Nuclear Operating Company

South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

April 7, 2003
NOC-AE-03001501

Mr. Ellis W. Merschoff
Regional Administrator, Region IV
U. S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011-8064

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498, 50-499
South Texas Project Comprehensive Cultural Assessment

Reference: Letter, A. A. Thadani to W. T. Cottle, "Confirmatory Order Modifying License (Effective Immediately) and Exercise of Discretion," (EA 97-341), June 9, 1998

On March 31, 2003, STP Nuclear Operating Company (STPNOC) received the final report from SYNERGY Consulting Services for the Comprehensive Cultural Assessment for the South Texas Project (STP), January 2003. The executive summary of the report is attached (Attachment 1) to meet the requirement of the Confirmatory Order to provide the summary results and conclusions of the assessments. The appendices to the report are considered proprietary to SYNERGY and are available at the station for your review.

Ninety-one percent of the STP workforce responded to the assessment survey, a participation rate among the highest encountered by SYNERGY. The following items are considered notable with respect to the report:

1. STP continues to maintain a strong Nuclear Safety Culture and Safety Conscious Work Environment.
2. STP's Leadership, Managerial and Supervisory scores are ranked among the highest in the nuclear industry.
3. STP's initiatives in addressing localized organizational opportunities have resulted in notable improvements in Operations and Electrical Maintenance.
4. Individuals are willing to identify their organizational affiliation at a 98% rate, much higher than typically seen in the industry and a positive indication of STP's work environment.
5. Ninety-nine percent of the respondents indicated that if they had a Nuclear Safety concern, they would inform their supervisor or initiate a Condition Report.

Nevertheless, the survey did identify areas where additional improvement is needed. In reviewing the data, demographic variations have been noted between hourly/bargaining unit personnel and the plant staff. There were three organizations (Mechanical Maintenance,

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Wackenhut Security, and I&C Maintenance) identified in the Executive Summary (Figure VIII.6) as Priority organizations due to their ratings as compared to the industry and as such will have formal action plans prepared to address the survey results. The action plans will be prepared after the current Unit 1 refueling outage and will be submitted to Senior Management for approval.

These three organizations were categorized as Priority 1 in the last survey in 2001 due to their ratings relative to STP general performance and as such were the focus of the 2002 mini-survey. STPNOC has had success in resolving the issues in other organizations onsite, and we will use the lessons learned from these experiences as we prepare the action plans for these organizations.

STPNOC is in the process of sharing and disseminating the results of the survey with the site organizations.

With the completion of the 2003 survey and the documentation presented in Attachment 2, it is our position that STPNOC has met all of the requirements of the Confirmatory Order. STPNOC, however, believes that active management actions to assure a healthy and positive work environment, which encourages the identification and resolution of work place issues, are an integral part of our business and a key to our future success. Therefore, actions to periodically assess, manage, and improve the STP work environment and culture will continue.

STPNOC requests a management meeting with the NRC to discuss the results of the 2003 survey more completely and to describe the actions we intend to take to make further improvements in the culture at STP.

If there are any questions regarding the survey or to schedule the management meeting, please contact Mr. Mark McBurnett at (361) 972-7206 or Mr. Joe Sheppard at (361) 972-8757.

W. T. Cottle
President &
Chief Executive Officer

RDP

Attachments:
1. Executive Summary from the South Texas Project 2003 Comprehensive Cultural Assessment, January 2003
2. Actions Taken to Satisfy License Conditions of Confirmatory Order

cc:
(paper copy)

Ellis W. Merschoff
Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011-8064

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

Richard A. Ratliff
Bureau of Radiation Control
Texas Department of Health
1100 West 49th Street
Austin, TX 78756-3189

Cornelius F. O'Keefe
U. S. Nuclear Regulatory Commission
P. O. Box 289, Mail Code: MN116
Wadsworth, TX 77483

C. M. Canady
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, TX 78704

(electronic copy)

A. H. Gutterman, Esquire
Morgan, Lewis & Bockius LLP

L. D. Blaylock
City Public Service

Mohan C. Thadani
U. S. Nuclear Regulatory Commission

R. L. Balcom
Texas Genco, LP

A. Ramirez
City of Austin

C. A. Johnson
AEP Texas Central Company

Jon C. Wood
Matthews & Branscomb

ATTACHMENT 1

Executive Summary from the South Texas Project 2003 Comprehensive Cultural Assessment, January 2003

South Texas Project
2003 Comprehensive Cultural Assessment

January 2003

Chapel Hill, NC
Great Falls, VA
Richmond, VA

Contents

I. EXECUTIVE SUMMARY

Background

In the Fall of 2002, SYNERGY was commissioned by the South Texas Project Nuclear Operating Company (STPNOC) to independently characterize the organizational culture at the South Texas Project (STP) nuclear generating station. This report documents the methodology, results, recommendations and conclusions applicable to the 2003 Comprehensive Cultural Assessment (CCA). The 2003 CCA is part of an ongoing series of assessments designed to monitor the STP culture and to provide inputs that are beneficial for continuous improvement.

The most recent CCA had been conducted in November - December 2001 timeframe.[1] In that assessment SYNERGY concluded that the:

- Nuclear Safety Culture (NSC)[2],
- Safety Conscious Work Environment (SCWE)[3],
- General Culture & Work Environment (GCWE)[4] and
- Leadership, Management & Supervisory (LMS)[5] skills and practices,

were ranked at either the top or second quartile of the nuclear facilities surveyed by SYNERGY[6]. These strong results were notable given STP's challenging business environment[7] and its impact on employees and their work environment. The series of CCAs provided confirmation of STP's ability to maintain its Nuclear Safety Culture while effectively addressing these challenges.

The 2001 CCA measured notable improvement in the area of individual accountability for performance, but also identified opportunities for improving employee confidence in the Employee Concerns Program (ECP), for continuing to reinforce 'standards' related to nuclear safety performance expectations (e.g. how STP will continue to balance priorities and continue to improve in an environment of rapid change) and continuing to focus on effective communications, senior

[1] The prior CCAs were conducted in the Summers of 2000 and 1998. SYNERGY had previously conducted more limited scope NSC and Employee Concerns Program (ECP) assessments in 1993, 1994 and 1995.
[2] The NSC cultural metric was measured to be 'Very Good,' with a 'steady' trend.
[3] The SCWE metric was measured to be 'Very Good to Excellent,' with a 'steady' trend.
[4] The GCWE cultural metric was measured to be 'Good,' with a 'steady' trend.
[5] The LMS cultural metric was measured to be 'Good,' with a 'steady' trend.
[6] SYNERGY's experience includes having performed over 100 cultural assessments covering a significant segment of the commercial nuclear power plants in the United States (59 units, 39 locations, 8 corporate locations).
[7] Overall, 2001 was a year of transition at STP, creating a challenging and somewhat stressful work environment. During this period, STP: conducted two intensive refueling outages; the Bargaining Unit Contract had expired and negotiations were in Federal mediation; the State's transition towards de-regulation led STP into cost control measures, which when coupled with increased outage and security costs (due to 9/11) resulted in a difficult economic environment; and there were a number of key management changes.

management visibility and involvement, employee recognition, personnel development through coaching and employee input during changes.

Each of the previously targeted organizations from the 2000 CCA exhibited notable improvement in one or more of their cultural metrics. The 2001 CCA identified priorities for additional management attention to promote continuous improvement within specific organizations. The Mechanical Maintenance, Wackenhut, Unit 1 Operations and Risk & Reliability Analysis organizations were placed on the targeted organization listing in 2001 because of low absolute ratings based on 'industry norms.' Seven other organizations were identified as having low relative ratings based on 'STP norms.'

Purpose & Approach

The 2003 CCA was designed to characterize the current organizational culture, to determine areas of relative strength and weakness, and to identify individual organizations that depart from industry norms (as interpreted by SYNERGY) and/or general performance norms at STP. In particular, the 2003 CCA measures trends associated with the culture, the work environment and critical business processes that are or could be important to performance.

The NSC portion of the 2003 CCA focused on proven attributes of effective Nuclear Safety Cultures and work environments, including critical supporting programs and processes. In this regard, the CCA included coverage of:

- Cultural values, behaviors and practices that have shaped and reinforced the STP organization's capabilities, infrastructure and environment for nuclear safety performance;
- The Safety Conscious Work Environment; and
- Employee attitudes and perceptions of the effectiveness of the Employee Concerns Program and related processes.

The GCWE / LMS portion of the 2003 CCA focused on proven attributes of effective General Cultures and Work Environments, key Leadership, Management and Supervisory skills & practices, and critical processes that are important to overall performance. In this regard, the CCA included coverage of:

- Cultural values, behaviors and practices that have shaped and reinforced the STP organization's capabilities, infrastructure and environment for performance;
- Assessment of general cultural, LMS, environmental or programmatic areas that may have an inter-dependent relationship with the NSC; and
- Other Special Topics related to the GCWE / LMS, as identified during the CCA background reviews.

The 2003 CCA also focused on:

- Areas of prior weakness identified through the 2001 CCA assessment, and

- Organizations where there have been improvement initiatives - to measure the degree of progress and to determine if there is a need for adjustments in action plans.

In addition to internal status and trending, outputs are provided in formats useful for benchmarking with other commercial nuclear power facilities.

SYNERGY's approach relies heavily upon obtaining employee input as a measure of the values, behaviors and practices that have shaped the culture and performance. A comprehensive questionnaire was used to confidentially survey the workforce's opinions and to solicit ideas for continuous improvement. All STP employees were afforded the opportunity to respond to the Survey. The Survey allowed representation of STP-wide norms and differentiation of employee demographics and organization / sub-organization trends.

SYNERGY's CCA statistical methodology and cultural models provided the bases for an integrated evaluation of employee attitudes and perceptions. This framework allowed SYNERGY to assess progress, identify areas of strength and to develop suggestions for continuous improvement. The outputs are also designed to support future interactions between management and employees to jointly develop solutions for any identified needs.

Scope and Focus Areas

The primary focus areas for the 2003 CCA were:

- The Nuclear Safety Culture (NSC),
- The Safety Conscious Work Environment (SCWE),
- The General Culture and Work Environment (GCWE) and
- Leadership, Management and Supervisory (LMS) skills & practices.

The inquiries into the GCWE / LMS were designed to include exploration of potential barriers to quality and productivity that may have an inter-relationship with the NSC and STP's overall performance.

Several NSC / GCWE / LMS-related Special Topics were also assessed to a more limited degree.[8] These included:

- Recognition and Evaluation of Degraded Conditions
- Industrial Safety and Health
- STP Core Values
- Procedures & Work Methods
- Responsiveness to the 2001 CCA Survey

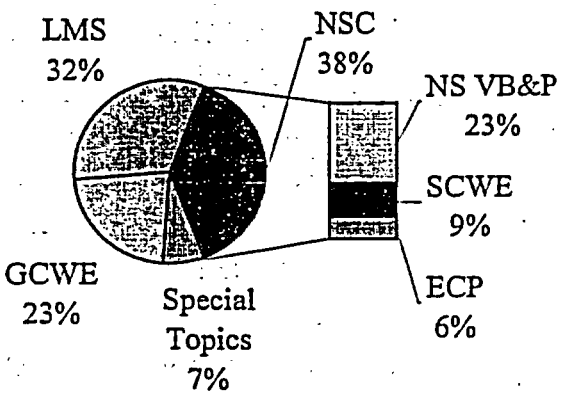
[8] Refer to Appendix I for a summary of the Special Topic results.

Sources of Input for the CCA

The 2003 CCA survey questionnaire included a total of 159 multiple-choice question sub-parts and two opportunities to provide write-in comments.

The multiple-choice questions were distributed as shown in Figure I.1:

Figure I.1
Question Type Distribution



Sixty-one (61) question sub-parts were related directly to the NSC:

- 37 question sub-parts related to NS Values, Behaviors and Practices
- 15 question sub-parts related to the SCWE
- 9 question sub-parts related to the effectiveness of the ECP

Thirty-six (36) question sub-parts were related to the GCWE. Many of these were very closely linked to the NSC.

Fifty-one (51) question sub-parts were related to the LMS.

Eleven (11) question sub-parts were related to the Special Topics.

Summary of Results and Conclusions

The organizational culture at the South Texas Project (STP) was found to be healthy, with each of its major cultural sub-components experiencing 'steady' trends. It is evident from Figure I.2 that between 1998 and 2000, the NSC showed a higher rate of improvement, followed by a leveling trend.

Figure I.2
STP Cultural Trends (1998-2003)

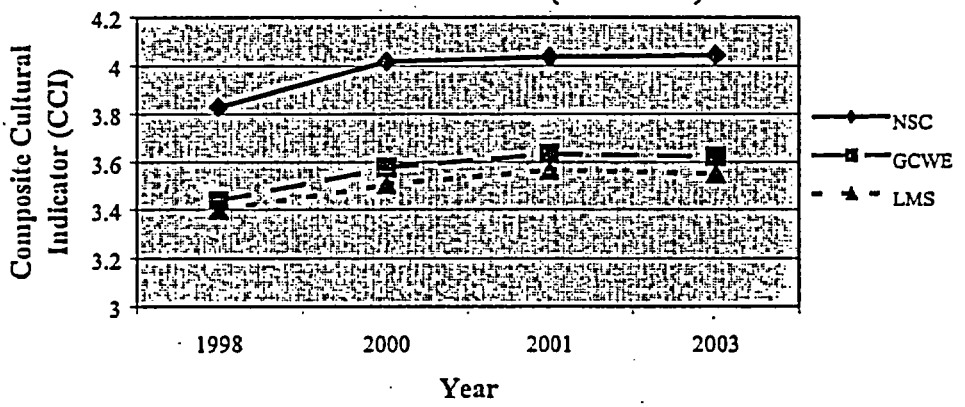


Figure I.3 provides a summary of the status of the STP organizational culture and nuclear industry ranking:

Figure I.3
Status of the STP Organizational Culture

Cultural Model	Measured Status - Cultural Metric	Trend	Industry Percentile[6]
Nuclear Safety Culture (NSC)	Very Good (4.05)	Steady (+0.2%)	57th
General Culture & Work Environment (GCWE)	Good (3.62)	Steady (-0.3%)	65th
Leadership, Management & Supervisory Skills & Practices (LMS)	Good (3.55)	Steady (-0.4%)	89th

The nominally declining GCWE and LMS trends are considered insignificant and within the margin of error of the CCA methodology.

Nuclear Safety Culture Results & Conclusions

The results for the Dimensions or sub-components of the NSC are summarized as follows:

- *Nuclear Safety Values, Behaviors & Practices (NS VBP)* - 'Very Good' (3.94), steady trend (+0.3%), at the 58th industry percentile.

  The areas of Operational Nuclear Safety and Identification of Potential Nuclear Safety Issues ranked highest.

  - Nuclear Safety is the first and over-riding priority at STP and importance is placed upon improving Nuclear Safety performance. STP management communicates and reinforces expectations and standards for Nuclear Safety performance.

  - STP conducts operations, maintenance and modifications in accordance with the licensing and design bases and adheres strictly with procedural requirements as a means of assuring Nuclear Safety. STP anticipates operational risks associated with planned work activities and takes appropriate precautions.

  - Supervisors and managers are responsive and place appropriate priority on Nuclear Safety or quality issues / concerns. There is an open door to pursue resolution of potential Nuclear Safety issues or concerns through the management chain, if necessary. Also, actual performance in identifying and resolving potential Nuclear Safety issues is considered 'Very Good.'

- *Safety Conscious Work Environment (SCWE)* - 'Very Good to Excellent' (4.40), steady trend (-0.1%), at the 35th industry percentile.

  The Safety Conscious Work Environment was the strongest area within the NSC. 'Demonstrated Willingness to Take Appropriate Action' received an "Very Good to Excellent' rating based upon approximately 98.6% of respondents indicating they would inform supervision or document a potential Nuclear Safety issue or concern.

  'Indicators & Precursors (I&P) of a Potentially Chilled Work Environment' received a 'Very Good to Excellent' rating based upon the strong overall environment and supervisory / management receptivity and supportive response. Four organizations had relatively high negative response rates - Mechanical Maintenance (19%), Wackenhut (18%), I & C Maintenance (16%) and Support Services (14%). Plant Staff / Craft (11%) and Long-term Contractors also had relatively high I&P negative response rates

- *Employee Concerns Program (ECP)* - 'Good' (3.69), steady trend (+0.3%), at the 64th industry percentile.

  Perceptions of the ECP as an 'Acceptable Alternative Path' to report concerns remained in the 'Very Good' range (4.05), showing a nominal improving trend from 2001 (+1.9% trend). The negative response percentages for 'Overall Confidence' and 'Bases for Confidence' remained somewhat high (~14%).

General Culture & Work Environment Results & Conclusions

The results for the Dimensions or sub-components of the GCWE are summarized as follows:

- ***Highest rated GCWE Dimensions:*** Continuous Improvement (3.95 – Very Good), Conduct of Work (3.80 – Good to Very Good), Focus on Performance / Accountability (3.80 - Good to Very Good), Trust & Respect (3.75 - Good to Very Good) and High Standards (3.73 - Good to Very Good).
- ***Lowest rated GCWE Dimensions:*** General Communications (3.16 – Adequate), Performance Recognition (3.25 – Adequate), Performance Appraisal (3.30 - Adequate), Personnel Development (3.40 - Adequate to Good) and Change Management (3.41 – Adequate to Good).

It is notable that 'Overall Personal Satisfaction & Morale' decline 1% between 2001-2003 after showing an improvement of 6% between 2000-2001. Additionally, 'General Communications' which was a 'continuous opportunity' area in 2001, declined 3%, 'Performance Appraisal' declined 3% and 'Performance Recognition' declined 2%. The trends for all other GCWE Dimensions remained 'steady' within a range of +/- 1%.

Leadership, Management & Supervision Results & Conclusions

The results for the Dimensions or sub-components of the LMS are summarized as follows:

- ***Highest rated LMS Dimensions:*** Openness & Receptivity (3.92 – Very Good) and Ensuring High Standards (3.88 – Good to Very Good).
- ***Lowest rated LMS Dimensions:*** Management of Change (3.30 – Adequate) and Building Trust in Management (3.33 – Adequate to Good).

'Providing Direction / Building Confidence in Management' declined 2% and 'Establishing Effective Plans' declined 3%. The trends for all other LMS Dimensions remained 'steady' within a range of +/- 1%.

Opportunities for Continuous Improvement - Progress & Current Needs

The following summary highlights progress and continuing needs. The trends for these opportunity areas were generally steady to slightly declining at the STP Composite level; however, at the organizational level, changes were more pronounced - both in terms of improvement and further declines. Therefore, the opportunity areas remain unchanged, but have varying degrees of emphasis for either site-wide or organization-specific recommendations. Specific suggestions for STP-wide or more localized actions are provided in Section IX of this report.

Employee Confidence in the Employee Concerns Program - The 2003 CCA results confirm that confidence in the ECP is 'good' overall, but essentially unchanged and still low in selected organizations. Several organizations were highlighted in 2001 and continue to decline with nominally adequate to less-than-adequate 2003 results in several areas. Improvement was measured in a number of organizations. This area remains an opportunity for continuous improvement to address the outlying organizations.

Reinforcement of 'Standards' in Assuring Nuclear Safety is Maintained as the Top Priority - Prior CCAs detected employee uneasiness about whether or not 'critical' standards were going to be maintained while STP faced challenges of the competitive business environment. The 2003 CCA confirms that STP has been able to maintain high standards,[9] but the continuing flat NSC trendline suggests that business challenges may in fact have influenced STP's ability to make substantive improvements. Several organizations were highlighted in 2001, continue to decline in 2003 and provided nominally adequate to less-than-adequate 2003 results in several areas. While progress was made in selected organizations, continued attention is still needed in a set of highlighted organizations beyond the 'normal' levels of STP-wide reinforcement, e.g. to explain the bases for decisions on resource allocation, addressing workload and schedule challenges and to assure that these pressures do not impact managements' and supervisions' reaction to employee Nuclear Safety concerns. Workload appears to be having a greater impact between 2001 - 2003 within Maintenance and Engineering where notably declining trends were measured. This area warrants continued site-wide attention as part of normal communications; however, an opportunity for continuous improvement remains to address the outlying organizations.

General Communications - Relatively low ratings measured in prior CCAs declined further in 2003 with a -3% trend for the STP Composite. The dis-satisfaction rate was over 50% for some organizations in selected communications areas. In addition to low ratings of communications on matters affecting the future of STP and priorities as used in making resource allocation decisions measured in both 2001 and 2003, the 2003 CCA detected notable declines in ratings of communications about STP's current level of performance (-7% trend) and communications about annual goals and performance objectives (-6% trend). It appears that respondents may be growing increasingly concerned about the relationship between STP's ability to perform and

[9] Composite trends were steady to slightly declining.

future prospects for STPNOC. This area remains an opportunity for continuous site-wide improvement, with greater emphasis in outlying organizations.

Performance Recognition& Reviews - The 2003 CCA measured declines in the STP Composite ratings of 'recognition' and 'performance management reviews' of -2% and -3%, respectively. These areas remained the second and third lowest rated General Culture and Work Environment Dimensions. A relatively large fraction of respondents continue to feel that STP is not effective enough in recognizing performance and accomplishments (through both formal and informal mechanisms) and feel that performance management reviews are less-than-effective. This area remains an opportunity for continuous site-wide improvement, with greater emphasis in outlying organizations.

Senior Management Visibility & Involvement - Ratings of Senior Management remained relatively steady to slightly lower in 2003 with approximately a quarter of respondents indicating a continuing need for improvement. It is apparent that perceptions of low senior management visibility and involvement coupled with perceptions of a lack of openness and honesty in communications about recent events and policies have contributed to 'Setting a Good Example / Building Trust in Management' being the second lowest LMS Dimension, e.g. policies and communications associated with recent reduction-in-force plans (in particular the "Goodnight" report) and an apparent deteriorating relationship with Union personnel (due to residue frustration from the Contract negotiations and how STP management is perceived to be interpreting the Contract). While the STP composite ratings in these areas are 'adequate,' some organizations and demographic categories had nominally adequate to less-than-adequate results. This area remains an opportunity for continuous improvement to address the outlying organizations.

Personnel Development through Coaching - This area remained steady since 2001, but some organizations had nominally adequate to less-than-adequate results and continued to decline notably. It appears that the personnel development ratings were most adversely affected in organizations most highly impacted by STP's outage challenges, possibly indicating that work pressures have led to reduced emphasis in this area. This area remains an opportunity for continuous improvement to address the outlying organizations.

Employee Input into the Change Management Process - Management of Change remained the lowest rated LMS Dimension. The 2003 CCA results indicate that STP Functional Organization managers are doing relatively better in communicating the bases for changes ('adequate-to-good' rating of 3.39 with an 18% negative response rate) compared to how well they are perceived as obtaining employee input, buy-in and ownership up-front before implementing significant changes ('adequate' rating of 3.22 with an 23% negative response rate). Both of these areas showed nominal -1% declines since 2001. Several organizations were highlighted in 2001 and continue to decline with nominally adequate to less-than-adequate ratings. This area remains an opportunity for continuous site-wide improvement, with greater emphasis in outlying organizations.

Progress of Previously 'Targeted Organizations

In 2001, each of the previously targeted organizations had exhibited notable improvement in one or more of their cultural metrics. In 2003, there were fewer improving targeted organizations; however, Unit 1 Ops exhibited notable improvement across-the-board and Electrical Maintenance made progress in improving several cultural metrics. Both of these organizations have been removed from the 2003 Targeted Organization listing. Risk Management also improved somewhat.[10]

Mechanical Maintenance continued a decline since the 2000 CCA and remains on the Targeted Organization listing in 2003 based upon both high 'absolute' metrics with respect to the industry and high 'relative' metrics with respect to the STP 'norm.' I & C Maintenance, Support Services and Wackenhut had exhibited improvement from 2000 - 2001, but this trend reversed between the 2001 - 2003 CCAs; therefore, these organizations remain on the 2003 Targeted Organization listing for 2003.

New 'Targeted Organizations & Recommendations

SYNERGY has identified specific Functional Organizations that provided ratings that failed to meet "Industry Norms of Acceptability" as interpreted by SYNERGY, or represent, on a relative basis, outliers with respect to STP "Relative Norms of Performance," based upon comparison with STP's general performance norms.

Low absolute ratings based on 'industry norms' - Mechanical Maintenance is targeted as Priority Level 1 based upon low NSC, GCWE and LMS cultural metrics with very low and declining GCWE and LMS metrics. Wackenhut is targeted as Priority Level 2 based upon low NSC and LMS metrics. Also, these metrics are declining at this time. I&C Maintenance is targeted as Priority Level 3 based upon low GCWE and LMS metrics. Furthermore, these metrics are declining notably at this time. The Facilities, Plant Modifications & Design Basis, Work Control, Operating Experience and Testing & Programs organizations are targeted as Priority 4 because they are exhibiting notably declining GCWE and/or LMS metrics.

Low relative ratings based on 'STP norms' - The Plant Design and Support Services organizations were identified as a Priority Level 1 targeted organizations based upon "relative results" for the several cultural areas, i.e. low NSC, SCWE, GCWE or LMS metrics compared to the STP 'norm.' Several other organizations had either relatively low GCWE or LMS metrics or negative pockets.

[10] Risk Management remains on the Targeted Organization listing for 2003 with lower priority based upon having a high 'relative' SCWE metric with respect to the STP 'norm.'

Conclusion

The 2003 CCA results confirm that STP has a strong organizational culture, work environment and leadership team. It is notable that:

- STP is maintaining a strong Nuclear Safety Culture and Safety Conscious Work Environment, but progress has slowed;
- The Leadership, Management & Supervisory skills and practices remain ranked amongst the top in the nuclear industry;
- STP's 'steady' Nuclear Safety Culture and General Culture & Work Environment metrics coupled with improving trends in the nuclear industry have resulted in a relative slip in rankings with respect to the industry;
- Notable changes in one or more cultural metrics at the organizational level were measured - six organizations improved notably and seven organizations declined notably;
- STP's initiatives in addressing previously identified organizational opportunities have resulted in some notable improvements (particularly in Operations); however, initiatives in Maintenance and in Security (Wackenhut) have been less successful recently;
- There appear to be growing challenges in selected Engineering organizations; and
- The magnitude of demographic variations amongst positions and worker categories remain relatively high for hourly / union personnel and plant staff. Write-in responses indicate that factors causing these differences may be related to growing dissatisfaction with Company - Union relations, perceptions about the Company's handling of reduction-in-force initiatives and a series of challenging outages that have burdened the workforce.

When taken in context, these strong results are particularly significant given the challenges that STP has faced over the last several years. STP is now operating within a more competitive business environment that has involved addressing reductions in force, leadership changes and organizational realignments.

Collectively, the critical portion of the employees' feedback suggests that, in order to assure continued success, it is desirable for STP to focus management attention on the following:

- **Nuclear Safety Culture:** Locally improving employee confidence in the Employee Concerns Program and contining to reinforce 'standards' related to nuclear safety performance expectations (e.g. how STP will continue to balance priorities and continue to improve in an environment of rapid change);

- **General Culture & Work Environment / Leadership, Management & Supervision:** Continuing to focus on effective communications, senior management visibility and involvement, employee recognition, employee development and employee input; and

- **Organizational Initiatives:** Addressing the recommendations and suggestions for the identified Targeted Organizations.

In summary, STP has built and maintained a strong organizational culture. This has been made possible through effective leadership and development of a supportive General Culture & Work Environment. STP remains in a difficult period of transition of transforming itself into a more efficient enterprise, while at the same time, sustaining strong nuclear safety performance. While this transition is creating and will continue to create potential challenges to STP's ability to maintain or improve its Nuclear Safety Culture, STP has demonstrated its ability to effectively address these challenges.

II. NOTEWORTHY INITIAL ENVIRONMENTAL CONITIONS

The Survey questionnaire was administered in January 2003. The following noteworthy environmental conditions were found to exist during the time period prior to the Survey.

The site executed its second Steam Generator Replacement Outage from October to December of 2002. Lessons learned from the first Steam Generator Replacement were applied and the outage was accomplished safely and efficiently in a world record time of just over 65 days.

The outstanding performance with respect to the Steam Generator Replacement was offset by four unplanned reactor trips and forced outages during 2002. Unit 2 incurred reactor trips in June and July, and Unit 1 had a reactor trip in November. The Unit 1 trip occurred after the longest sustained run by either STP unit in the history of the site. Then on December 15, 2002, after operating nine days following the Steam Generator Replacement, Unit 2 suffered a turbine failure which required a manual reactor trip. Significant internal damage was done to the low-pressure rotors, and the forced outage extended beyond December into January and on to March. This additional forced outage reduced the annual employee incentive to approximately one third of what the norm had been in recent years. Additionally, this incident moved Unit 2 into the NRC Performance Indicator Increased Regulatory Band, White for initiating events. The Unit 2 December forced outage also resulted in the canceling of holiday plans for many employees, and the extension of long outage working hours, which had started in October, through December and well into 2003.

The above performance issues were played out against a background of the first full year of true deregulation in Texas. The cost pressures associated with the deregulated market presented large challenges to all the STP owners, but especially to the two investor owned utilities. This in turn, resulted in increased pressures on the STP budget and staffing levels.

In the spring of 2002, the site underwent an evaluation by the Institute of Nuclear Power Operations (INPO). That evaluation resulted in the site being categorized as a Category 1 plant, the highest rating, for the fourth consecutive time. There was, however, in the evaluation a finding that stated that the Maintenance Department and the maintenance process performance had declined. Based on this finding, a comprehensive maintenance improvement plan was developed, and a Maintenance Improvement Team was put in place. The goal of the plan was to upgrade the conduct of maintenance and to clarify and enforce management expectations with respect to maintenance activities.

Additionally, after many months of contentious negotiations, which lasted for a year beyond the expiration of the previous contract, a new Union contract was ratified between the Company and IBEW Local 66. Although a new contract was put in place, many union employees felt that the relationship between them and the Company was strained. As the Company put the contract into place, it also put in place a process called MARC, which was designed to provide consistency in how the contract was implemented and administered. While improving overall consistency,

some union employees felt that this new methodology removed flexibility in the implementation of Company policies, which represented an unwelcome change. Between the changes imposed as a result of the INPO finding and the aftermath of the contract negotiations, some maintenance employees expressed unhappiness with the work environment and their supervision.

Against the above backdrop, the Plant Protection Department continued to be faced with the challenges of a post September 11, 2001 environment. Additional significant NRC requirements were mandated, and increased levels of readiness and performance were necessitated by those mandates. The contract security force, through its union, also negotiated a new contract with the Security contractor. Many members of the guard force were not happy with the outcome of those negotiations because the pay raise involved was deemed to be too small.

During this time period, there were major changes in the Senior Management of the Site. In the Fall of 2001, the Plant Manager relieved the Vice President of Generation who went on to assume overall project management of the Steam Generator Replacement. He retired at the end of 2002 upon completion of that project. A new Plant Manager was appointed as part of these changes. The Vice President of Business Services made plans to retire in February 2003. In preparation for this retirement, two individuals were promoted to General Manager positions in the Fall of 2002. Also, the President and CEO announced that he would be retiring in the Spring of 2003. The Engineering Manager was promoted to Vice President of Engineering & Technical Services, replacing the designee to assume the President and CEO position. A decision was made not to refill the position of Engineering Manager, but instead, have all the Engineering divisions report directly to the Vice President position.

Overall, the period leading up to the survey was a time of significant change, extraordinary performance and very difficult challenges. This resulted in a work environment, at the time of the survey, where many employees were tired, and disappointed, while at the same time the team, as a whole, rose to successfully deal with the issues at hand.

III. ASSESSMENT METHODOLOGY

Overview

SYNERGY performed this assessment using information obtained through a survey questionnaire[11] that was based upon standard Models developed by SYNERGY for use within the commercial nuclear power industry. Three primary Models[12] were utilized, one each for the NSC, the GCWE and LMS. Write-in comments served to provide additional insights into the underlying cause-effect relationships of selected survey feedback.

Generally, the respondents completed the questionnaire anonymously during group meetings; however, opportunities were offered at the individuals' discretion to take the Survey at different times or locations. In either case, the completed forms were mailed directly to an independent data processing firm retained by SYNERGY to process the raw data inputs.

To assist SYNERGY in interpreting the response data, various demographic and organizational information was requested but not required; e.g. positions, worker categories, years of service and organizational affiliation. The representation of organizational affiliation provided the capability to isolate specific organizational strengths and weaknesses.

The survey questionnaire and the associated write-in comments were complementary in establishing a high degree of confidence that important issues were identified as these apply STP-wide and to specific organizations. The information obtained has been integrated in the development of key findings, suggestions for improvement and conclusions.

Analysis Methods

The 2003 CCA survey questionnaire included 39 multiple-choice questions with 159 total sub-parts. Two additional questions provided the opportunity for write-in comments. There were 158 common questions between the 2001 and 2003 CCAs, providing the ability to trend at the question-, Sub-Dimension, Dimension- and Model- levels for each demographic category, each Division and Functional / Department level organization.

The survey questions were generally designed as "positive" statements to which the respondents rated their degree of agreement or disagreement. A number of questions asked for ratings of "adequacy" of an area of performance or the environment. A few questions requested a "yes" or "no" response.

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[11] The multiple-choice questionnaire format provided an expanded database of information from which to base statistical analyses and to draw more precise inferences beyond what is possible through interview-based assessments alone. The questionnaire also included two questions for write-in comments. The write-in comments provided an opportunity to either further explain earlier responses or to add input in areas that may not have been adequately covered.

[12] The models are sub-divided into 'Dimensions' and 'Sub-Dimensions' that explore specific attributes; e.g. the Safety Conscious Work Environment is a Dimension under the NSC model, 'Indicators & Precursors' is a Sub-dimension and 'supervisory receptivity' is an attribute.

The following response scales were generally utilized:

Fully agree (5)	Strongly agree (4)	Generally agree (3)	Disagree (2)	Strongly Disagree (1)
		and		
Excellent (5)	Very good (4)	Adequate (3)	Less-than-adequate (2)	Inadequate (1)

Thus, the response scales were asymmetric and anchored about a numerical mid-point of "3", with scores greater than 3.00 representing either a "positive or adequate" response and less than 3.00 representing either a "negative or less-than-adequate" response.

SYNERGY computed means and standard deviations for each question using the response distributions represented by the ordinal values associated with the above response scales. Weighted mean value scores were then developed for the "question sets" that constitute the key elements of SYNERGY's cultural models, i.e., Sub-Dimensions, Dimensions, and Models -- represented by Composite Cultural Indicators (CCI).[13]

The analysis looked beyond statistical means to identify any skewing of the employee response data towards extremes, particularly for the "negative" side of the response distributions. Negative responses represent the summation of "disagree (2)" and "strongly disagree (1)" or "less-than-adequate (2)" and "inadequate (1)" responses, in accordance with the above five point response scales. While an organization's mean may appear in an acceptable range, e.g. greater than or equal to 3.00, high percentages of negative responses provide an indication of stratification or negative "pockets" (arbitrarily defined as greater than a 10% negative response rate for a NSC Dimension and as greater than a 20% negative response rate for a GCWE or LMS Dimension). Such locales may require further validation or special attention to correct underlying weaknesses or to fully engage the employees.

[13] The Sub-Dimensions and Dimension metrics are calculated by weighting each assigned question. CCIs for the NSC, GCWE and LMS are calculated by weighting each Dimension in the respective cultural models. SYNERGY specifies weighting factors based upon industry experience on the significance to the culture, work environment or leadership effectiveness.

Rating Conventions

Correlations between numerical mean value scores and the rating system utilized by SYNERGY are presented below:

Mean Value Range	Rating
> 4.50	Excellent
4.21 to 4.50	Very Good to Excellent
3.91 to 4.20	Very Good
3.71 to 3.90	Good to Very Good
3.51 to 3.70	Good
3.31 to 3.50	Adequate to Good
3.16 to 3.30	Adequate
3.00 to 3.15	Nominally Adequate
2.85 to 2.99	Nominally Less-than-Adequate
2.50 to 2.84	Less-than-Adequate
< 2.50	Significantly Less-than-Adequate

Industry Comparisons

The CCA results were compared with the cultural metrics from recent assessments.[14] The plants included in this comparison reflect a representative spectrum of performance within the commercial nuclear power industry.

Trending

Survey-to-Survey Comparisons

The 2003 CCA results have been compared with the 2001 CCA results to identify trends.

- The performance indicators for the primary cultural models (i.e., the Composite Cultural Indicators) for the NSC, GCWE and LMS were directly comparable for the two CCAs.
- Ratings for key cultural model sub-parts (Dimensions) of the NSC, GCWE and LMS were directly comparable for the two CCAs.
- Ratings of the vast majority of the individual survey questions were directly comparable for the two CCAs.[15]

[14] SYNERGY has performed more than 100 cultural assessments within the nuclear industry -- including 59 nuclear units, 39 locations and 8 corporate locations. The results from recent cultural assessments, generally performed in 2000-2003, were used for the purpose of industry comparisons.

[15] Approximately 99% of the individual questions in the 2001 CCA survey were either identical or very similar to the questions utilized in the 2000 CCA survey (refer to Appendix H for a correlation of the 2001 and 2003 questions). Reports of trending information for individual questions are provided separately for each demographic category, each Division and each Functional / Department level organization.

Other Trending Information

For a number of key questions (those associated with the IPI[16]), participants provided individual ratings for two time frames: "today" and "approximately 1 year ago." These questions are used as indicators of the direction in which elements of the culture are currently perceived to be heading. Changes in these results are considered to reflect short-term trends and current momentum.

Organizational Changes Potentially Impacting Trending

Between the 2001 CCA and the 2003 CCA, STP made only a few organizational changes. These changes were evaluated to determine the impact on trending CCA results between 2001 and 2003. Because the changes were minor, e.g. name changes, no modifications were required to the organization modeling to assure the new organizational structure and trending comparisons are consistent.

[16] The IPI is a metric used as an approximate measure of the NSC when SYNERGY's full NSC Model is not exercised. It can also be used to approximate shorter-term NSC trends when previous cultural assessment data is not available. Because of the selection of Attributes, the IPI and NSC CCI are strongly correlated. However it is important to note that:

- While the IPI provides a reasonable representation of the NSC, it does not address all of the factors contributing to the NSC; thus it is a significantly less "thorough" measure of the NSC than the NSC CCI.
- The IPI includes one factor that represents an overall measure of the GCWE; thus, it is not as "pure" a measure of the NSC as the NSC CCI.

Since the 2003 CCA is full scope, the IPI results are not reported herein, but are maintained for future comparisons.

IV. SURVEY PARTICIPATION

The overall employee response rate of 91.5% was somewhat lower than the 2001 rate of 94%, but still remained higher than the 2000 rate of 89% and 1998 rate of 81%. This survey participation rate is amongst the highest encountered by SYNERGY and therefore, is more than sufficient to obtain meaningful insights and to draw necessary conclusions. Figure IV.1 shows the response by Division.

Figure IV.1
2003 CCA Response Summary

Organization	No. Respondents	Org. Total	% Response
Nuclear Generation	590	690	86
Eng. & Tech. Services	304	324	94
Business Services	340	353	96
STP Composite[17]	**1,260**	**1,377**	**91.5%**

Appendix A provides a detailed summary of the organizational response rates at the Functional Organization and Department levels. Organizational affiliation was provided by approximately 98% of the respondents, thereby permitting meaningful analysis for all organizations. Based upon SYNERGY's experience, the percentage of survey respondents who elected to provide their organizational affiliation is much higher than typical. This is a very positive indication of a healthy work environment.

All employees and contractors were offered an opportunity to respond to the Survey. Therefore, the CCA surveying strategy did not include reliance on random sampling techniques. Ideally, the objective was to obtain 100% participation (vs. setting statistical criteria for selecting a sample). Since the actual response rates were somewhat lower than 100%, the Survey yielded an implicit 'sample' of the STP population. The degree of randomness of this 'sample' is unknown. Given this uncertainty, the CCA objective was to assure that the response was representative enough to draw qualitative conclusions at various organizational levels and for key demographic categories.

There are a variety of factors that could impact the rate of response including both random factors (e.g. absence from work due to vacations or sickness), and systematic factors (e.g. widespread apathy or inadequate survey administration practices). Notwithstanding, it is generally true that with higher response rates, the confidence level in the results is higher and the margin of error is lower. The existence of systematic factors was considered as part of an integrated assessment of all inputs into the CCA and judged not to impact overall conclusions.

[17] Sum includes 26 respondents who either did not indicate their organizational affiliation or were not associated with one of the three major Divisions.

Given the many factors that could have impacted those that responded and those that didn't, one cannot consider the response to be statistically random. But given the elimination of any known, significant systematic factors affecting the response, it is useful to employ random statistical analysis techniques to provide a 'qualitative' estimate of the level of confidence and margin of error - making an unqualified ***approximation*** that the response pattern was random. STP composite response rate and the Division response rates are sufficient to estimate results with greater than 95% confidence with less than a 5% margin of error (referred to as a 95/5).

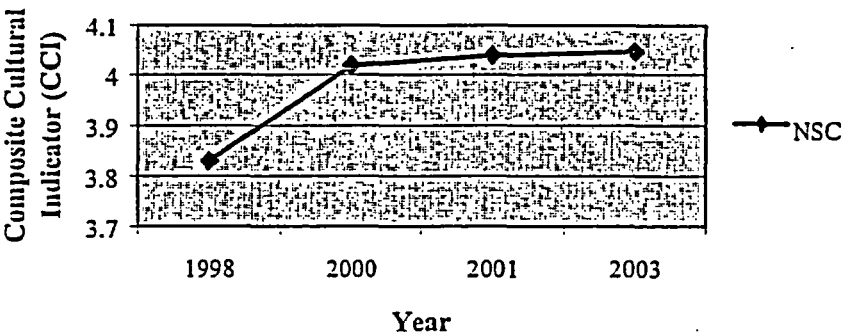
At the Functional and Department levels, response rates ranged from 59% to 100% percent with the majority over 90%. Thus, most organizations had response rates sufficient to estimate a 95/5 confidence level / margin of error. The Project Management / Field Engineering / Production organization (previously included the Maintenance Emergency Response organization) had a 59% response; thus, there is a lower confidence level and/or higher margin of error for this organization (<80 / 5) - but the results still offer valuable insights.

V. NUCLEAR SAFETY CULTURE RESULTS

STP Composite
NSC Metric, Trend and Industry Ranking

The Nuclear Safety Culture Composite Cultural Indicator for the STP Composite is 4.05, which is in the "Very Good" range. This represents a 'steady' trend since the 2001 CCA.[18] This rating places STP in the 57th percentile of nuclear power organizations included in SYNERGY's industry database. The STP Nuclear Safety Culture CCI trend from 1998 to 2003 is shown in Figure V.1. It is evident that between 1998 and 2000, the NSC showed notable improvement, followed by a leveling trend.

STP Cultural Trends (1998-2003)



STP Composite
NSC Demographic Variations

Figure V.2 provides a summary showing the NSC CCIs by demographic categories. Also shown are the percent variation or differential from the STP Composite CCI and the percent improvement or decline in the respective CCIs since the 2001 CCA[19].

The demographic variations amongst positions and worker categories are similar to what SYNERGY has experienced in other cultural assessments; however, it is apparent that the relative magnitude of these variations is significant and increasing for short-term contractors (<6 mo. assignments). In terms of years of service, people with less than one year of tenure fall lower than expected. It is important to note that the number of respondents for short-term contractors and people with less than one year of tenure was low at four and six, respectively.

[18] The NSC CCI remained stable; with nominal improvements in recent CCAs - 4.04 in 2001, 4.02 in 2000 and 3.83 in 1998.
[19] Items highlighted in bold represent either significant (>10% change in mean) or notable (>5% change in mean) variations from the STP Composite or improvements/declines since the 2001 CCA.

Figure V.2
NSC Composite Cultural Indicators by Demographics

Demographic Category	NSC CCI	Percent Variation from STP Composite	Percent Improvement / Decline since 2001
Worker Category			
Monthly or Salaried	4.25	+5	0
Hourly or Union	3.83	-5	0
Contractor (<6mo. Assignment)	3.57	-12	-7
Contractor (>6mo. Assignment)	3.75	-7	0
Position			
Managers	4.55	+13	-1
First Line Supervisors	4.32	+7	-1
Technical Staff	4.17	+3	+1
Admin. & Support Staff	3.93	-3	-1
Plant Staff	3.75	-7	+1
Years of Service			
< 1 year	3.89	-4	-4
1-5 years	4.07	+1	-1
5-10 years	4.03	0	+3
>10 years	4.05	0	0

NSC Cultural Dimensions
Metrics, Trends and Industry Rankings

The STP Composite rating of:

- *Nuclear Safety Values, Behaviors and Practices* was 3.94 (+0.3% trend), which is in the "Very Good" range. This rating places STP in the 58th percentile of the commercial nuclear power plant sites within SYNERGY's industry database.
- The *Safety Conscious Work Environment* was 4.40 (-0.1% trend), which is in the "Very Good to Excellent" range. This rating places STP in the 35th percentile of the commercial nuclear power plant sites within SYNERGY's industry database.
- The *Employee Concerns Program* was 3.69 (+0.3% trend), which is in the "Good" range. This rating places STP in the 64th percentile of the commercial nuclear power plant sites within SYNERGY's industry database.

Figure V.3 provides a summary showing the NSC CCI and the major Cultural Dimensions comprising the CCI for the STP Composite and a comparison to commercial nuclear power plant sites within SYNERGY's industry database.

Figure V.3
STP Composite NSC Trends & Industry Comparison

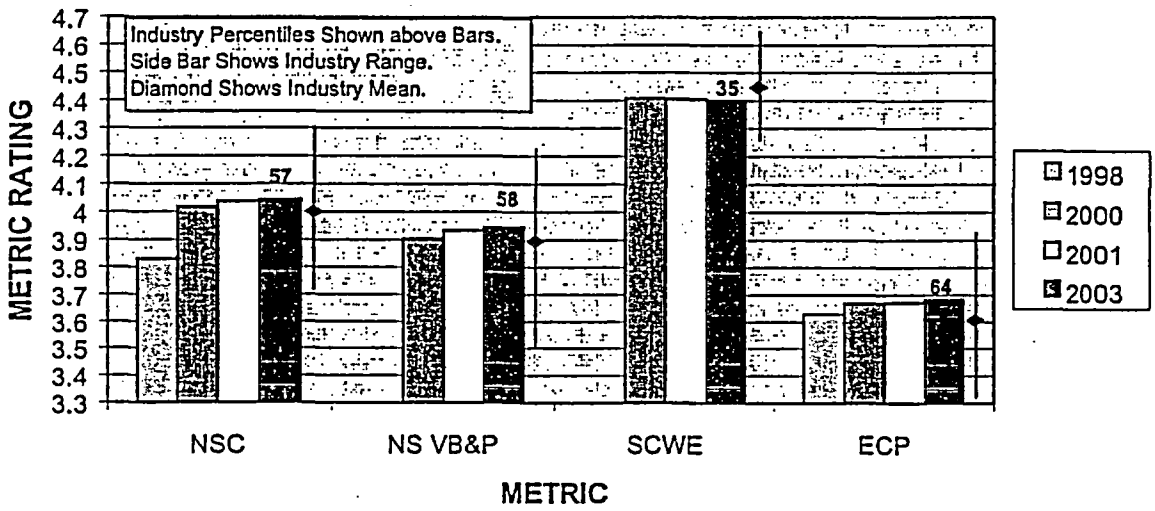


Figure V.4 provides a summary showing the NSC CCI and the major Cultural Dimensions comprising the CCI for the STP Composite and each Division.[20]

Figure V.4
NSC Cultural Indicators – STP Composite & Divisions

NSC Cultural Dimension	STP Composite	Nuclear Generation	Engineering & Technical Services	Business Services
NSC CCI	4.05	4.01	4.13	4.01
Values, Behaviors & Practices	3.94	3.90	4.04	3.92
Employee Concerns Program	3.69	3.61	3.75	3.74
Safety Conscious Work Env.	4.40	4.40	4.48	4.32

There is a high degree of uniformity between the Divisions ('Very Good' ratings), with Engineering & Technical Services (ET) providing the highest ratings, followed by Business Services (BS) and Nuclear Generation (NG). These metrics remained 'steady' as there were no notable trends, either positive or negative.[21]

[20] Additional information is presented in the Appendices; Appendix B.2 'NSC Windows' tables and Appendix G numerical metrics summary. This information addresses key Department and Functional Unit results and provides more detail for each of the Cultural Dimensions.
[21] The NSC CCI and Dimensional metrics followed a trend of approximately +/- 1% between 2001-2003.

NSC Cultural Dimensions
Sub-Dimensions Results and Analysis

The following information presents a summary of NSC Dimension and Sub-dimension results for the STP Composite organization. Organizations and demographics with notable improvement or decline in Dimensional ratings are also identified. Appendix B.2 provides additional details, showing Dimension and Sub-dimension results for each organization at STP.

NS Values, Behaviors and Practices

As indicated in Figure V.5, the NS VB&P Sub-dimension ratings were predominately in the 'Very Good' range. 'Operational Nuclear Safety' received the highest rating.

Figure V.5
NS Values, Behaviors and Practices Sub-Dimension Summary

NS VB&P Sub-Dimensions	Metric	Description	Neg. %	Trend since 2001 CCA
NS VB&P Dimension Rating	**3.94**	**Very Good**	**5.3**	**0.3%**
Nuclear Safety is Top Priority	3.91	Very Good	6.9	0.3%
Operational Nuclear Safety	4.04	Very Good	2.6	0.1%
Identification of Potential NS Issues	3.94	Very Good	6.0	0.4%
Effective Resolution of Identified NS Issues	3.87	Good - VG	6.1	0.1%
Continuous Improvement of NS Performance	3.92	Very Good	4.4	1.1%

The STP Composite Sub-dimension trends were 'steady' and the negative response percentages were in acceptable ranges. All 33 NS VBP questions followed a 2001-2003 trend of between +1.9% and -1.5% change, with 23 questions having a positive trend and 10 questions having a negative trend.

Notable organizational and demographic changes in the NS VB&P mean ratings were measured as follows:

- Orgs with Notable Decline: None
- Orgs with Notable Improvement: Unit 1 Ops (+7%), Information Technology (+5%), Other Engineering & Technical Services (+5%)
- Demographics: None with notable changes

The following organizations / demographics had relatively high NS VB&P negative response rates:

- Organizations: Wackenhut (14%), Mechanical Maintenance (17 %) and I & C Maintenance (16 %)
- Demographics: None with notable changes

Safety Conscious Work Environment

As indicated in Figure V.6, the SCWE Sub-dimension ratings were in the 'Very Good to Excellent' range, placing STP at the 35th percentile of the commercial nuclear power plant sites within SYNERGY's industry database. The 'Demonstrated Willingness to Take Appropriate Action' received the highest rating, placing STP at the 28th percentile The 'Indicators & Precursors of a Potentially Chilled Work Environment' rating placed STP at the 41st percentile.

Figure V.6
Safety Conscious Work Environment Sub-Dimension Summary

SCWE Sub-Dimensions	Metric	Description	Neg. %	Trend since 2001 CCA
SCWE Dimension Rating	**4.40**	**VG - Excellent**	**4.1**	**-0.1%**
-Indicators & Precursors of a Potentially Chilled Work Environment	4.31	VG - Excellent	6.2	0.4%
-Demonstrated Willingness to Take Appropriate Action	4.49	VG - Excellent	2.0	-0.6%

The STP Composite Sub-dimension trends were 'steady' and the negative response percentages were in acceptable ranges. All 14 SCWE questions followed a 2001-2003 trend of between +1.2% and -0.8% change, with 7 questions each having positive and negative trends.

Notable organizational and demographic changes in the SCWE mean ratings were measured as follows:

- Orgs with Notable Decline: None
- Orgs with Notable Improvement: Electrical Maintenance (+5%)
- Demographics: None with notable changes

The following organizations / demographics had relatively high SCWE negative response rates:

- Organizations: I & C Maintenance (12%), Wackenhut (12%) and Mechanical Maintenance (11%)
- Demographics: None with notable changes

Employee Concerns Program

As indicated in Figure V.7, the ECP Sub-dimension ratings were in the 'Adequate to Good' to 'Very Good' ranges. Ratings of the ECP as an 'Acceptable Alternative Path' to raise and pursue potential NS issues received the highest rating and improved slightly (+1.9%), indicating the ECP is continuing to build a reputation as a culturally acceptable part of the overall NSC.

Figure V.7
Employee Concerns Program Sub-Dimension Summary

ECP Sub-Dimensions	Metric	Description	Neg. %	Trend since 2001 CCA
ECP Dimension Rating	**3.69**	**Good**	**11.5**	**0.3%**
Acceptable Alternative Path	4.05	Very Good	5.6	1.9%
Overall Confidence Rating	3.58	Good	13.6	0%
Bases for Confidence	3.49	Adeq-Good	14.2	-0.7%

The STP Composite Sub-dimension trends were 'steady;' however, the negative response percentages for 'Overall Confidence' and 'Bases for Confidence' remained somewhat high. The 'Bases for Confidence' rating was most positively impacted by management's support of the ECP and the reputation of ECP personnel, but was most negatively impacted by respondents' perceptions of the results the ECP produces. All 8 ECP questions followed a 2001-2003 trend of between +1.9% and -0.9% change, with 2 questions having a positive trend and 6 questions having a negative trend.

Notable organizational and demographic changes in the ECP mean ratings were measured as follows:

- Orgs with Notable Decline: Mechanical Maint. (-8%), Administrative Services (-6%), Facilities (-6%), Oper. Exp. Group (-6%)
- Orgs with Notable Improvement: Unit 2 Ops (+10%), Project Mgmt./Field Eng./Production (+9%), Health Physics (+9%), Systems Eng. (+9%, Risk Mgmt. (+7%), Electrical Maint. (+6%), Security/Access/ER/PA (+5%)
- Demographics: Personnel with 5-10 years tenure (+5%)

The following organizations / demographics had relatively high ECP negative response rates:

- Organizations: I & C Maint. (33%), Mechanical Maint. (28%), Support Services (22%), Wackenhut (21%), Risk Mgmt. (20%) and Plant Mods & Des. Basis (16%)
- Demographics: Plant Staff - Craft (19%) and Hourly - Union (18%)

NSC Survey Question Responses

A complete listing of the NSC survey question responses for the STP Composite[22] is provided in Appendix C as follows:

Appendix C.1 Nuclear Safety Values, Behaviors & Practices
Appendix C.2 Safety Conscious Work Environment
Appendix C.3 Employee Concerns Program

A CD-Rom has been prepared with similar information for each STP organization.

NSC Response Distributions & Comparisons

The STP composite response to the vast majority of the NSC questions was very positive, with all questions having means higher than 3.00. The STP composite means ranged from a low of 3.38 to a high of 4.85, with a median of 3.91.

Figure V.8 provides a histogram showing the question mean distributions, comparing the sum of the NSC questions with the Dimensional subsets - NS VB&P, SCWE and ECP questions. It is evident that the SCWE dominates the higher (more positive) region of the range, the ECP the lower region and the NS VB&P the middle region. This pattern is typical in the nuclear industry.

Figure V.9 shows the distribution of questions with improving or declining means between the 2001 and 2003 CCAs for all common questions and for the subsets of NSC, GCWE and LMS questions[23]. The histograms also show the percent improvement or decline. Changes in means of greater than +/- 5% are considered notable. Changes in means of greater than +/- 10% are considered significant[24].

It is important to note that approximately 58% of the 55 common NSC questions showed improvement. No NSC questions improved notably, but 12 questions improved between 1.0 and 1.9%. Only one question declined more than 1%: "I am confident that in our mgmt. is making well thought-out decisions in the allocation of resources (adequate staffing, experience and qualifications) to assure Nuclear Safety is maintained" (-1.5%). These results indicate that the rate of improvement of the STP NSC continues to remain level.

[22] The questions are sorted by mean ratings, with negative response percentages and trends.
[23] Appendix H provides the correlation between the 2001 & 2003 CCA Survey questions
[24] Changes in means between zero to +/- 5% are considered to be representative of a 'steady' or 'flat' trend.

Figure V.8
Distribution of Mean Response Metrics
NSC Questions vs. NS VB&P, SCWE & ECP Questions
for STP Composite

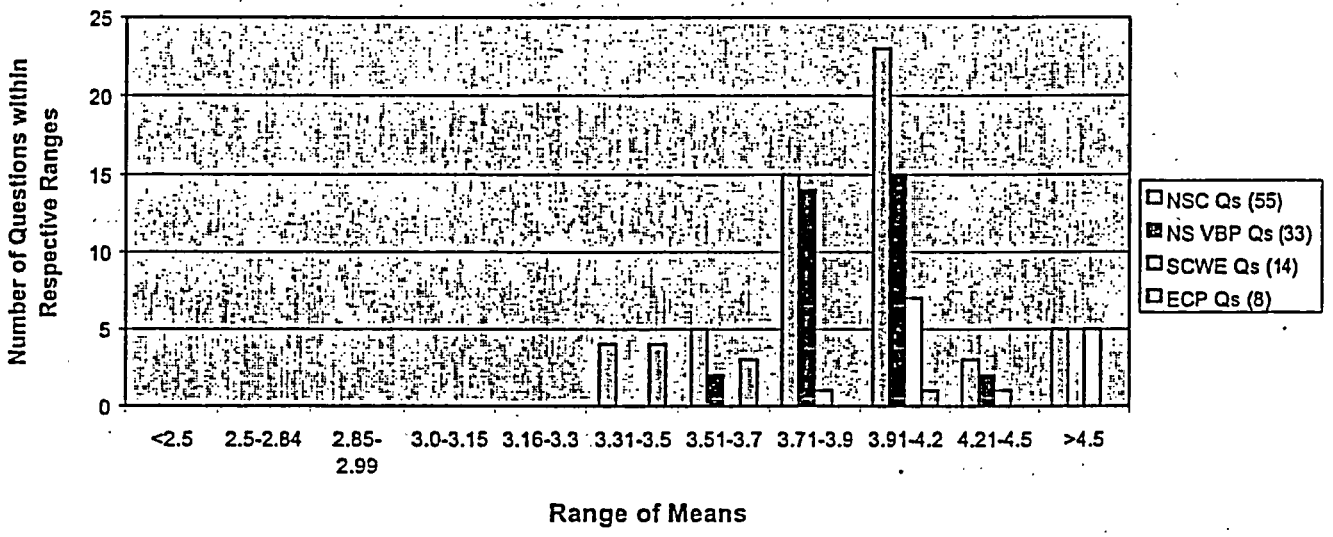
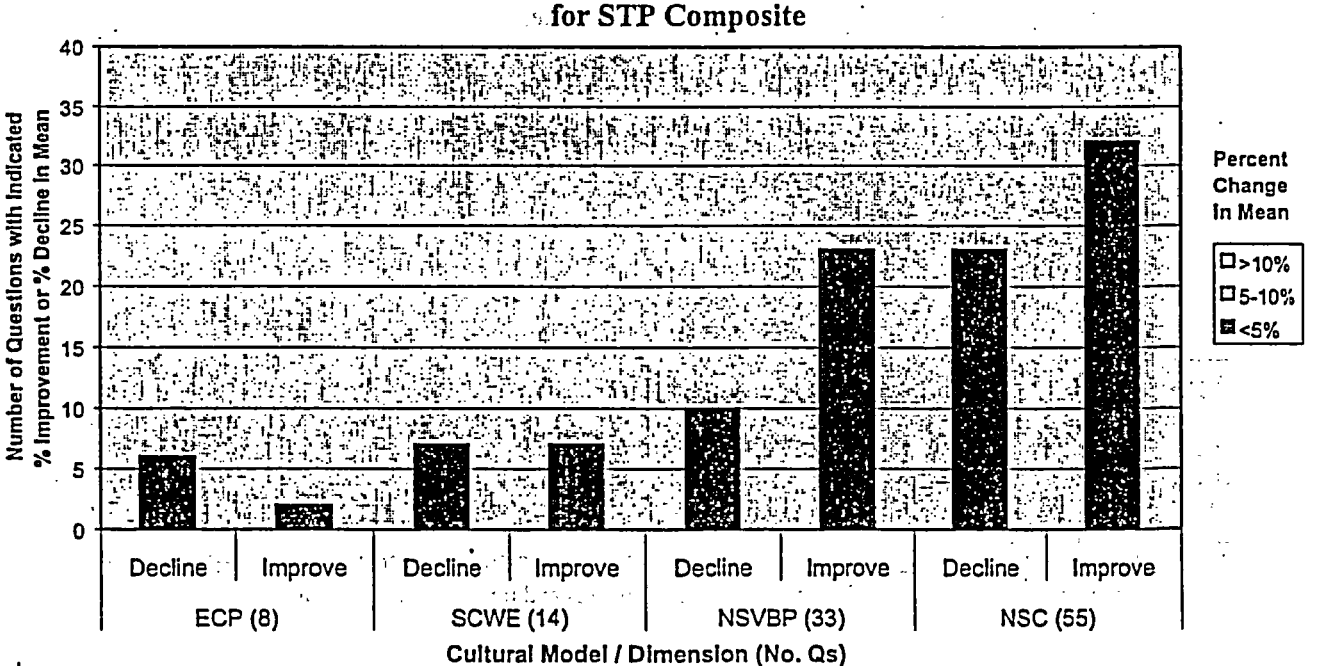


Figure V.9
Analysis of Common Questions between 2001 & 2003 Surveys
for STP Composite



NSC Survey Question Responses
Areas of Strengths and Weaknesses

The following sections highlight responses to the highest and lowest rated multiple-choice survey questions; thus, providing significant insight into areas of relative strength and weakness.[25] The information presented below is for the STP Composite organization.

NSC Areas of Relative Strength

Key areas of relative strength within the Nuclear Safety Culture (NSC), based upon the STP Composite responses to the survey questions, are presented below.[26]

The Safety Conscious Work Environment was the strongest area within the NSC. The vast majority of STP personnel indicated that:

- The plant environment has a positive effect on their willingness and likelihood of reporting potential Nuclear Safety issues (4.06 / 96%).
  -Employee 'willingness' is reinforced by supervision that reacts positively (3.92 / 91%) and is responsive (4.05 / 95%) to Nuclear Safety issues or concerns.
- There is receptivity to workers who raise potential Nuclear Safety or quality issues/concerns....
  -Generally at STP (3.97 / 95%).
  -By their supervision (4.15 / 96%).
  -By their Functional Organization management (4.05 / 95%).
- They would inform their supervisor and/or write a Condition Report if they identified a potential Nuclear Safety concern (4.53 / 99%).
- Supervisors and managers within their Functional Organizations value workers who identify potential Nuclear Safety or Quality issues or concerns (4.02 / 94%) and place appropriate priority on these issues or concerns based upon safety significance (4.03 / 95%).
- During the past year, they had not received a negative reaction for having raised an issue or concern related to Nuclear Safety from....
  -Their supervision (4.85 / 96%).
  -Their peers (4.84 / 96%).
  -Their management (4.81 / 95%).

[25] The means, response percentages and trends are shown in parentheses. 'Positive' response percentages are shown for 'strengths' and 'negative' response percentages are shown for 'weaknesses.' Trends between 2001-2003 are highlighted with arrows. Single arrows up or down represent 'notable' improvement or decline (>5%, but <10% change in means), respectively. Double arrows up or down represent 'significant' improvement or decline (>10% change in means), respectively. If no arrow is shown, this indicates a 'steady' trend (within plus or minus 5% change in the means).

[26] The following NSC survey questions received mean ratings of > 3.90. For NSC key areas of relative strength, 'positive' response percentages are shown along with the means and trends (where available).

- They did not know someone who has experienced a negative reaction from supervision or management for having raised an issue or concern related to Nuclear Safety (4.51 / 88%).
- There is an open door to pursue resolution of potential Nuclear Safety issues or concerns through the management chain, if necessary (4.29 / 97%).
- They would take the concern further up the management chain if they identified a potential Nuclear Safety concern and were not satisfied with their supervisor's response (4.36 / 96%).

Nuclear Safety Values, Behaviors and Practices were also rated very high. The vast majority of STP personnel indicated that:

- Nuclear Safety is the first and over-riding priority at STP (4.32 / 98%) and this priority is reflected consistently through accompanying behaviors and practices (3.99 / 95%).
- Within their Functional Organization, expectations and standards for Nuclear Safety performance are effectively communicated and reinforced (4.07 / 97%) and importance is placed on improving Nuclear Safety performance (4.00 / 97%).
- Supervisors and managers respond promptly to Nuclear Safety or quality issues or concerns (3.92 / 95%), place appropriate priority (4.03 / 95%) and ensure a thorough evaluation (3.93 / 94%).
- STP recognizes and appropriately evaluates degraded conditions that could adversely affect Nuclear Safety (4.09 / 97%).
- Within their Functional Organization, they adhere strictly with procedural requirements as a means of assuring Nuclear Safety (4.05 / 97%).
- Operations, maintenance and modifications are conducted in accordance with the licensing and design bases (4.14 / 99%).
- STP maintains configuration documentation in accordance with operating practices and the physical plant configuration (3.91 / 96%).
- STP conducts thorough safety analyses (3.91 / 96%).
- Operational risks associated with planned work activities are anticipated and appropriate precautions are taken (3.97 / 97%).
- STP is effective in identifying and resolving potential Nuclear Safety issues (3.95 / 97%) and there is confidence that the Condition Report system ensures that potential Nuclear Safety problems are identified (4.02 / 97%).

The majority of STP personnel indicated that the Employee Concerns Program is an acceptable, alternative path to pursue resolution of potential Nuclear Safety issues or concerns (4.05 / 94%).

NSC Areas of Relative Weaknesses

Key areas of relative weakness within the Nuclear Safety Culture, based upon the STP Composite responses to the survey questions, are presented below:[27]

- While the Employee Concerns Program was rated 'good' overall, some employees indicated their confidence in the ECP is adversely affected by ...
  -The results it produces (3.38 / **17%**).
  -The quality of investigations (3.41 / **17%**).
  -Its visibility and general cultural acceptance (3.46 / **13%**).
  -The perceived integrity with which it is run including protecting identity and maintaining confidentiality (3.49 / **16%**)

Additional Insights from the NSC Write-in Comments

There were a total of 117 individual NSC-related comments provided. This represents 19% of the total STP write-in comments. Of these, approximately 41% were positive in nature and approximately 56% were negative in nature.

Most (73%) of the NSC-related comments were related to Nuclear Safety Values, Behaviors and Practices (NSVBP).[28] The positive NSVBP comments involved general endorsements of the strength of the NSC at STP and of how it is reinforced and supported by management, supervision and work practices. The comments cited examples of questioning attitudes at STP, the strength of the CR process and conservatism as evidenced through thorough safety evaluations and pursuit of even minor issues.

The most recurring themes expressed in the negative comments on NSVBP involved concerns about:

- Maintaining NS as the top priority at STP -- including effects of budget cuts and placing cost and/or schedule considerations ahead of longer-term plant safety and reliability.
- A wide range of matters involving the effectiveness of the CAP process, but these concerns were not many in any particular area. The areas included proper classifications of CRs (as SCAQS), challenges in securing ownership, timeliness of investigations, the thoroughness of root cause evaluations, the effectiveness of resulting corrective actions and less-than-adequate feedback on closures. Some expressed that 'overkill' of effort on minor issues detracts focus from more important items.

[27] The following NSC survey questions received mean ratings of < 3.50. For NSC key areas of relative weakness, negative response percentages are shown along with the means and trends (where available). Negative response percentages of >10% are highlighted in bold.

[28] Approximately 44% were positive in nature and approximately 53% were negative in nature.

- Too much "managing to metrics" and the impact this has on receptivity to documenting concerns and/or classification of reported concerns.
- A tendency to "engineer away" issues vs. being proactive in fixing the underlying problems.
- A growing backlog of configuration documentation that is not being kept up-to-date due to changes.
- The potential impact of lost expertise on maintaining Nuclear Safety performance.

Approximately 6% of the NSC-related comments were related to the Safety Conscious Work Environment (SCWE).[29] The positive SCWE comments involved general endorsements of the strength of the SCWE at STP, particularly with respect to openness and receptivity of senior plant management in encouraging questioning attitudes and raising concerns and no fear of reprisals for having done so.

The negative SCWE comments (provided by only a few respondents) involved not raising concerns because of having experienced negative reactions from management, actions by a supervisor that have caused some individuals in an organization to "clam up" in raising potential safety issues and negative messages being conveyed by senior management's manner of questioning technical issues in public forums.

Overall, the relatively low number of SCWE concerns is indicative of a strong SCWE at STP.

Approximately 10% of the NSC-related comments were related to the Employee Concerns Program (ECP).[30] The positive ECP comments noted the openness of the ECP and the ease of approaching the program with concerns, the improving quality of investigations and general improvements of the program under the leadership of the ECP Manager.

The negative ECP comments (provided by only a few respondents) involved a personal experience in not being satisfied with the closure process and how final results were communicated and, general perceptions of limited feedback from the ECP's efforts in resolving concerns, independence of investigations & maintaining confidentiality and declining visibility of the ECP.

Overall, the relatively low number of ECP comments is indicative that the ECP has become a culturally accepted part of the NSC and that it is functioning effectively.

[29] Approximately 63% were positive in nature and 37% were negative in nature.

[30] Approximately 23% were positive in nature and approximately 77% were negative in nature.

VI. GENERAL CULTURE & WORK ENVIRONMENT RESULTS

STP Composite
GCWE Metric, Trend and Industry Ranking

The General Culture & Work Environment Composite Cultural Indicator for the STP Composite is 3.62, which is in the "Good" range. This represents a 'steady' trend since the 2001 CCA.[31] This rating places STP in the 65th percentile of nuclear power organizations included in SYNERGY's industry database.

The STP GCWE trend from 1998 to 2003 is shown in Figure VI.1. The Leadership, Management and Supervision trend is included for comparison. It is evident that these two metrics have paralleled each other and over approximately a four and a half year period, there has been notable improvement.

Figure VI.1
GCWE -LMS Cultural Trends (1998-2003)

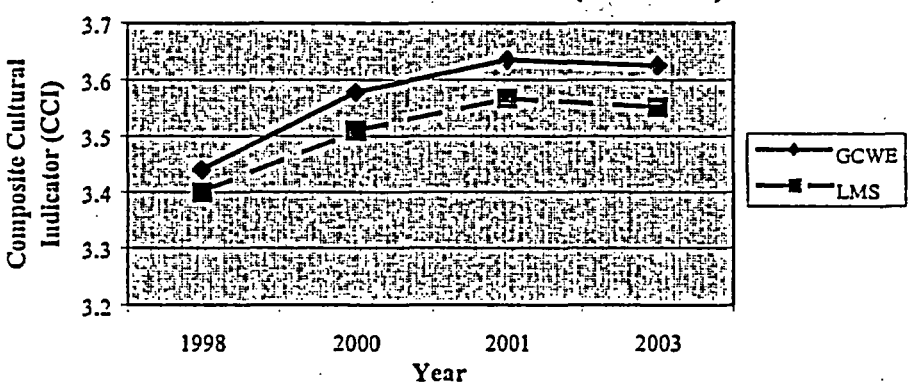
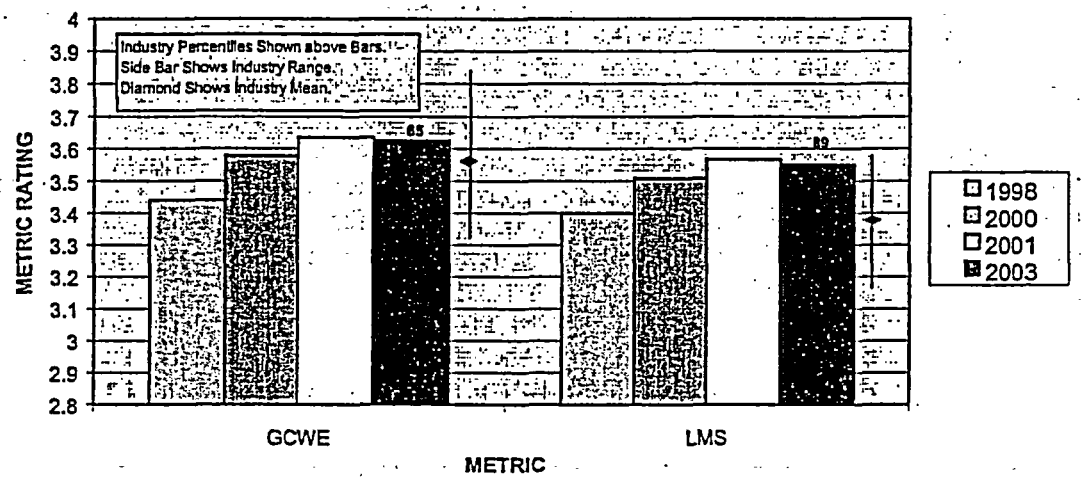


Figure VI.2 provides a complementary summary showing the GCWE and LMS CCI metrics for the STP Composite, the trend between the 1998 - 2003 CCAs and a comparison to commercial nuclear power plant sites within SYNERGY's industry database.

[31] The GCWE CCI remained stable after nominal improvements measured in recent CCAs - 3.64 in 2001, 3.58 in 2000 and 3.44 in 1998.

Figure VI.2
STP Composite GCWE & LMS Ratings & Industry Comparison



STP Composite & Division GCWE Metrics

Figure VI.3 provides a summary comparing the GCWE Composite Cultural Indicator for the STP Composite and each Division.[32]

Figure VI.3
GCWE Composite Cultural Indicators – STP Composite & Divisions

Metric	STP Composite	Nuclear Generation	Engineering & Technical Services	Business Services
GCWE CCI	3.62	3.57	3.68	3.65

There is general uniformity between the Divisions, each of which having Good' ratings.[33] Engineering & Technical Services (ET) provided the highest ratings followed by Business Services (BS) and Nuclear Generation (NG). These metrics remained 'steady' as there were no notable trends, either positive or negative.[34]

[32] Additional numerical information is presented in Appendix G, providing the GCWE metrics for each Department and Functional Unit.
[33] The spread (~3.1%) between ET and NG has narrowed recently as ET declined -1.6% and NG has remained more steady (-0.1%).
[34] The GCWE CCI metric declined approximately -0.1% for the STP Composite and declined -0.1% in NG, -1.6% in ET and -0.3% in BS between 2001 - 2003.

STP Composite
GCWE Demographic Variations

Figure IV.4 provides a summary showing the GCWE CCIs by demographic categories. Also shown are the percent variation or differential from the STP Composite CCI and the percent improvement or decline in the respective CCIs since the 2001 CCA.[35]

The demographic variations amongst positions and worker categories are similar to what SYNERGY has experienced in other cultural assessments; however, it is apparent that the relative magnitude of these variations is increasing slightly for hourly / union personnel. Also, it must be noted that the number of respondents for short-term contractors and people with less than one year of tenure was low at four and six, respectively.

Figure VI.4
GCWE Composite Cultural Indicators by Demographics

Demographic Category	GCWE CCI	Percent Variation from STP Composite	Percent Improvement / Decline since 2001
Worker Category			
Monthly or Salaried	3.79	+5	0
Hourly or Union	3.42	-6	-1
Contractor (<6mo. Assignment)	3.55	-2	-5
Contractor (>6mo. Assignment)	3.43	-5	+1
Position			
Managers	4.17	+15	+1
First Line Supervisors	3.85	+6	-1
Technical Staff	3.71	+2	+1
Admin. & Support Staff	3.57	-1	-2
Plant Staff	3.35	-8	0
Years of Service			
< 1 year	3.84	+6	-1
1-5 years	3.70	+2	0
5-10 years	3.63	0	+3
>10 years	3.62	0	-1

[35] Items highlighted in bold represent notable variations from the STP Composite or notable improvements/declines since the 2001 CCA.

GCWE Cultural Dimensions
Metrics & Trends

The following information presents a summary of GCWE Dimension results for the STP Composite organization. Organizations with notable improvement or decline in Dimensional ratings are also identified. Appendix B.3 provides additional details, showing Dimension and Sub-dimension results for each organization at STP. Figure VI.5 provides a summary showing the GCWE CCI and the major Cultural Dimensions comprising the CCI.[36]

Figure VI.5
General Culture & Work Environment Dimension Summary

GCWE Dimensions	Metric	Description	Neg. %	Trend since 2001 CCA
GCWE CCI Metric	3.62	Good	12.1	-0.3%
High Standards	3.73	Good - VG	9.4	0.2%
Focus on Performance / Accountability	3.80	Good - VG	7.4	0%
Continuous Improvement	3.95	Very Good	4.5	0.8%
Conduct of Work	3.80	Good - VG	5.8	0%
Teamwork	3.72	Good - VG	9.6	0.8%
Employee Involvement	3.63	Good	11.4	0.4%
Trust & Respect	3.75	Good - VG	10.8	0.7%
General Communications	3.16	Adequate	**23.6**	-3.1%
Change Management	3.41	Adeq.- Good	15.1	0.9%
Personnel Development	3.40	Adeq.- Good	16.6	-0.4%
Performance Recognition	3.25	Adequate	**22.8**	-1.8%
Performance Appraisal	3.30	Adequate	19.0	-2.9%
Overall Personal Satisfaction & Morale	3.58	Good	14.5	-1.0%

[36] Items highlighted in bold represent notable improvements/declines (>5%) since the 2001 CCA or relatively high negative response rates (>20%). Additional information is presented in the Appendices; Appendix B.3 'Windows' tables and Appendix G numerical form. This information addresses key Department and Functional Unit results and provides more detail for each of the Cultural Dimensions.

GCWE Dimension Details:[37]

The following discussion of GCWE Dimension results and trends highlight the principal drivers of the GCWE Dimensional ratings for the STP Composite and Functional Organizations:

- Highest rated GCWE Dimensions: Continuous Improvement (3.94 – Very Good), Focus on Performance / Accountability (3.80 - Good to Very Good), Conduct of Work (3.80 – Good to Very Good) and Trust & Respect (3.75 - Good to Very Good), High Standards (3.73 - Good to Very Good).

- Lowest rated GCWE Dimensions: General Communications (3.16 – Adequate), Change Management (3.41 – Adequate to Good), Personnel Development (3.40 - Adequate to Good), Performance Appraisal (3.30 - Adequate) and Performance Recognition (3.24 – Adequate).

- Notable Improving GCWE Dimensions: None.

- Notable Declining Dimensions: None.

- Key Functional Organizational trends:

  Highest Overall Ratings: Cafeteria (4.45), Washington Group (4.43), Licensing (4.34), ETS Admin. Services (4.19), Met. & Radiological Lab (4.12), Project Mgmt./Field Eng./Production (4.05), Planning & Controls (4.05).

  Lowest Overall Ratings: Mechanical Maintenance (2.99), I&C Maintenance (3.09), Wackenhut (3.17), Support Services (3.34), Plant Design (3.31).

  Significant Overall Improvement: None.

  Notable Overall Improvement: Health Physics (+9%), Unit 1 Ops (+8%), Unit 2 Ops (+6%), Information Technology (+5%).

  Notable Overall Decline: Plant Mods & Design Basis (-7%), Facilities (-6%), Mechanical Maintenance (-6%), Work Control (-6%).

  High Dimensional Negative Responses: Figure VI.6 provides a summary of relatively high Functional Organization negative response rates in the lower rated GCWE Dimensions.

[37] Also refer to GCWE 'Windows' Tables in Appendix B.3. These tables provide details of GCWE results and trends by Division and key Departments / Functional organizations, respectively.

Figure VI.6
High Negative Response % in Lower Rated GCWE Dimensions

Organization	Performance Appraisal	Personnel Development	Change Mgmt	Performance Recognition	General Communications
STP	**19.0%**	**16.6%**	**15.1%**	**22.8%**	**23.6%**
Chemistry	26				
Facilities				33	36
Human Resources				26	
I & C Maintenance	67	35	33	37	50
Mechanical Maintenance	27	44	41	62	49
Nuclear Fuels & Analysis				25	31
Operating Experience Grp.	25	20	25	25	
Plant Design	32	22	25	28	39
Plant Mods & Design Basis	35	26	30	32	36
Purchasing & Mat'ls Mgmt.				25	
Risk Management	30				43
Support Services		26	33	35	36
Systems Engineering	36				
Testing & Programs	25				
Unit 1 Ops	29			25	
Unit 2 Ops	26		21	41	47
Wackenhut	26	27	28	30	
Work Control		22	20		

GCWE Survey Question Responses

A complete listing of the GCWE survey question responses for the STP Composite[38] is provided in Appendix C.4. A CD-Rom has been prepared with similar information for each STP organization.

GCWE Response Distributions & Comparisons

The STP composite response to the vast majority of the GCWE questions was very positive, with all questions having means higher than 3.00. The STP composite means ranged from a low of 3.11 to a high of 4.05, with a median of 3.68.

Figure VI.7 provides a histogram showing the question mean distributions, comparing the sum of the GCWE questions with the NSC and LMS questions. It is evident that the NSC dominates the higher (more positive) region of the range, with the GCWE the lower region and the LMS the middle region. The relatively stronger LMS, compared to the GCWE is somewhat atypical in the nuclear industry.

Figure V.8 shows the distribution of questions with improving or declining means between the 2001 and 2003 CCAs for all common GCWE and LMS questions[39]. The histograms also show the percent improvement or decline. Changes in means of greater than +/- 5% are considered notable. Changes in means of greater than +/- 10% are considered significant.[40]

Approximately 51% of the 35 common GCWE questions showed improvement. There were no GCWE questions that improved notably (i.e. >5%), but 4 questions improved between 1.0 and 2.4%.. Only two questions declined notably; communications on 'STP's current level of performance as compared to Business Plan goals' (-7%) and 'annual goals and performance objectives for STP' (-5%). Also, communications on 'future plans for STP' declined 4%. No other question-level means declined more than 2.9%. These results indicate that the rate of improvement of the STP GCWE remains level.

[38] The questions are sorted by mean ratings, with negative response percentages and trends.
[39] Appendix H provides the correlation between the 2001 & 2003 CCA Survey questions
[40] Changes in means between zero to +/- 5% are considered to be representative of a 'steady' or 'flat' trend.

Figure VI.7
Distribution of Mean Response Metrics
NSC, GCWE & LMS Questions
for STP Composite

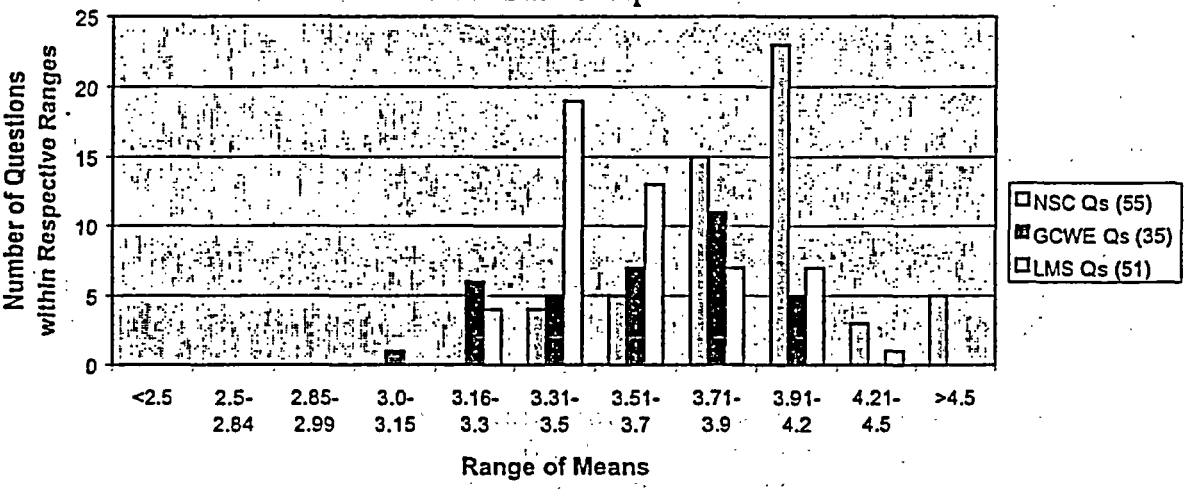
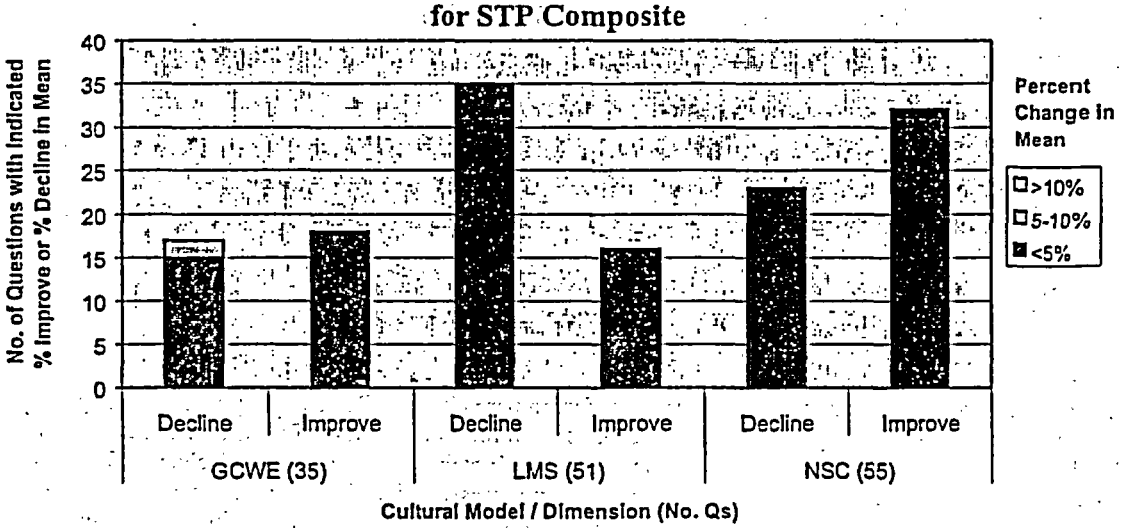


Figure VI.8
Analysis of Common Questions between 2001 & 2003 Surveys
for STP Composite



GCWE Survey Question Responses
Areas of Strengths and Weaknesses

The following sections highlight responses to the highest and lowest rated multiple-choice survey questions; thus, providing significant insight into areas of relative strength and weakness.[41] The information presented below is for the STP Composite organization.

GCWE Areas of Relative Strength

Key areas of relative strength within the General Culture & Work Environment (GCWE), based upon the responses to the survey questions, are presented below[42]:

Within the area of GCWE Values, Behaviors and Practices, work practices – particularly "continuous improvement," "focus on performance & accountability," "trust & respect" and "high standards" – received the highest ratings. The vast majority of STP personnel indicated that:

- Through the daily activities of their Work Group, they ...
  -Strive to improve performance (4.04 / 96%).
  -Are quality conscious and pay attention to details (4.02 / 98%).
  -Are self-critical and have questioning attitudes (4.05 / 98%).
  -Make conservative, well-balanced decisions (3.81 / 94%).
  -Are effective at foreseeing potential problems (3.79 / 95%) and taking appropriate actions to minimize impacts (3.76 / 94%).
  -Have sufficient opportunity to input their ideas (3.88 / 93%).
  -Collaborate and promote teamwork (3.753 / 90%).
  -Interact with mutual respect and trust (3.72 / 88%)
  -Are willing to identify unsafe behaviors or cutting corners by peers (3.76 / 92%)

- Within their Functional Organization, they...
  -Have high standards and values and apply these in the conduct of their business (3.88 / 94%) and place importance upon performance and results (3.93 / 95%).
  -Take actions to ensure learning lessons from internal and external experiences (3.77 / 92%).
  -Feel safe to voice their opinions and ideas (3.77 / 89%).
  -Have open communications and provide feedback (3.76 / 90%).

[41] The means, response percentages and trends are shown in parentheses. 'Positive' response percentages are shown for 'strengths' and 'negative' response percentages are shown for 'weaknesses.' Trends between 2001-2003 are highlighted with arrows. Single arrows up or down represent 'notable' improvement or decline (>5%, but <10% change in means), respectively. Double arrows up or down represent 'significant' improvement or decline (>10% change in means), respectively. If no arrow is shown, this indicates a 'steady' trend (within plus or minus 5% change in the means).

[42] The following GCWE survey questions received mean ratings of > 3.70. For GCWE key areas of relative strength, 'positive' response percentages are shown along with the means and trends (where available).

The vast majority of STP personnel obtain a sense of personal satisfaction from their work (4.05 / 95%).

Industrial Safety also received relatively higher ratings. The vast majority of STP personnel indicated that STP has an effective industrial safety and health program (3.81 / 94%) and their supervisors and managers take industrial/personnel safety seriously (4.08 / 97%).

GCWE Areas of Relative Weakness

Key areas of relative weakness within the General Culture & Work Environment, based upon the responses to the survey questions, are presented below[43]:

- While "general communications" was rated as 'adequate' overall, some employees expressed dissatisfaction with the quality and quantity of communications regarding ...
  -Future plans for STP (3.11 / **26%**).
  -STP's current level of performance compared to Business Plan goals (3.17 / **22%**).
  -Priorities, as used in decisions and resource allocation at their plant/location (3.20 / **21%**).
  -The competitive business environment and what it means to STP (3.23 / **21%**).
  -Annual goals and performance objectives for STP (3.25 / 18%)
- Some STP personnel perceive that their supervisors and managers are not effective at developing people through coaching (3.27 / **20%**), in recognizing performance and accomplishments (3.25 / **23%**) and conducting performance management reviews for non-union workers (3.30 / 19%).

Additional Insights from the GCWE Write-in Comments

There were a total of 276 individual GCWE-related comments provided. This represents 49% of the total STP write-in comments. Of these, approximately 14% were positive in nature and approximately 86% were negative in nature.

The positive GCWE comments involved a spectrum of topics; the most frequently recurring themes addressed a spectrum of topics including - the integrity, skill and competency of STP personnel, teamwork, cooperation and respect expressed amongst STP personnel and satisfaction with STP as a place to work because of the values, the open culture, the quality of communications and the willingness to learn.

[43] The following GCWE survey questions received mean ratings of < 3.35. For GCWE key areas of relative weakness, 'negative' response percentages are shown along with the means and trends (where available). Negative response rates of >20% are highlighted in bold.

The negative comments on the GCWE addressed a spectrum of topics; the most frequently recurring themes involved concerns about:

- Declining teamwork across the site, including growing "we" vs. "they" attitudes, a lack of caring for each other and observations that the "WE TEAM" concept has deteriorated.
- Long-term job security and uncertainty about the future of STP having a significant impact on morale. Many expressed a need for improved communications and felt STP management may not have been forthright (This is also considered to be an LMS issue.).
- The STP culture reverting back to the pre-DET timeframe.
- The adequacy of performance recognition and rewards practices, including concerns regarding favoritism in the workplace.
- Inadequate and inequitable compensation policies and practices, particularly in Operations and Security. Some expressed discouragement over not having personal ability to control meeting incentive compensation goals.
- Complacency and ownership including growing ineffectiveness in holding people accountable for their performance (for both workers and supervision). Some cited a growing craft - management disconnect.
- Insufficient staffing, loss of expertise (particularly in Engineering) and the resulting excessive workload and schedule pressure impacting both the quality of life and work products.
- The effectiveness of the personnel evaluation process and inconsistencies in receiving periodic evaluations.
- The STP management and supervision structure being too "top heavy."
- Personnel development through training and professional growth opportunities having declined.
- Insufficient emphasis on process improvement, including observations regarding backing away from high standards.
- Ineffective planning, backlog management practices and maintaining appropriate priorities without undue impact from emergent issues.

VII. LEADERSHIP, MANAGEMENT & SUPERVISION RESULTS

STP Composite
LMS Metric, Trend and Industry Ranking

The Leadership, Management and Supervision Composite Cultural Indicator for the STP Composite is 3.55, which is in the "Good" range. This represents a 'steady' trend since the 2001 CCA (-0.4% change since 2001).[44] This rating places STP in the 89th percentile of nuclear power organizations included in SYNERGY's industry database.

The STP LMS metric trend from 1998 to 2003 and industry comparisons were shown previously in Figures VI.1 and VI.2, along with similar information on the GCWE. It is evident that these two metrics have paralleled each other and over approximately a four and a half year period, there has been notable improvement.

These results reflect strong Leadership, Management and Supervision at STP, amongst the top in the nuclear industry.

STP Composite & Division
LMS Metrics

Figure VII.1 provides a summary comparing the GCWE Composite Cultural Indicator for the STP Composite and each Division.[45]

Figure VII.1
LMS Composite Cultural Indicators – STP Composite & Divisions

Metric	STP Composite	Nuclear Generation	Engineering & Technical Services	Business Services
LMS CCI	3.57	3.49	3.62	3.58

There is general uniformity between the Divisions.[46] Engineering & Technical Services (ET) provided the highest ratings ('Good' ratings) but slipped ~3.1% since 2001. Business Services (BS) provided 'Good' ratings and Nuclear Generation (NG) provided 'Adequate to Good' ratings with both remaining 'steady' as there were no notable trends, either positive or negative.[47]

[44] The LMS CCI remained stable after nominal improvements measured in recent CCAs - 3.57 in 2001, 3.51 in 2000 and 3.40 in 1998.
[45] Additional numerical information is presented in Appendix G, providing the LMS metrics for each Department and Functional Unit.
[46] The spread (~3.6%) between ET and NG has narrowed recently (vs. ~6.8% in 2001) as ET has slipped and NG has remained steady.
[47] The LMS CCI metric improved approximately 0.5% in BS and was unchanged in NG between 2001 - 2003.

STP Composite
LMS Demographic Variations

Figure VII.2 provides a summary showing the LMS CCIs by demographic categories. Also shown are the percent variation or differential from the STP Composite CCI and the percent improvement or decline in the respective CCIs since the 2001 CCA.[48]

The demographic variations amongst positions and worker categories are similar to what SYNERGY has experienced in other cultural assessments; however, it is apparent that the relative magnitude of these variations remains high for hourly / union personnel, contractors and plant staff.

Figure VII.2
LMS Composite Cultural Indicators by Demographics

Demographic Category	LMS CCI	Percent Variation from STP Composite	Percent Improvement / Decline since 2000
Worker Category			
Monthly or Salaried	3.73	+5	-1
Hourly or Union	3.33	-6	0
Contractor (<6mo. Assignment)	3.41	-4	-2
Contractor (>6mo. Assignment)	3.34	-6	+1
Position			
Managers	4.12	+16	0
First Line Supervisors	3.82	+8	0
Technical Staff	3.64	+3	0
Admin. & Support Staff	3.49	-2	-1
Plant Staff	3.24	-9	0
Years of Service			
< 1 year	3.86	+9	+3
1-5 years	3.64	+3	-1
5-10 years	3.54	0	+3
>10 years	3.55	0	-1

[48] Items highlighted in bold represent notable variations from the STP Composite or notable improvements/declines since the 2001 CCA.

LMS Cultural Dimensions
Metrics, Trends and Industry Rankings

The following information presents a summary of LMS Dimension results for the STP Composite organization. Organizations with notable improvement or decline in Dimensional ratings are also identified. Figure VII.3 provides a summary showing the LMS CCI and the major Cultural Dimensions comprising the CCI for the STP Composite.[49]

Figure VII.3
Leadership, Management & Supervision Dimension Summary

LMS Dimensions	Metric	Description	Neg. %	Trend since 2001 CCA
LMS CCI Metric	3.55	Good	13.6	-0.4%
LEADERSHIP SKILLS & PRACTICES	3.45	Adeq. - Good	15.4	-0.8%
Provide Direction / Build Confidence in Mgmt.	3.35	Adeq. - Good	16.0	-2.0%
Set a Good Example / Build Trust in Mgmt.	3.33	Adeq. - Good	**20.0**	-0.4%
Ensure High Standards	3.88	Good - VG	6.1	0.4%
Focus on Goals and Objectives	3.58	Good	9.3	-0.7%
Promote / Demonstrate Teamwork	3.63	Good	11.3	-0.3%
BUSINESS MGMT. SKILLS & PRACTICES	3.56	Good	12.9	-0.4%
Make Decisions / Solve Problems	3.72	Good - VG	10.1	0.4%
Establish effective Plans	3.34	Adeq. - Good	16.0	-2.8%
Manage Change	3.30	Adequate	**20.5**	-0.7%
Manage Resources	3.54	Good	12.0	-0.1%
Manage Systems / Processes	3.71	Good - VG	9.8	0.4%
PERSONNEL MGMT. SKILLS & PRACTICES	3.66	Good	12.3	-0.1%
Provide a Supportive Env. - Openness & Recept.	3.92	Very Good	8.3	0.6%
Provide a Supportive Work Env. - General	3.69	Good	11.3	0.3%
Personnel Management	3.59	Good	13.3	-1.0%
Personnel Development	3.52	Good	14.9	-0.3%
Promote Employee Involvement	3.47	Adeq. - Good	15.5	0%

[49] Items highlighted in bold represent notable improvements/declines (>5%) since the 2001 CCA or relatively high negative response rates (>20%). Additional information is presented in the Appendices; Appendix B.4 'Windows' tables and Appendix G numerical form. This information addresses key Department and Functional Unit results and provides more detail for each of the Cultural Dimensions.

LMS Dimension Details:[50]

The following discussion of LMS Dimension results and trends highlight the principal drivers of the LMS Dimensional ratings for the STP Composite and Functional Organizations:

- Highest rated LMS Dimensions: Openness & Receptivity (3.92 – Very Good) and Ensuring High Standards (3.88 – Good to Very Good).
- Lowest rated LMS Dimensions: Management of Change (3.30 – Adequate), Setting a Good Example / Building Trust in Management (3.33 – Adequate to Good), Establishing Effective Plans (3.34 - Adequate to Good) and Providing Direction / Building Confidence in Management (3.35 - Adequate to Good).
- Notable Improving LMS Dimensions: None.
- Notable Declining LMS Dimensions: None.
- Key Functional Organizational trends:

  Highest Overall Ratings: Washington Group (4.42), Licensing (4.41), Met. & Radiological Lab (4.19), Cafeteria (4.18) and ETS Admin. Services (4.03).

  Lowest Overall Ratings: Mechanical Maintenance (2.86), Wackenhut (3.08), and I&C Maintenance (3.10), Plant Design (3.22), Support Services (3.27) and Facilities (3.30).

  Notable Overall Improvement: Unit 1 Ops (+10%), Health Physics (+8%), Unit 2 Ops (+8%) and Washington Group (+6%).

  Notable Overall Decline: Facilities (-8%), Plant Mods & Design Basis (-8%), Operating Exp. Group (-7%), Testing & Programs (-7%), Work Control (-7%), I&C Maintenance (-6%) and Engineering (-5%).

High Dimensional Negative Responses: Figure VII.4 provides a summary of relatively high Functional Organization negative response rates in the lower rated LMS Dimensions.

[50] Also refer to LMS 'Windows' Tables in Appendix B.4. These tables provide details of LMS results and trends by Division and key Departments / Functional organizations, respectively.

Figure VII.4
High Negative Response % in Lower Rated LMS Dimensions

Organization	Personnel Development	Promote Employee Involvement	Establish Effective Plans	Provide Direction / Build Confidence in Mgmt.	Set a Good Example / Build Trust in Mgmt.	Manage Change
STP	**14.9%**	**15.5%**	**16.0%**	**16.0%**	**20.0%**	**20.5%**
Facilities		30		27	32	27
Generation Support			26			
I & C Maintenance	28	29	33	34	37	36
Mechanical Maintenance	36	42	46	46	57	53
Plant Design		30	30	22		30
Plant Mods & Design Basis	26		23	25		
Risk Management			20	21		31
Support Services		24	33	32	37	34
Unit 1 Ops					25	32
Unit 2 Ops						33
Wackenhut	29	34	25	22	33	35
Work Control	20	23				

LMS Survey Question Responses
Areas of Strengths and Weaknesses

The following sections highlight responses to the highest and lowest rated multiple-choice survey questions; thus, providing significant insight into areas of relative strength and weakness.[51] The information presented below is for the STP Composite organization.

LMS Areas of Relative Strength

Key areas of relative strength within Leadership, Management & Supervisory (LMS) skills & practices, based upon the responses to the survey questions, are presented below[52]:

Certain supervisory skills & practices received the highest ratings.

- The majority of STP personnel feel that their immediate supervisors....
  -Make it comfortable to approach him/her with problems (4.09 / 94%).
  -Have earned their trust (3.92 / 90%).
  -Seek (3.91 / 91%) and utilize (3.87 / 91%) their input when appropriate.
  -Encourage workers to identify and discuss problems (4.07 / 95%).
  -Take timely and positive action to address problems (3.87 / 92%).
  -Are sufficiently visible and accessible to employees (3.91 / 92%).
  -Are sufficiently knowledgeable of their performance (3.86 / 91%).
  -Are appropriately tolerant of mistakes (3.86 / 92%).
  -Encourage cooperation and teamwork (3.99 / 94%).
  -Use feedback effectively to help people improve their performance (3.77 / 90%).

- Within their work groups, employees generally feel they are encouraged to challenge the way things were done in the past (3.77 / 89%).

- Functional organization managers are willing to make decisions (3.75 / 93%)

- With respect to their work assignments, employees generally feel that supervision and management have been effective in developing an understanding of responsibilities and performance expectations (4.20 / 98%) and how peoples' work adds value to STP (4.19 / 98%).

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[51] The means, response percentages and trends are shown in parentheses. 'Positive' response percentages are shown for 'strengths' and 'negative' response percentages are shown for 'weaknesses.' Trends between 2001-2003 are highlighted with arrows. Single arrows up or down represent 'notable' improvement or decline (>5%, but <10% change in means), respectively. Double arrows up or down represent 'significant' improvement or decline (>10% change in means), respectively. If no arrow is shown, this indicates a 'steady' trend (within plus or minus 5% change in the means).

[52] The following LMS survey questions received mean ratings of > 3.70. For LMS key areas of relative strength, 'positive' response percentages are shown along with the means and trends (where available).

LMS Areas of Relative Weakness

Key areas of relative weakness within LMS skills & practices, based upon the responses to the survey questions, are presented below[53]:

- While rated 'adequate-to-good,' trust and confidence in senior management was the lowest rated LMS area. Some STP personnel expressed dissatisfaction with STP senior management's...
  -Visibility and accessibility (3.17 / 25%).
  -Openness and honesty in communications and interactions (3.19 / 25%).
  -Setting a positive example of what is preached (3.24 / 21%).
  -Demonstrating teamwork (3.32 / 18%).
  -Effectiveness in establishing a clear strategy for success (3.32 / 17%).
  -Providing leadership in ensuring that necessary changes are being made (3.34 / 17%).

- Some perceive that supervisors and managers in their Functional Organizations need to improve in developing plans that create confidence that goals and objectives will be achieved (3.34 / 16%).

- Some STP personnel perceive that their supervisors and managers do not obtain employee input, buy-in and ownership up front before implementing significant changes (3.22 / 23%).

- Some perceive that management has not adequately addressed feedback from the 2001 cultural survey....
  -Across the entire site (3.17 / 23%).
  -Within Functional Organizations (3.19 / 23%).

[53] The following LMS survey questions received mean ratings of < 3.35. For LMS key areas of relative weakness, 'negative' response percentages are shown along with the means and trends (where available). Negative response percentages >20% are highlighted in bold.

Additional Insights from the LMS Write-in Comments

There were a total of 281 individual LMS-related comments provided. This represents 46% of the total STP write-in comments. Of these, approximately 7% were positive in nature and approximately 93% were negative in nature.

The positive comments noted a spectrum of supportive behaviors and practices by management and supervision. The most recurring themes related to actions that promote an "open and receptive" work environment, the quality of the STP management team and the development of a strong STPNOC strategy.

The negative comments on LMS addressed a spectrum of topics; the most frequently recurring themes involved concerns about:

- Declining trust and confidence in Senior Management, including:
  - Policies and communications associated with recent reduction-in-force plans - in particular the "Goodnight" report.
  - Clarity and quality of general communications, particularly in providing direction, establishing expectations and communicating details of the business strategy and associated goals and plans.
  - Insufficient visibility, accessibility and involvement.
  - Concerns that the co-owners are exerting undue pressures on STP and that they are only interested in the short-term bottom-lines.
  - Other trust-related concerns, such as the fairness of the ICP distributions.
- General confidence in the management and supervisory team, including:
  - Perceived lack of commitment (walking the talk) and personal example in modeling the STP "core values."
  - Effective management of resources, including setting of priorities.
  - Failure to effectively address performance problems, including holding people accountable to high standards of performance and work ethic.
  - Lack of confidence in the quality and consistency of decision-making.
- The relationship between STP management and Union personnel, including:
  - General deterioration of relations between STP management and Union personnel.
  - Residue frustration / anger / disappointment regarding resolution of the Union contract issues.
  - Concerns about how management is interpreting the Contract.
- Insufficient employee involvement / engagement -- including seeking employee input prior to making plans / decisions, lack of receptivity to employee input and lack of response to employee input
- Personnel management -- including recognition & reward, favoritism in promotions and work assignments, the quality and/or absence of coaching, effectiveness of the hiring and promotion processes and the lack of succession planning.
- Failure to convey that workers and their contributions are valued.

VIII. ORGANIZATIONAL ASSESSMENT

The following sections provide a Summary of the Functional Organization results[54] -- highest / lowest rated and most improved / declined. A summary of progress of the 2001 'Targeted Organizations' is also presented. The Summary is followed by an Organizational Analysis to identify and to suggest priorities for any organizations that may require further validation, intervention or remediation based upon the 2003 CCA results.

Summary of Functional Organization Results

Highest Rated Organizations: The organizations identified in Figure VIII.1 provided the highest across-the-board ratings based upon the 2003 CCA results. These organizations had high CCI metrics for the NSC (>4.30), the SCWE (>4.55), the GCWE (>3.90) and LMS (>3.85). Figure VIII.1 provides a ranking according to the NSC CCI metric.

Figure VIII.1
Highest Rated Organizations[55]

Organization	NSC CCI	SCWE Metric	GCWE CCI	LMS CCI
Met. & Radiological Lab	4.63 (+1.4%)	4.87 (+1.9%)	4.12 (-2.0%)	4.19 (-0.4%)
Washington Group	4.58 (+0.8%)	4.71 (+1.3%)	4.43 (+1.6%)	4.42 (+5.6%)
Other STP	4.57 (-0.8%)	4.68 (-4.1%)	4.33 (+3.1%)	4.31 (+0.8%)
Licensing	4.56 (+1.8%)	4.91 (+1.8%)	4.34 (+3.4%)	4.41 (+1.9%)
Project Mgmt. - Field Eng. - Production	4.44 (0%)	4.79 (+0.3%)	4.05 (+2.1%)	3.96 (-0.7%)
Information Technology	4.36 (+4.5%)	4.65 (+2.6%)	4.00 (+5.1%)	3.89 (+3.6%)
Planning & Controls	4.34 (-0.5%)	4.64 (-0.9%)	4.01 (-0.4%)	3.94 (+1.1%)

[54] Detailed organization-specific information has been provided to STPNOC on a CD-ROM that includes survey question-by-question statistics, including comparisons of the 2003 and 2001 CCA results.
[55] The numbers in parentheses refer to the percentage change (+ or -) in the respective metric between 2001-2003.

Lowest Rated Organizations: The organizations identified in Figure VIII.2 provided the lowest ratings based upon the 2003 CCA results. Figure VIII.2 provides a ranking according to the respective CCI metrics. Cutoffs of <3.50 for the NSC CCI and <3.35 for the GCWE and LMS CCIs have been established. Also shown in parentheses are the respective negative response percentages. Negative response percentages of approximately 10% for the NSC and approximately 20% for the GCWE and LMS may indicate a need for further validation to determine if there are sub-groups within these organizations that warrant management attention.

Figure VIII.2
Lowest Rated Organizations[56]

NSC (CCI <3.65)	GCWE (CCI <3.40)	LMS (CCI <3.40)
Mechanical Maintenance 3.47 (16%)	Mechanical Maintenance 2.99 (29%)	Mechanical Maintenance 2.86 (35%)
Wackenhut 3.47 (14%)	Wackenhut 3.17 (22%)	Wackenhut 3.08 (27%)
I & C Maintenance 3.56 (16%)	I & C Maintenance 3.10 (27%)	I & C Maintenance 3.10 (26%)
	Plant Design 3.31 (16%)	Plant Design 3.22 (20%)
	Support Services 3.34 (18%)	Support Services 3.27 (23%)
		Facilities 3.31 (19%)
		Plant Mods & Des. Basis 3.36 (19%)
		Electrical Maintenance 3.40 (13%)

[56] The numbers in parentheses refer to the negative response percentage associated with the respective metric.

Most Improved Organizations: The organizations identified in Figure VIII.3 demonstrated the most significant improvement since the 2001 CCA based upon having one or more cultural metrics with notable improvement (greater than a 5% change in CCI). The organizations identified in the Figure VIII.3 are ranked by degree of improvement in the NSC.

Figure VIII.3
Most Improved Organizations[57]

Organization	NSC CCI	GCWE CCI	LMS CCI	SCWE Metric
Unit 1 Ops	4.14 (6.1%)	3.64 (7.8%)	3.52 (9.7%)	4.53 (3.7%)
Unit 2 Ops	4.68 (3.4%)	3.56 (5.7%)	3.52 (7.6%)	4.53 (3.1%)
Health Physics	4.06 (4.4%)	3.68 (9.2%)	3.66 (8.0%)	4.47 (4.4%)
Washington Group	4.58 (0.8%)	4.43 (1.6%)	4.42 (5.6%)	4.71 (1.3%)
Information Technology	4.36 (4.5%)	4.00 (5.1%)	3.89 (3.6%)	4.65 (2.6%)
Electrical Maintenance	3.94 (4.7%)	3.48 (3.1%)	3.40 (0.4%)	4.33 (5.4%)

[57] The numbers in parentheses refer to the percentage change (+ or -) in the respective metric between 2000-2001.

Most Declined Organizations: The organizations identified in Figure VIII.4 demonstrated the most significant decline since the 2001 CCA based upon having one or more cultural metrics with a notable decline (greater than 5% – shown bolded).

Figure VIII.4
Most Declined Organizations

Organization	NSC CCI	GCWE CCI	LMS CCI	SCWE Metric
Mechanical Maintenance	3.47 (-4.7%)	2.99 (-6.1%)	2.86 (-3.5%)	3.95 (-4.0%)
I & C Maintenance	3.56 (-1.8%)	3.10 (-5.4%)	3.10 (-6.0%)	4.01 (-1.3%)
Plant Mods & Design Basis	3.98 (-1.4%)	3.44 (-6.7%)	3.36 (-8.0%)	4.29 (-2.0%)
Facilities	4.03 (-3.4%)	3.45 (-5.8%)	3.31 (-8.2%)	4.42 (-4.2%)
Work Control	4.27 (-2.7%)	3.77 (-5.7%)	3.65 (-6.7%)	4.59 (-2.4%)
Operating Experience Group	4.05 (-2.8%)	3.48 (-1.7%)	3.41 (-7.3%)	4.68 (-0.5%)
Testing & Programs	4.14 (-1.9%)	3.61 (-2.9%)	3.49 (-6.9%)	4.47 (-2.1%)

Progress of the 2001 'Targeted Organizations': As indicated in Figure VIII.5, progress has been variable for the organizations "targeted" for improvement based upon the 2001 CCA results.

Figure VIII.5
2003 CCA Ratings by the 2001 Targeted Organizations

Organization[58, 59]	NSC CCI	GCWE CCI	LMS CCI	SCWE Metric
Mechanical Maintenance[T,A,R]	3.47 (-4.7%)	2.99 (-6.1%)	2.86 (-3.5%)	3.95 (-4.0%)
Wackenhut[T,A,R]	3.47 (-3.0%)	3.16 (-2.3%)	3.08 (-0.4%)	3.82 (-3.7%)
I & C Maintenance[T,A,R]	3.56 (-1.8%)	3.10 (-5.4%)	3.10 (-6.0%)	4.01 (-1.3%)
Support Services[T,R]	3.71 (-2.3%)	3.34 (-3.0%)	3.27 (-3.9%)	4.14 (-1.8%)
Electrical Maintenance	3.94 (4.7%)	3.48 (3.1%)	3.40 (0.4%)	4.33 (5.4%)
Unit 1 Ops	4.14 (6.1%)	3.64 (7.8%)	3.52 (9.7%)	4.53 (3.7%)
Risk Management[T,R]	4.33 (2.5%)	3.84 (1.9%)	3.81 (0.2%)	4.63 (-1.2%)

As shown above, Unit 1 Ops exhibited notable improvement across-the-board and Electrical Maintenance has made progress in improving several cultural metrics. Both of these organizations have been removed from the 2003 Targeted Organization listing (Refer to the next section for a discussion.). Risk Management improved somewhat, but remains on the Targeted Organization listing for 2003 with lower priority based upon having a high 'relative' SCWE metric with respect to the STP 'norm.'

Mechanical Maintenance continued a decline since the 2000 CCA and remains on the Targeted Organization listing in 2003 based upon both high 'absolute' metrics with respect to the industry and high 'relative' metrics with respect to the STP 'norm.' I & C Maintenance, Support Services and Wackenhut had exhibited improvement from 2000 - 2001, but this trend reversed between the 2001 - 2003 CCAs; therefore, these organizations remain on the 2003 Targeted Organization listing for 2003.

[58] 2001 Targeted Organizations shown: The orgs listed are based upon having been designated any priority under "Industry Norms" criteria (Industry norms) and/or a Priority 1 org based upon "Relative Norms" criteria (STP norms).
[59] For 2003: "T" indicates the organization remains on the 2003 Targeted Organization listing. "A" indicates the organization has high 'absolute' metrics with respect to industry 'norms.' "R" indicates the organization has high relative metrics with respect to the STP 'norm.'

Organizational Analysis

SYNERGY has established and implemented a methodology[60] to identify any specific Functional Organizations that:

- Provided ratings that failed to meet "Industry Norms of Acceptability" -- as interpreted by SYNERGY, or
- Represent, on a relative basis, outliers with respect to "Relative Norms of Performance" based upon comparison with STP's general performance norms.

This "two-step" methodology provides the ability to differentiate between:

- A situation involving **recommended** investigative or remedial actions to address a targeted organization's failure to meet industry norms of acceptability; and
- A situation involving **suggested** actions to seek continued improvement in a targeted organization that meets industry norms of acceptability, but is a relative outlier with respect to the Site's general performance norms[61].

The methodology also incorporates a capability to identify relative priorities for any recommended or suggested actions.

In applying this methodology, key cultural metrics were evaluated to identify both absolute and relative organizational strengths and weaknesses using complementary analytical techniques and specified selection criteria related to:

- Either low absolute or relative NSC CCI, SCWE, GCWE CCI or LMS CCI ratings.
- Either high absolute or relative negative response rates (i.e., negative pockets).
- Declining NSC CCI, SCWE, GCWE CCI or LMS CCI ratings since the previous CCA.

Application of "Industry Norms of Acceptability" Criteria

The results of the evaluation of the individual STP Functional Organizations using "Industry Norms" criteria (as interpreted by SYNERGY) for the NSC, SCWE, GCWE and LMS are presented in Figure VIII.6. The bases for the assigned Priority Level are highlighted in bold.

[60] Appendix F provides a detailed discussion of SYNERGY's organizational assessment methodology and selection criteria.

[61] Organizations with key cultural metric ratings and/or negative response pockets that are approximately equivalent to the lower quartile (i.e., a percentile ranking < 25%) of the STP Functional Organizations.

Figure VIII.6
Recommendations for STP Targeted Organizations - "Industry Norms" Criteria

Organization[62]	2001 Priority Level	2003 Priority Level	2003 Bases for Classification			
			NSC	SCWE	GCWE	LMS
Mechanical Maintenance	2	1	3.47 CCI 16.0% neg.	11.1% neg.	2.99 CCI 28.7% neg.	2.86 CCI 35.1% neg.
Wackenhut	3	2	3.47 CCI 13.7% neg.	11.9% neg.	22.3% neg.	3.08 CCI 26.6% neg.
I & C Maintenance	-	3	15.6% neg.	12.2% neg.	3.10 CCI, decline 5.4% 26.8% neg.	3.10 CCI, decline 6.0% 26.3% neg.
Facilities	-	4			Decline 5.8%	Decline 8.2%
Plant Modifications & Design Basis	-	4			Decline 6.7%	Decline 8.0%
Work Control	-	4			Decline 5.7%	Decline 6.7%
Operating Experience	-	4				Decline 7.3%
Testing & Programs	-	4				Decline 6.9%

As indicated:

- Mechanical Maintenance is targeted as Priority Level 1 based upon low NSC, GCWE and LMS cultural metrics with very low and declining GCWE and LMS metrics.
- Wackenhut is targeted as Priority Level 2 based upon low NSC and LMS metrics. These metrics are declining at this time.
- I & C Maintenance is targeted as Priority Level 3 based upon low GCWE and LMS metrics. Furthermore, these metrics are declining notably at this time.
- Five other organizations are targeted as Priority 4 because they are exhibiting notably declining GCWE and/or LMS metrics.

[62] Dropped: Unit 1 Operations & Risk Management were categorized as Priority 4 in 2001.

Considering these results, it is recommended that STP management:

- Priority 1 organization: Evaluate and take remedial action in the immediate future.
- Priority 2 organization: Evaluate and take remedial action in the near-term.
- Priority 3 organization: Further investigation of causative factors for the low GCWE and LMS metrics is needed in the near-term to advert any increase in the NSC or SCWE negative response pockets.
- Priority 4 organizations: Further investigation of causative factors for the declining GCWE and LMS metrics is needed to advert any potential impact on the NSC or SCWE in the future.

It is important to note that any actions in accordance with the Priority Levels assigned to individual Functional Organizations should be based on the integration of this and other information known to STP management.

Application of "Relative Norms" Criteria

The methodology for applying the Relative Norms criteria (based upon comparison with STP general performance norms) inherently includes consideration of all key cultural metrics. The specific criteria utilized for identifying targeted organizations based upon "Relative Norms of Performance" at STP are as follows:

"Relatively Low CCI Ratings"

- NSC CCI Rating of <3.86 which is ~5% below the STP Site Composite Rating
- Overall SCWE Rating of <4.20 which is ~5% below the STP Site Composite Rating
- GCWE CCI Rating of <3.44 which is ~5% below the STP Site Composite Rating
- LMS CCI Rating of <3.36 which is ~5% below the STP Site Composite Rating

"Relatively High Negative Response Pockets"

- NSC CCI Negative Response Pocket >7.5%, which is ~2.2% higher than the STP Site Composite Negative Response Pocket size for the NSC CCI
- Overall SCWE Negative Response Pocket >5.4%, which is ~1.3% higher than the STP Site Composite Negative Response Pocket size for the Overall SCWE
- GCWE CCI Negative Response Pocket >18.5%, which is ~6.4% higher than the STP Site Composite Negative Response Pocket size for the GCWE CCI
- LMS CCI Negative Response Pocket >18.8%, which is >5.2% higher than the STP Site Composite Negative Response Pocket size for the LMS CCI

The results of the evaluation of the individual STP Functional Organization using "Relative Norms" criteria are presented in Figure VIII.7. The bases for the assigned Priority Level are highlighted in bold.

Figure VIII.7
Recommendations for STP Targeted Organizations – "Relative Norms" Criteria[63]

Organization[64]	2001 Priority Level	2003 Priority Level	2003 Bases for Classification			
			NSC	SCWE	GCWE	LMS
Mechanical Maintenance	1	1	3.47 CCI 16.0% neg.	3.95 CCI 11.1% neg.	2.99 CCI 28.7% neg.	2.86 CCI 35.1% neg.
Wackenhut	1	1	3.47 CCI 13.7% neg.	3.82 CCI 11.9% neg.	3.17 CCI 22.3% neg.	3.08 CCI 26.6% neg.
Support Services	1	1	3.71 CCI 11.0% neg.	4.14 CCI 8.3% neg.	3.34 CCI 18.5% neg.	3.27 CCI 22.6% neg.
I & C Maintenance	1	1	3.56 CCI 15.6% neg.	4.01 CCI 12.2% neg.	3.10 CCI 26.8% neg.	3.10 CCI 26.3% neg.
Plant Design	3	1	3.86 CCI	4.20 CCI	3.31 CCI	3.22 CCI 19.9% neg.
Facilities	-	3				3.31 CCI 19.0% neg.
Plant Modifications & Design Basis	-	3			3.44 CCI	3.36 CCI 18.8% neg.
Risk Management	-	4		5.4% neg.		

Similarly, ratings by personnel in the following "Demographic Categories" were low on a relative basis:

- Plant Staff / Craft: NSC (3.75 / 9.3% neg.), SCWE (4.18 / 7.0% neg.), GCWE (3.35 / 18.7% neg.) and LMS (3.24 / 21.4% neg.).
- Long-term Contractors: NSC (3.75 / 9.4% neg.), SCWE (4.08 / 8.2% neg.), GCWE (3.43) and LMS (3.34 / 20.1% neg.).
- Short-term Contractors: NSC (3.57), SCWE (4.18).
- Hourly or Union: NSC (3.83 / 8.1% neg.), SCWE (6.4% neg.), GCWE (3.42) and LMS (3.33 / 18.9% neg.).
- Less than 1 year of Service: SCWE (4.01 / 6.0% neg.)

[63] Figure VIII.7 presents mean metrics and negative response percentages.
[64] Dropped: Unit 1 & U2 Operations and Health Physics were Priority 3 in 2001 and Brock Projects was Priority 4 in 2001.

As indicated:

- Five Functional Organizations are targeted as Priority Level 1 based upon the combination of a relatively low NSC and/or SCWE metrics with a relatively low GCWE and/or LMS metric.
- Two Functional Organizations are targeted as Priority Level 3 based upon relatively low metrics for the GCWE and/or the LMS.
- One Functional Organization is targeted as Priority Level 4 based upon relatively high negative response pockets for the SCWE.

For the Priority Level 1 organizations, it is suggested that STP management further evaluate these situations and take remedial action, as appropriate, in the near-term. For the Priority Level 3 organizations, in the context of continuous improvement, it is suggested that STP management conduct further evaluation of the causative factors for the relatively lower ratings. Investigation of the causative factors for the relatively high negative response pocket is also suggested for the Priority Level 4 organization.

When defining appropriate action for these organizations, STP Management should take into consideration the ratings by organizations with little involvement in Nuclear Safety-related activities, as these may not be accurate reflectors of the NSC.

Additionally, it is important to note that any actions in accordance with the Priority Levels assigned to individual Functional Organizations should be based on the integration of this and other information known to STP management. Such review may result in changes to this initial determination including the deletion or addition of specific organizations from the list.

IX. SUGESTIONS FOR CONTINUOUS IMPROVEMENT

The following suggestions are related to both STP-wide opportunities for continuous improvement and suggestions related to specific organizations. Given STP's strong overall culture, the STP-wide opportunities are presented as providing a foundation for additional improvements, rather than being needed to address critical deficiencies. The organizational suggestions for the higher priority Targeted Organizations are considered more critical and should be approached similarly to those targeted in 2001.

Employee Confidence in the Employee Concerns Program

Confidence in the ECP was highlighted for improvement in the 2000 and 2001 CCAs because this area had not progressed to the same degree as other aspects of the NSC and because there were some locales were confidence was especially low. The 2003 CCA results confirm that confidence in the ECP is 'good,' but essentially unchanged overall and still low in selected organizations. I & C Maintenance (-4% trend), Mechanical Maintenance (-8% trend), Support Services (-5% trend) and Wackenhut (-3% trend) were highlighted in 2001 and continue to decline (represented in the brackets). As shown in Figure IX.1, these organizations (mostly from Maintenance) deviated from the STP 'norm' and provided nominally adequate to less-than-adequate results in several areas.

It is important to note that two previously highlighted organizations showed improvement: significant improvement was measured in Unit 2 Ops (+10%) and notable improvement was measured in Risk Management (+7%), although this organization still has low metrics[65] (indicated in the prior footnote). Several other organizations improved notably, e.g. Health Physics (+9%), Project Mgmt./ Field Eng. / Production (+9%), Electrical Maintenance (+6%) and Systems Eng. (+9%).

Approximately 10% of the NSC-related comments were related to the Employee Concerns Program (ECP). The positive ECP comments noted the openness of the ECP and the ease of approaching the program with concerns, the improving quality of investigations and general improvements of the program under the leadership of the ECP Manager. The negative ECP comments (provided by only a few respondents) involved a personal experience in not being satisfied with the closure process and how final results were communicated and, general perceptions of limited feedback from the ECP's efforts in resolving concerns, independence of investigations & maintaining confidentiality and declining visibility of the ECP. Overall, the

[65] In addition to the organizations shown in Figure IX.1, the following organizations provided low 'Overall Confidence' ratings or low ratings in a single 'Bases for Confidence' area:

		Mean	Neg. %
Risk Management:	Reputation of ECP Reps	3.13	37%
	Overall Confidence		33%
Electrical Maintenance:	Overall Confidence		21%

relatively low number of ECP comments is indicative that the ECP has become a culturally accepted part of the NSC and that it is functioning effectively.

Figure IX.1
Organizations & Demographics[66]
With Lower Relative Confidence in the ECP

Organization or Demographic	Bases for Confidence Areas						Overall Confidence ECP
	Visibility / Acceptance	Mgmt. Support	Integrity	Quality Invest.	Results Produced	Reput. of ECP Reps	
I & C Maint.	2.74 (35%)	2.56 (46%)	2.70 (36%)	2.74 (37%)	2.54 (44%)	2.91 (34%)	2.75 (41%)
Mech. Maint.	2.88 (29%)	2.74 (42%)	2.85 (35%)	2.79 (38%)	2.82 (35%)	2.90 (33%)	2.88 (31%)
Support Services			2.98 (32%)	2.92 (31%)	2.92 (33%)	3.11 (26%)	3.13 (25%)
Wackenhut	2.99 (23%)	2.99 (27%)	2.87 (29%)	2.88 (29%)	2.91 (28%)	2.99 (24%)	3.21 (20%)
Plant Staff - Craft		3.12 (24%)	3.12 (25%)			3.16 (21%)	3.19 (23%)
Hourly-Union							3.30 (21%)
STP Composite	3.46 (13%)	3.53 (14%)	3.49 (16%)	3.41 (17%)	3.38 (17%)	3.52 (13%)	3.58 (14%)

There is a continuing need to understand the local drivers leading to the negative perceptions of the ECP in the highlighted organizations, as well as factors leading to improved perceptions in other organizations. An evaluation should focus on the relationship between these perceptions and either particular events or general operating practices that may be causing problems. Evaluations and actions in these locales should be accompanied by continuing communications to the workforce in general to reinforce understanding of the importance of the ECP, where the ECP fits into the overall nuclear safety performance strategy and how it has/will be effective. This recommendation area remains an opportunity for continuous improvement to address the outlying organizations.

[66] These organizations / demographic categories are highlighted because they provided negative responses of over 20% in 'Overall Confidence' ratings and either provided mean scores in a 'Bases for Confidence' area of 3.00 or less and/or the mean scores were >10% lower than the corresponding STP composite mean. The organizations / demographics are ordered according to their 'Overall Confidence in ECP' rating from lowest-to-higher. The table entries include the means and negative response percentages.

Reinforcement of 'Standards' in Assuring Nuclear Safety is Maintained as the Top Priority

The last several CCAs have highlighted employee uneasiness about whether or not 'critical' standards were going to be maintained while STP faced challenges of the competitive business environment; particularly those standards associated with sustaining strong nuclear safety performance. Such concerns about STP's continued ability to 'maintain' high standards and to seek improvement are positively motivated. This CCA confirms that STP has been able to maintain high standards, but the continuing flat NSC trend suggests that business challenges may in fact have influenced STP's ability to make substantive improvements, at least at the Composite level. Clearly, at the organizational level, this and other CCAs have confirmed progress in selected organizations that are likely driven by a combination of new leadership and/or targeted management initiatives.

Between the 2000 - 2001 CCAs, there was notable overall improvement (+7% change in mean) in peoples' ratings of management making well thought-out decisions in the allocation of resources to assure Nuclear Safety is maintained (adequate funding, staffing, experience and qualifications). The 2003 CCA showed a slight (-2%) downward trend, but 85% of respondents still feel management is finding the correct 'balance.' Notwithstanding this 'good' overall status, the following organizations or demographic categories[67] stood out negatively on a relative basis and require some additional attention:

	Mgmt. Decisions on Resource Allocation	
Mechanical Maintenance	2.46 (-12%)	54%
I&C Maintenance	2.80 (-5%)	39%
Wackenhut	2.93 (-1%)	33%
Operating Experience Group	3.00 (-14%)	25%
Plant Design	3.13 (-8%)	22%
Support Services	3.17 (+6%)	21%
Plant Staff - Craft	3.07 (-2%)	28%
STP Composite	3.52 (-2%)	15%

Mechanical Maintenance and I & C Maintenance were identified in 2001 and continue to decline notably. Support Services was identified in 2001, but has shown improvement. Wackenhut was also identified in 2001, but has remained steady. Importantly, Unit 2 Operations experienced a +12% improvement and was dropped from consideration herein. The Operating Experience

[67] These organizations / demographic categories are highlighted because they either had mean scores of 3.00 or less and/or the mean scores were >10% lower than the corresponding STP composite mean. The organizations / demographics are ordered according to their mean ratings from lowest-to-higher. The values shown are the means (mean trend % change) and negative response percentages.

Group and Plant Design were added after experiencing notable declines in their ratings. Additionally, long-term contractors and hourly or union workers had relatively high negative response rates of 28% and 23%, respectively.

The 2003 CCA showed mixed results in how the pressures of workload, schedule and meeting goals may be having an adverse impact on individual willingness to identify and pursue resolution of potential Nuclear Safety issues/concerns. Overall, ratings in these areas are 'good to very good,' remaining essentially the same since the 2001 CCA; however, the following organizations / demographics[68] stood out from the STP 'norm.'

	Schedule / Goals		Workload	
Wackenhut	3.07 (-2%)	25%	3.09 (0%)	24%
I&C Maintenance	3.28 (-3%)	23%	3.26 (-5%)	21%
Mechanical Maintenance	3.33 (+3%)	18%	3.33 (-3%)	20%
Electrical Maintenance	3.34 (0%)	15%	- -	-
Plant Design	- -	-	3.38 (-6%)	13%
Contractor - Long Term	3.40 (+3%)	20%	- -	-
STP Composite	3.83 (+2%)	9%	3.79 (+1%)	10%

Workload appears to be having a greater impact between 2001 - 2003 within the I&C Maintenance and Plant Design organizations where notably declining trends were measured.

There were a number of recurring themes expressed in the write-in comments where respondents cited the effects of budget cuts and placing cost and/or schedule considerations ahead of longer-term plant safety and reliability. Also, some felt that there was a tendency to "engineer away" issues vs. being proactive in fixing the underlying problems.

Continuing changes predictably fuel the need for substantive communications about the bases for changes in the business strategy and how Nuclear Safety standards will be maintained. STP management has an ongoing challenge in demonstrating how STP's expectations and priorities for Nuclear Safety Performance will be implemented in the current business environment.

[68] These organizations / demographic categories are highlighted because they had mean scores that were >10% lower than the corresponding STP composite mean. The organizations / demographics are ordered from lowest-to-highest mean ratings for 'schedule / goals' topic. The values shown are the means (mean trend % change) and negative response percentages.

Some organizations stood out based upon their employees indicating that during the past year, they know of someone who experienced a negative reaction from supervision or management for having raised an issue or concern related to nuclear safety.[69]

		Know Someone Who Experienced Neg. Reaction
Mechanical Maintenance	3.35 (-4%)	41%
I&C Maintenance	3.74 (-1%)	32%
Wackenhut	3.76 (0%)	31%
Support Services	3.98 (-10%)	26%
Operating Experience Group	4.00 (-20%)	25%
Quality	4.14 (+2%)	21%
Contractor - Long Term	4.04 (-1%)	24%
Plant Staff / Craft	4.17 (0%)	21%
STP Composite	4.51 (0%)	12%

Support Services and the Operating Experience Group showed declining trends and were added in 2003. The other organizations remained steady and remain on the listing.

Overall, the SCWE was rated 'Very Good - Excellent.' The low number of SCWE write-in comments is also indicative of a strong SCWE at STP. The negative SCWE comments involved a very limited number of citations of negative reactions from management or other behaviors. However, the percentage of respondents in the highlighted organizations who say they know of someone having experienced a negative reaction within the last year suggests that there may be a need to reinforce SCWE standards with these supervisors and/or managers.

There is a continuing need for discussion and clarity on how STP's Nuclear Safety 'standards' will be maintained in the current business environment. It is suggested that management continue to emphasize: (1) affirming and communicating the STPNOC Vision, Values, Standards & Expectations and Priorities; (2) explaining key changes (including how and why); (3) responding to employee questions and/or concerns in this area; and (4) ensuring that behavior reinforcement occurs and is visibly communicated through examples. (5) Also, the CCA results suggest that some additional attention beyond general communications may be warranted in the highlighted organizations. This recommendation area warrants continued site-wide attention as part of normal communications; however, an opportunity for continuous improvement remains to address the outlying organizations.

[69] The response percentage shown represents that percentage of respondents that indicated they knew of someone.

General Communications

General communications represented the lowest rated General Culture and Work Environment Dimension, with a just 'adequate' rating of 3.16 and a 24% negative response rate. These relatively low ratings declined in 2003 with a -3% trend for the STP Composite. Where in the past there was a fairly wide variation of perceptions of the effectiveness of communications depending upon the topic, there is more uniform dis-satisfaction now. In some of the organizations summarized in the following table, the dis-satisfaction rate was over 50% in selected communications areas.

The 2000 and 2001 CCAs both indicated that communications on matters affecting the future of STP and priorities as used in making resource allocation decisions were felt to be less adequate than communications on STP goals and performance. In the 2003 CCA, these ratings followed a downward trend. A notable decline in communications on STP's current level of performance (-7% trend) ranked this area second lowest to communications on STP's future. This change is likely linked to declining ratings of communications about annual goals and performance objectives (-6% trend). Taken together, it appears that the respondents may be growing increasingly concerned about the relationship between STP's ability to perform and future prospects for STPNOC. There were a relatively high number of write-in comments that cited pressures by STP's owners to cut costs, while maintaining high levels of performance. Recent outage challenges may also be contributing to this anxiety. Employees seem to be asking for more inputs and assurances through improved communications. This situation was felt to be consistent with other enterprises undergoing change, driven by a higher personal interest and personal 'need to know' where there may be a personal impact.

The following table highlights organizational[70] ratings for five communications topics. In many cases the ratings are nominally adequate to less-than-adequate. Only Electrical Maintenance was dropped and Nuclear Fuel & Analysis (-18% trend), Plant Mods & Design Basis, (-14% trend) and Plant Design (-15% trend) were added since 2001. Unit 1 and Unit 2 Ops remain on the listing, but improved notably. Risk Management had a notable decline (-8% trend).

Given the declining metrics in this critical area and low ratings in the highlighted organizations, it is suggested that all levels of management place increased emphasis on face- to- face communications with the workforce -- to explain, to clarify, obtain the feedback and address concerns. (This issue is integrally tied to the issue of senior management visibility and involvement discussed later.) This recommendation area remains an opportunity for continuous site-wide improvement, with greater emphasis in outlying organizations.

[70] These organizations / demographic categories are highlighted because they either had mean scores in a communications area of 3.00 or less and/or the mean scores were >10% lower than the corresponding STP composite mean. The organizations / demographics are ordered according to the 'General Communications' Dimensional metric from lowest-to-higher. The table entries generally include the means and negative response percentages except where 2001 - 2003 trends are noted.

Satisfaction with Communications (quantity and/or quality)

Organization or Demographic	Communication Areas Mean & (neg. %)					Overall General Comm. Metric & (trend)
	Future plans for STP	Impact of Compet. Business Env.	Priorities used in Decisions & Resources	Annual Goals & Perf. Objectives	STP's Current Level of Perf.	
Mech. Maint.	2.45 (53%)	2.61 (45%)	2.67 (45%)	2.72 (42%)	2.55 (45%)	2.55 (-3%)
Risk Mgmt.	2.60 (40%)	2.50 (40%)	2.50 (50%)		2.70 (40%)	2.55 (-8%)
I & C Maint.	2.50 (55%)	2.66 (43%)	2.61 (46%)	2.64 (43%)	2.59 (45%)	2.57 (0%)
Plant Design	2.66 (47%)	2.81 (34%)	2.81 (28%)			2.73 (-15%)
Support Serv.	2.72 (42%)	2.86 (33%)	2.88 (26%)	2.95 (26%)	2.83 (33%)	2.80 (-4%)
Unit 2 Ops	2.71 (52%)	2.88 (40%)	2.94 (42%)		2.98 (32%)	2.81 (+6%)
Nuc. Fuel & A	2.75 (38%)		2.88 (31%)	2.94 (25%)	2.81 (31%)	2.86 (-18%)
Facilities	2.91 (36%)		2.86 (41%)			2.93 (-3%)
Plt Mods & DB	2.89 (40%)	2.98 (34%)				2.97 (-14%)
Op Exp. Group			2.86 (43%)		2.88 (38%)	3.03 (+8%)
Unit 1 Ops				2.99 (27%)	2.94 (30%)	3.05 (+5%)
Plant Staff - Craft	2.82 (40%)	2.95 (33%)	2.91 (34%)	2.99 (30%)	2.93 (32%)	2.87 (+2%)
Hourly-Union	2.92 (35%)				2.99 (30%)	2.97 (-1%)
STP Composite Mean (neg. %)	3.11 (26%)	3.23 (21%)	3.20 (21%)	3.25 (18%)	3.17 (22%)	3.16 (24%)
STP Composite Trend %	-4%	-2%	-2%	-6%	-7%	-3%

Performance Recognition & Reviews

'Performance Recognition' and 'Performance Appraisal' were both 'Adequate,' but represented the second and third lowest rated General Culture and Work Environment Dimensions, respectively. Approximately 23% of respondents feel that STP is not effective enough in recognizing performance and accomplishments and 19% rate performance management reviews as less-than-effective.[71] After having improved somewhat between 2000 - 2001, ratings of 'recognition' declined -2% and ratings of 'performance management reviews' declined -3% at the STP Composite level. The write-in comments also expressed concerns about the adequacy of performance recognition practices (through both formal and informal mechanisms), including concerns regarding favoritism in the workplace. Some organizations had particularly low ratings and declined notably or significantly as indicated below in bold. The four lowest rating organizations remain listed from 2001, while the other organizations have been added in 2003.

The following organizations / demographic categories stood out negatively on a relative basis and may require some additional attention:

	Recognition of Performance / Accomplishments		Effectiveness of Performance Management Reviews	
Mechanical Maintenance	2.30 (-18%)	62%	2.82 (-7%)	27%
Support Services	2.77 (-10%)	35%	-	-
I&C Maintenance	2.82 (-3%)	37%	2.33 (-21%)	67%
U2 Operations	2.88 (-4%)	41%	2.94 (+5%)	27%
Facilities	2.95 (-13%)	33%	-	-
Plant Design	2.97 (-7%)	28%	2.81 (-11%)	32%
Wackenhut	-	-	2.93 (-1%)	26%
U1 Operations	-	-	2.85 (0%)	29%
Systems Engineering	-	-	2.64 (-15%)	36%
Risk Management	-	-	2.80 (-20%)	30%
Plant Staff - Craft	2.98 (-4%)	34%	-	-
Hourly & Union	2.93 (-5%)	34%	-	-
STP Composite	3.25 (-2%)	23%	3.30 (-3%)	19%

In view of the critical importance that employee motivation and morale will play in STP's future, it is suggested that affirmative action be taken to enhance the effectiveness of implementation of existing programs and day-to-day practices to sufficiently and appropriately recognize the performance and accomplishments of employees. This recommendation area remains an opportunity for continuous site-wide improvement, with greater emphasis in outlying organizations.

[71] This question was to be answered by non-bargaining unit personnel; however, it is likely that some from the bargaining unit may also have provided inputs.

Senior Management Visibility & Involvement

Ratings of Senior Management remained relatively steady to slightly lower in 2003 with approximately a quarter of respondents indicating a continuing need for improvement. These concerns do not generally relate to how senior management has promoted an "open and receptive" work environment, which was the highest rated LMS Dimension.[72] The concerns are relevant to peoples' level of trust and confidence in management in general. 'Setting a Good Example / Building Trust in Management' was the second lowest LMS Dimension with an 'adequate-to-good' rating of 3.33.

A number of write-in comments cited declining trust and confidence in Senior Management due to policies and communications associated with recent reduction-in-force plans - in particular the "Goodnight" report. The relationship between STP management and Union personnel appears to have deteriorated due to residue frustration from the Contract negotiations and how management is perceived to be interpreting the Contract. Prior issues such as insufficient visibility, accessibility and involvement remain.

These perceptions were expressed in three relatively low rated survey questions on Senior Management's openness and honesty in their communications and interactions with employees, visibility and accessibility to employees and setting a positive example by practicing what is preached. While the STP composite ratings in these areas are 'adequate,' some organizations and demographic categories had nominally adequate to less-than-adequate results.

	Senior Management					
	Open/Honest Communications		Visibility / Accessibility		Set Positive Example	
Mechanical Maintenance	2.22 (-2%)	65%	2.41 (+3%)	57%	2.31 (-1%)	65%
I&C Maintenance	2.51 (+5%)	47%	2.62 (0%)	38%	2.54 (-2%)	42%
Support Services	2.85 (+17%)	43%	2.80 (+8%)	44%	2.72 (0%)	44%
Plant Mods & Des. Basis	2.89 (-18%)	39%	2.82 (-12%)	44%	-	-
Facilities	2.90 (+2%)	33%	2.95 (+1%)	33%	2.90 (+5%)	38%
Wackenhut	2.91 (-3%)	31%	2.78 (-6%)	38%	2.93 (+1%)	26%
Systems Engineering	2.93 (-15%)	35%	-	-	-	-
Electrical Maintenance	2.93 (+10%)	40%	-	-	2.92 (+9%)	44%
U2 Operations	2.96 (+18%)	34%	2.83 (+8%)	40%	-	-
Plant Design	2.97 (-6%)	26%	-	-	2.97 (-6%)	20%
U1 Operations	-	-	2.90 (+14%)	38%	-	-
Plant Staff - Craft	2.67 (+7%)	45%	2.75 (+4%)	40%	2.71 (+5%)	40%
Hourly or Union	2.81 (+4%)	39%	2.84 (0%)	37%	2.86 (+2%)	35%
STP Composite	3.19 (-2%)	25%	3.17 (0%)	25%	3.24 (0%)	21%

[72] Dimension mean of 3.92 and negative response of 8%

It is important to note that while some of these organizations are still providing low ratings, there has been a notable to significant improving trend in other organizations; e.g. Unit 1 and 2 Operations, Electrical Maintenance and Support Services. Elsewhere, primarily in Engineering organizations, the ratings are declining; e.g. Systems Engineering, Plant Design and Plant Mods & Design Basis.

The overall results for Functional Organization managers - in being straightforward, open and honest in their communications and interactions with employees - are notably higher than for senior management; however, some of the same organizations provided lower relative results.

	Functional Org Mgmt. Open / Honest Communications	
Mechanical Maintenance	2.44 (-8%)	55%
I&C Maintenance	2.79 (-2%)	45%
Wackenhut	2.82 (+5%)	41%
Support Services	2.86 (-14%)	21%
U1 Operations	3.04 (+17%)	27%
Plant Design	3.06 (-4%)	31%
Plant Staff - Craft	2.82 (-1%)	38%
Hourly or Union	2.98 (0%)	33%
STP Composite	3.41 (0%)	20%

In a related confidence area, ratings of Functional Organization managers' effectiveness in developing plans that create confidence that goals and objectives will be achieved were also low for some of the above organizations - Mechanical Maintenance (2.62), Support Services (2.88), I&C Maintenance (2.91) and Plant Design (2.93). The STP Composite rating was 'Adequate to Good' at 3.34.

As in 2001, these perceptions remain critical at a time when substantive communications and direct involvement is necessary to explain bases for changes and to re-affirm STP's commitment to high standards.

In light of similar feedback as the 2000 & 2001 CCAs, it is suggested that all levels of management continue to place increased emphasis on face-to-face communications with the workforce -- to explain, to clarify, and to obtain the feedback necessary to make adjustments as appropriate. This recommendation area remains an opportunity for continuous improvement to address the outlying organizations.

Personnel Development through Coaching

Effectiveness in developing people through coaching was the third lowest rated General Culture & Work Environment topical area in the survey with an 'adequate' rating of 3.27 and a 20% negative response rate. This area showed remained steady since 2001, but some organizations had nominally adequate to less-than-adequate results and continued to decline notably.

	Development through Coaching	
Mechanical Maintenance	2.51 (-8%)	44%
I&C Maintenance	2.59 (-7%)	43%
Operating Experience Group	2.63 (-5%)	25%
Support Services	2.88 (-4%)	30%
Plant Mods & Design Basis	2.89 (-10%)	36%
Plant Design	2.90 (-6%)	23%
Wackenhut	2.91 (0%)	33%
Facilities	2.95 (-9%)	29%
STP Composite	3.27 (0%)	20%

It appears that the personnel development ratings were most adversely affected in organizations most highly impacted by STP's outage challenges, possibly indicating that work pressures have led to reduced emphasis in this area.

The write-in comments included a few concerns about personnel development and professional growth opportunities having declined. However, there were more concerns expressed about the loss of experienced personnel. When these issues are coupled together with pressures to reduce discretionary training, coaching may become more and more important.

In view of the critical importance that employee capabilities and knowledge transfer will play in STP's future, it is suggested that increased emphasis and accountability be placed on supervision and management to enhance the effectiveness of coaching as an adjunct to STP's formal training programs. This recommendation area remains an opportunity for continuous improvement to address the outlying organizations.

Employee Input into the Change Management Process

Overall, Management of Change represented the lowest rated LMS Dimension with an 'adequate' rating of 3.30 and a 21% negative response rate. The 2003 CCA results indicate that STP Functional Organization managers are doing relatively better in communicating the bases for changes ('adequate-to-good' rating of 3.39 with an 18% negative response rate) compared to how well they are perceived as obtaining employee input, buy-in and ownership up-front before implementing significant changes ('adequate' rating of 3.22 with an 23% negative response rate). Both of these areas showed nominal, approximately -1% declines since 2001. The ratings were relatively lower in the following organizations / demographic categories:

	Employee Input Prior to Changes	
U2 Operations	2.89 (+10%)	36%
Wackenhut	2.68 (-1%)	40%
I&C Maintenance	2.69 (-11%)	42%
Mechanical Maintenance	2.47 (-10%)	55%
Plant Design	2.88 (-8%)	38%
Support Services	2.88 (-6%)	35%
Plant Staff - Craft	2.86 (-2%)	36%
Hourly or Union	2.94 (-1%)	33%
Contractor - Long Term	2.95 (-1%)	33%
STP Composite	3.25 (0%)	23%

In view of the fact that employee ownership and buy-in are so critical to the change management process and performance in general, it is recommended that this area be considered as part of STP's actions to enhance communications and increase management's visibility and involvement, particularly in the highlighted organizations and demographic categories. This recommendation area remains an opportunity for continuous site-wide improvement, with greater emphasis in outlying organizations.

Individual 'Targeted' Organizations

SYNERGY has identified the Mechanical Maintenance organization as a "Priority 1" targeted organization based upon "absolute results" criteria. That is, they failed to meet "Absolute Standards of Acceptability" based upon industry norms as interpreted by SYNERGY. Mechanical Maintenance was previously a "Priority One" in 2001 and remains targeted in 2003 based upon low NSC, GCWE and LMS cultural metrics with very low and declining GCWE and LMS metrics. Evaluation and remedial action is suggested in the immediate future.

The Wackenhut organization was also targeted in 2001 and based upon low absolute NSC and LMS metrics (both declining at this time) and has been elevated from "Priority 3" to "Priority Two." Evaluation and remedial action is suggested in the near-term.

The I&C Maintenance organization has been added to the targeted listing as "Priority Three" based upon low absolute GCWE and LMS metrics that are declining notably at this time. Further investigation of causative factors for the low GCWE and LMS metrics is needed in the near-term to advert any increase in the NSC or SCWE negative response pockets.

The Facilities, Plant Modifications & Design Basis, Work Control, Operating Experience and Testing & Programs organizations were added in 2003 and classified as "Priority 4" because they are exhibiting notably declining GCWE and/or LMS metrics. Further investigation of causative factors for the declining GCWE and LMS metrics is needed to advert any potential impact on the NSC or SCWE in the future.

The Plant Design and Support Services organizations were identified as a "Priority 1" targeted organizations based upon "relative results" for the several cultural areas, i.e. low NSC, SCWE, GCWE or LMS metrics compared to the STP 'norm.' For these organizations, it is suggested that the causative factors for the relatively low NSC and GCWE/LMS ratings be investigated in the near-term. Several other organizations as identified in Figure VIII.7 had either relatively low GCWE or LMS metrics or negative pockets.

Actions should be based on the integration of this and other information known to STP management. Such review may result in changes to this initial determination including the deletion or addition of specific organizational units from the targeted organization list.

Appendices

SYNERGY Proprietary Information and Copyright Notice:

The following Appendices and CD-ROM contain SYNERGY Proprietary and Copyright information. Accordingly, SYNERGY retains intellectual property interest in the overall Comprehensive Cultural Assessment methodology including but not limited to the underlying cultural models, analytical techniques and presentation formats. Any disclosure, copying, appropriation or other unauthorized use of this Proprietary and Copyright information is prohibited by U.S. Copyright laws. This information is being provided for the South Texas Project Nuclear Operating Company's (STPNOC) sole, internal use and SYNERGY does not authorize disclosure to or copying for use by any third party (non- STPNOC employees) without SYNERGY's prior written consent. This restriction does not prohibit disclosure to STPNOC's regulators, but does require that SYNERGY be notified of such disclosure and that SYNERGY be afforded an opportunity to identify any material that should be restricted from public disclosure to the extent permitted by Law.

Contents of Appendices:

CD-ROM Index

The following Adobe Acrobat files are on the CD:

Banners:
- STP 2003 Demographic banner.pdf
- STP 2003 Eng Tech and Business Svc banner.pdf
- STP 2003 Nuclear Generation banner.pdf

Organization Question-level results:
- STP 2003 Org Sorts.pdf (all 2003 CCA questions)
- STP 2003 Org Sort Comp 2001 to 2003.pdf (comparison of common 2001-2003 questions)

Appendices & CD-Rom Provided Under Separate Cover

ATTACHMENT 2

Actions Taken to Satisfy
License Conditions of Confirmatory Order

Actions Taken to Satisfy License Conditions of Confirmatory Order

The following required actions were described in Section V of the Confirmatory Order dated June 9, 1998 (Reference 1) as modified by References 2 and 3. These actions were taken to enhance the STPNOC process for addressing employee protection and safety concerns.

Action Item 1:

Beginning in 1998, the STP Nuclear Operating Company will integrate into its overall program for enhancing the work environment and safety culture at the facility a "Comprehensive Cultural Assessment" as described in Attachment D to the Licensee's March 12, 1998, submission, to be performed by an independent contractor. The Cultural Assessment will include both a written survey of employees (including supervision and management) and baseline contractors, and confidential interviews of selected individuals. The first assessment is scheduled for the second quarter of 1998 and will be performed at least three more times at intervals of 18 to 24 months. Annual "mini" surveys will be conducted and shall include, but not be limited to, annual surveys through at least the year 2002. Before conducting each mini-survey, the Licensee will identify to the NRC Regional Administrator the departments and divisions to be surveyed. The Licensee will submit to the NRC for review all Cultural Assessment results, including all intermediate "mini" surveys. Within 60 days of receipt of the survey results, the Licensee will provide to the NRC Regional Administrator any plans necessary to address issues raised by the survey results.

Status:

This action is complete. Beginning in 1998, the STP Nuclear Operating Company performed surveys of plant personnel, "Comprehensive Cultural Assessments" (CCAs), that were administered by an independent contractor. The final CCA was performed in January 2003.

June 1998 CCA

The first CCA required by the Confirmatory Order was administered by Synergy Consulting Services in June 1998. The final report was received September 8, 1998 and the results were reported to the NRC in Reference 4. An action plan to address issues arising from the CCA was submitted to the NRC in Reference 5.

November 1999

STPNOC notified the Regional Administrator of the Priority 1 and 2 groups to be surveyed in the 1999 mini-survey scheduled for December 1999 in Reference 6.

December 1999

The Mini-Survey of the eight Priority 1 and 2 targeted organizations identified during the 1998 CCA was administered by Synergy in December 1999. The final report was received February 14, 2000 and the results were reported to the NRC in Reference 7.

June 2000

The 2000 CCA was administered by Synergy in June 2000. The final report was received October 11, 2000 and the results were reported to the NRC in Reference 8.

December 2001

The 2001 CCA was administered in December 2001. The final report was received March 6, 2002 and the results were reported to the NRC in Reference 9. STPNOC also informed the Regional Administrator in this letter of the groups to be surveyed during the 2002 mini-survey scheduled for September 2002.

September 2002

There were five organizations identified in the December 2001 CCA as relative Priority 1 organizations (I&C Maintenance, Mechanical Maintenance, Electrical Maintenance, Support Services and Plant Protection). The interviews/focus groups (mini-survey) were administered by Management Insight Technologies in September 2002. The final report was received on September 16, 2002 and the results were reported to the NRC in Reference 10.

January 2003

The 2003 CCA (Final) was administered in January 2003 and the final report was received on March 31, 2003. STPNOC is reporting the results in this letter along with a status of the other Confirmatory Order action items.

Action Item 2:

> The STP Nuclear Operating Company will conduct annual ratings of supervisors and managers by employees via the "Leadership Assessment Tool", as described in Attachment D to the Licensee's March 12, 1998, submission, through at least the year 2002.

Status:

This action is complete. Annual ratings using the "Leadership Assessment Tool" (LAT) survey were completed and the results compiled each December beginning in 1998. The most recent LAT survey was completed in August 2002.

Action Item 3:

The STP Nuclear Operating Company will conduct a mandatory continuing training program for all supervisors and managers. This program will include:

(a) Scheduled training on building positive relationships, as outlined in Attachment D to the Licensee's March 12, 1998, submission. The training program will have the objective of reinforcing the importance of maintaining a safety-conscious work environment and assisting managers and supervisors in dealing with conflicts in the work place in the context of a safety-conscious work environment. The training program also will include a course entitled "Safely Speaking" as described in Attachment D to the Licensee's March 12, 1998, submission; and

(b) Annual training on the requirements of 10CFR50.7, through at least the year 2002, including, but not limited to, what constitutes protected activity and what constitutes discrimination, and appropriate responses to the raising of safety concerns by employees. Such training shall stress the freedom of employees in the nuclear industry to raise safety concerns without fear of retaliation by their supervisors or managers.

Status:

(a) This action is complete. This program included training on building positive relationships, the importance of maintaining a safety-conscious work environment, and a course entitled "Safely Speaking," as outlined in Attachment D to our letter of March 12, 1998. This was completed in June 1998.

(b) This action is complete. These topics were covered for 1998 in the "Safely Speaking" course and subsequent annual 10CFR50.7 training was developed. "Safely Speaking" classes were continued for new supervisors and managers and selected contractor personnel in initial supervisory skills training. Subsequent 10CFR50.7 training was provided annually to all supervisors and managers through December 2002.

1998 Attendance records - Completed July 1, 1998
1999 Attendance records - Completed March 22, 1999
2000 Attendance records - Completed December 28, 2000
2001 Attendance records - Completed January 9, 2002*
2002 Attendance records - Completed December 16, 2002

* 2001 – one supervisor failed to complete training in 2001 (Condition Report 02-203)

Action Item 4:

The licensee shall issue a site-wide publication to inform its employees and contractor employees of this Confirmatory Order as well as their rights to raise safety concerns to the NRC and their management without fear of retaliation.

Status:

This action is complete. In June 1998, site-wide publications were issued both through the STP e-mail system and STP On-Line Special Bulletin, and a hardcopy publication, to all employees on site. The Confirmatory Order was also placed on the site's electronic bulletin board, in a site-accessible database for letters, and on physical bulletin boards across site.

References:

1. Letter, A. A. Thadani to W. T. Cottle, "Confirmatory Order Modifying License (Effective Immediately) and Exercise of Discretion," (EA 97-341), June 9, 1998

2. Letter, E. W. Merschoff to W. T. Cottle, "Request For Partial Relaxation Of Confirmatory Order," November 24, 1999 ("Mini-surveys" not performed in the same year as CCAs.)

3. Letter, E. W. Merschoff to W. T. Cottle, "Relaxation of Confirmatory Order Modifying License," June 24, 2002 (Focus groups in lieu of surveys)

4. Letter, W. T. Cottle to E. W. Merschoff, "South Texas Project Comprehensive Cultural Assessment," September 15, 1998, ST-NOC-AE-000300 (Results of 1998 CCA)

5. Letter, W. T. Cottle to E. W. Merschoff, "South Texas Project Comprehensive Cultural Assessment," November 2, 1998 ST-NOC-AE-0347 (Action plan for issues from the 1998 CCA)

6. Letter, W. T. Cottle to E. W. Merschoff, "South Texas Project Comprehensive Cultural Assessment," November 1, 1999, NOC-AE-000691 (Requested change of schedule/notified of survey groups)

7. Letter, W. T. Cottle to E. W. Merschoff, "South Texas Project Comprehensive Cultural Assessment," March 14, 2000, NOC-AE-000769 (Results of 1999 mini-survey)

8. Letter, W. T. Cottle to E. W. Merschoff, "South Texas Project Comprehensive Cultural Assessment," October 26, 2000, NOC-AE-00000949 (2000 Survey results)

9. Letter, W. T. Cottle to E. W. Merschoff, "South Texas Project Comprehensive Cultural Assessment," April 17, 2002, NOC-AE-02001277 (2001 Survey results, focus groups in lieu of surveys, notified of survey groups)

10. Letter, J. J. Sheppard to E. W. Merschoff, "South Texas Project Focused Cultural Assessment," October 30, 2002, NOC-AE-02001411 (2002 Focus groups results)

11. Letter, J. J. Sheppard to E. W. Merschoff, "South Texas Project Comprehensive Cultural Assessment," August 5, 2002, NOC-AE-02001370 (Use Management Insights/Schedule for 2003)