed with the BSC Manager, Employee Concerns Program on December 12, 2002.

➤ Fully support and promote the development and use of the infrastructure and processes needed to permit referral of contentious issues to process (e.g. Condition/Issue and Reporting/Resolution System, Differing Professional Opinion , Employee Concerns Program or similar processes) and/or management escalation without attachment of stigma to the action. *(Development of an improved corrective action process intended to achieve these objectives is under development as part of the Project's Management Improvement Initiatives.)*

> Develop specific communications tools (brochures, posters, etc.) that provide quick reference "Do's & Don'ts" for situation management.
> Institute a policy (jointly with DOE) for improving the management of communications and interactions with (and that might incidentally include) the NRC.
> Develop and present training on "How to be Audited" to affected staff and management.

This report represents the composite input of the participants listed in Section 2 above and comments provided by others on the BSC staff.

Prepared by:

Date:

12-13-02

Donald A. Beckman
Manager, BSC Regulatory Coordination