

EVALUATION REPORT

2012 NRC Safety Culture and Climate Survey

OIG-13-A-15 March 28, 2013



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**NRC Office of the Inspector General
Safety Culture and Climate Survey**

Executive Summary

March 2013



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

**OFFICE OF THE
INSPECTOR GENERAL**

March 28, 2013

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

J.E. Dyer
Chief Financial Officer

FROM: Stephen D. Dingbaum */RA/*

SUBJECT: 2012 NRC SAFETY CULTURE AND CLIMATE
SURVEY (OIG-13-A-15)

Attached is the Office of the Inspector General's (OIG) report titled *2012 NRC Safety Culture and Climate Survey*. The OIG engaged an independent contractor, Towers Watson, to conduct the survey of NRC's workforce to assess the agency's safety culture and climate. The 2012 survey results are significantly more favorable in 12 comparable categories when compared to both the U.S. National Norm and the U.S. Research and Development Norm. When compared to the Towers Watson U.S. High Performing Companies Norm, the NRC is significantly more favorable in 3 of the 13 comparable categories.

The historical comparison of survey results from 2009 to 2012 indicates a less positive result, with 8 of 19 categories significantly less favorable than the 2009 results. In contrast, compared to the 2005 survey results the NRC has improved in all 18 categories.

Opportunities for improvement have been identified through the survey. Specifically, NRC's senior management should focus on improving the following areas:

- DPO/Non-Concurrence – Losing significant ground on negative reactions when raising views different from senior management, supervisor, and peers.
- Management– NRC is well below external benchmarks on recognizing and respecting value of human differences.

- Development – Significant declines in recruiting/retaining the right people and developing people to their full potential.
- Performance Management – Low and losing ground for effectiveness of performance reviews.
- Image – NRC has been aligned to the benchmarks in the past but is now below all three external benchmarks.
- Senior Management – Less than half of respondents feel action has been taken since the last survey—as many are neutral—which provides a good opportunity for improvement.
- Quality focus – Reinforcing a key point raised in the focus groups, there is a clear opportunity to impact the perception that people sacrifice quality in order to meet metrics.

Results-to-Action workshops were held the week of January 8, 2013. The workshops were designed to help agency managers analyze the survey results for their individual organizations and develop appropriate action plans aimed at improving NRC's safety culture and climate.

If you have any questions, please contact me at 301-415-5915 or RK Wild, Team Leader, at 301-415-5948.

Attachment: As stated

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Abbreviations and Acronyms

The following table includes a list of abbreviations and acronyms in this report.

Acronym	Full Name
ACRS	Advisory Committee on Reactor Safeguards
ADM	Office of Administration
ASLBP	Atomic Safety and Licensing Board Panel
CR	Continuing Resolution
Dev	Development
Diff	Difference
DPO	Differing Professional Opinion
EDO	Executive Director for Operations
GG	General Grade
HR/SBCR/CSU	OCHCO/Office of Small Business and Civil Rights/ Central Support Unit
HQ	Headquarters
Fav.	Favorable
FSME	Office of Federal and State Materials and Environmental Management Programs
ISR	International Survey Research
IT	Information Technology
N	N-size; number of respondents
N/A	Not Available or Not Applicable; not able to compare the item or category to the norm or internal comparison
NMSS	Office of Nuclear Material Safety and Safeguards
NRC	Nuclear Regulatory Commission
NRO	Office of New Reactors
NRR	Office of Nuclear Reactor Regulation
NSIR	Office of Nuclear Security and Incident Response
OCA	Office of Congressional Affairs
OCAA	Office of Commission Appellate Adjudication
OCFO	Office of the Chief Financial Officer
OGC	Office of the General Counsel
OEDO	Office of the Executive Director for Operations
OE	Office of Enforcement
OI	Office of Investigations
OIG	Office of the Inspector General
OIP	Office of International Programs
OIS	Office of Information Services
OPA	Office of Public Affairs
PDC	Professional Development Center
Perf.	Performance
RES	Office of Nuclear Regulatory Research
SECY	Office of the Secretary

Acronym	Full Name
SES/Executive	Senior Executive Service/Executive Level
SVC	Service(s)
Towers Watson	Towers Watson – International Survey Research
U.S.	United States
U.S. R&D	United States Research and Development Norm
YR or YRS	Year or Years

Purpose of Survey and Background

For over 14 years, International Survey Research (ISR) has been working with the NRC to assess their safety culture and climate as well as other aspects of employee experience such as engagement. ISR conducted NRC's survey in 1998, 2002, 2005, and 2009. In 2007, Towers Perrin acquired ISR and subsequently formed Towers Watson after a later merger. The Nuclear Regulatory Commission (NRC), Office of the Inspector General (OIG) engaged Towers Watson (formerly ISR) to conduct the 2012 Safety Culture and Climate Survey of all full-time and permanent part-time agency employees.

The NRC OIG conducted the Safety Culture and Climate Survey for approximately 3,755 employees in the fall of 2012. Through this research initiative, the NRC OIG's goals were to:

- Measure NRC's safety culture and climate to identify areas of strength and opportunities for improvement.
- Understand the Key Drivers of Engagement (leverage points for improving engagement).
- Compare the results of this survey against the survey results that OIG reported previously.
- Provide, where practical, benchmarks for the findings against other similar organizations and high-performing companies.

To achieve these goals, the 2012 Safety Culture and Climate Survey consisted of four distinct activities: a review of the existing research on safety culture and climate, evaluation of the 1998, 2002, 2005, and 2009 Safety Culture and Climate Survey results, a qualitative design phase where a random sample of NRC employees and managers were interviewed, and a quantitative component consisting of a survey administered to all full-time and permanent part-time NRC employees. For the sole purposes of this study, NRC in conjunction with Towers Watson defined Safety Culture and Climate as follows:

- Safety Culture (as it relates to the agency) refers to the complex sum (or whole) of the mission, characteristics, and policies of an organization, and the thoughts and actions of its individual members, which establish and support nuclear safety and security as overriding priorities.
- Climate refers to the current work environment of the agency. Climate is like a snapshot in time and can affect culture.

Please note that this definition is not the current and official definition of safety culture at the NRC. However the above definition of Safety Culture and Climate was established in order to have a consistent comparison to results from prior years.

A better understanding of NRC's safety culture and climate will facilitate identification of agency strengths and opportunities for improvement. Agency program and support offices can use this information to

develop action plans, as warranted. In addition, the OIG plans to use the survey results in connection with risk assessments in order to facilitate annual audit planning.

Survey Design

As previously discussed, the 2012 Safety Culture and Climate Survey consisted of four distinct areas. The interviews and Towers Watson's review of the 1998, 2002, 2005, and 2009 Safety Culture and Climate Survey results served as the basis for designing the 2012 questionnaire. The questions that comprised the 2012 survey included selected items from Towers Watson's normative database as well as tailored items to address the unique topic of NRC's safety culture and climate. The 2012 study, as a fifth iteration survey, provides the NRC with a distinct advantage: a comparison of the 2012 results with historical and norm items used in 1998, 2002, 2005, and 2009 survey administrations.

During the survey design process, some survey questions were added based on their relevance and on the interviews and focus groups. Likewise, some questions were removed, because some concepts (e.g., Risk-Based Methodologies) are now mature and reflected throughout the agency's regulatory framework. In addition, an inter-item correlation analysis was completed, and some items were removed due to high correlation of scores with other survey items. In all, the 2012 survey contained 132 separate items, as compared with 145 items in 2009.

After a brief review of the survey results as well as interview and focus group analysis, this executive summary will highlight the quantitative results of NRC's survey. First, this summary will examine the overall results, looking at specific areas of strength and opportunities for improvement for the NRC. Category-level results will be compared with Towers Watson's U.S. National Norm, U.S. Research and Development Norm (U.S. R&D), U.S. High Performance Norm, and the 1998, 2002, 2005, and 2009 NRC Safety Culture and Climate Survey Results. The summary will then report internal comparisons such as office and regions, job grades, job categories, job functions, and years of service. Finally, a detailed analysis is provided that highlights the key results of the Safety Culture and Climate Survey.

Survey Results in Brief

Survey Administration Summary

The OIG's NRC Safety Culture and Climate Survey was administered from September 4 – September 28, 2012. All NRC employees and managers were eligible to participate. Of the 3,755 employees asked to participate, 2,981 completed surveys, for an overall return rate of 79%. This return is lower than the previous survey administration in 2009 of 87% participation, yet is more than sufficient to provide a reliable and valid measure of the current attitudes and perceptions of NRC employees and managers (Exhibit 1).

External Benchmark Summary

When compared to the U.S. National Norm, the overall category profile for the NRC is significantly more favorable (utilizing statistical significance at the 95% confidence level, an industry standard) in 12 comparable categories (Exhibit 3). Similarly, when comparing the NRC survey scores with the Towers Watson U.S. R&D, 12 categories score significantly above the norm. The most favorable difference is Workload and Support, which is 15 points above the norm (see Exhibit 4). As the score demonstrates in this comparison, NRC employees' opinions are generally more favorable than what would typically be observed among U.S. R&D populations.

This year's study also used the external benchmark comparison: the Towers Watson U.S. High Performing Companies Norm. The Towers Watson U.S. High Performing Companies Norm is comprised of a weighted average of employee survey results from a cross-section of U.S. companies. Data are derived from recent client studies conducted by Towers Watson and companies qualify for the inclusion by meeting two criteria: (a) superior financial results relative to industry performance; and (b) superior human resource practices, defined by top-quartile employee opinion scores. When compared to this rigorous norm, the NRC is significantly more favorable in 3 of the 13 comparable categories. The most favorable difference against this norm is Training, which is 4 points above the norm (Exhibit 5).

Historical Comparison Summary

The historical comparison of results from 2009 to 2012 looks fairly negative, with 8 of 19 categories significantly less favorable than the 2009 NRC results. The most positive improvement since 2009 is the Workload and Support, which is 1 point above the 2009 score (Exhibit 6).

Compared to 2005, the NRC has improved in all 18 categories. The most notable improvement was Open, Collaborative Working Environment, which was significantly more favorable in 2012 by 11 points respectively. Office/Region Management also shows a major improvement, of nine points more favorable in 2012 as compared to 2005 (Exhibit 7).

The most notable historical improvements can be seen in the current 2012 study versus the study in 2005, with all 18 categories eligible for comparison showing improvements. Of the 18 categories, 12 scored at least five points more favorably in comparison with 2005 (Exhibit 7).

Internal Comparison Summary

Examining the NRC data in terms of individual office distinctions allows an interesting picture to emerge. In the comparison of category scores by office/division/region, Headquarters, OIG, RES, and Region I are significantly more favorable than the NRC overall in two or more categories, including categories such as Clarity of Responsibilities, Development, Management, and Workload and Support. While some offices are less favorable than the NRC overall scores, it is important to recognize that NRC's overall scores were higher than the U.S. National, and U.S. R&D Norms in most categories (Exhibits 3 and 4).

Employees were also requested to identify their Job Category in the survey. Respondents could choose from senior management, middle management, line management, and non-supervisor classifications. Differences exist between responses from higher levels of management to the survey questions versus responses from line management and non-supervisory classifications. This pattern is particularly common among government and private sector organizations alike. Responses from senior management and middle management deviate by double-digit differences compared with NRC Overall scores (Exhibit 15).

Among Job Function categories, employees in the Administrative/Support, Legal, and Security job functions tended to have higher unfavorable scores when compared to NRC Overall. Conversely, employees in the Engineering job function tended to have significantly more favorable scores for many of the categories (Exhibit 16).

Survey Results Summary

In summary, the 2012 OIG NRC Safety Culture and Climate Survey results are significantly more favorable in 12 of 16 comparable categories when compared to the U.S. National Norm, in all 12 of 16 comparable categories when compared to the U.S. R&D Norm, and in 3 of the 13 comparable categories when compared to the U.S. High Performance Norm.

Comparing the 2012 to the 2009 NRC results, 8 of 19 categories have significantly decreased, from -5 points in Development to -3 points in NRC Mission & Strategic Plan.

Qualitative Design Phase: Interviews and Focus Groups

As the qualitative design component of the Safety Culture and Climate Survey, Towers Watson conducted on-site and phone interviews and on-site focus groups. As mentioned in the introduction section, one of the main activities of this project was to conduct qualitative interviews and focus groups. The primary emphasis for these interviews and focus groups were to inform the design of the survey instrument and understand what new themes (or categories) may need to be explored as well as what themes (or categories) may now be less relevant and thus subject to removal from the survey instrument.

The interviewees and focus groups were asked questions on a variety of areas. The methodology used to create these questions was based on the key driver areas and lower-scoring (and some higher-scoring) areas from the 2009 survey, as well as other key factors such as NRC's current key initiatives. A total of 26 interviews and 19 focus group meetings were conducted from May 19 to June 22, 2012. When counting all of the individuals interviewed from the interview and focus group meetings, a total of 116 individuals were interviewed. The total number of individuals interviewed includes 71 at Headquarters, 24 at Region I, and 21 at Region IV. The analysis from the interview and focus group meetings aided in the development of the survey instrument.

A thematic analysis for the interview and focus group content provided the following outcomes: the NRC's primary mission and objectives and internal image were perceived favorably by most interview and focus group respondents.

- **Mission and Objectives:** Clearly stated and understood; concerns about the role of politics.
- **Internal Image:** Very positive; helps attract individuals from other government entities.

However, respondents had mixed perceptions about NRC's knowledge transfer, career development and training, work environment, and career advancement.

- **Knowledge Transfer:** NRC has made great improvements, but still has an opportunity to improve. However, this was not a strong area of concern.
- **Career Development and Training and Career Advancement:** Focus group participants generally felt they get the appropriate training for their jobs as a new employee, but may not always get training to advance their careers or continue education for their current role.
- **NRC Public Image:** Focus group participants gave mixed views of the image to the general public. Some participants felt the image was strong and others felt it was not. There was a contrast between how NRC's response to the events in Japan was handled and the recent events with the former Chairman. A feeling that how the NRC reacted to the events in Japan was seen in a positive light and the events with the former Chairman were seen in a negative light.

- **Workload/Quality Focus/Continuous Improvement Commitment:** Most participants felt the NRC has a strong focus on quality and continuous improvement. However, due to some areas having an increased workload resulting from the events in Japan, hiring freezes, etc. participants were concerned that quality could decline. Currently, there was belief that workload has declined from an editorial perspective.
- **Cooperation:** Focus group participants generally felt they could work well together with colleagues. Some participants felt cooperation fails at the higher levels of management and is not as effective.
- **Communications:** Focus group participants in Headquarters felt communications are very strong, while participants in the regions felt that most communications from Headquarters are seen as less valuable. The rumor mill is still a big source of information. It was common to hear that the NRC Reporter is viewed as not useful.
- **Diversity and Inclusion:** Some focus group participants worried there is too much focus on achieving diversity numbers over quality and competency. Others felt the NRC still has a long way to go and is not a diverse workplace.

Some areas, such as performance review and management, were recognized as areas for improvement across the NRC.

- **Performance Review:** Some focus group participants feel the scale and ratings are too subjective.
- **Management:** The majority of participants feel immediate managers do not possess the people skills necessary to lead. In addition, individuals are concerned about the relationship of their top leaders with the NRC's external image due to the recent events with the former Chairman.

Conclusion of Qualitative Phase

In conclusion, NRC's primary mission and objectives and internal image were perceived favorably by interview and focus group respondents. There was seen to be more room for improvement in ensuring there are adequate supervisors and an adequate performance management system. Interview and focus group respondents had mixed perceptions about NRC's knowledge transfer, career development and training, career advancement, workload, cooperation, communications, and diversity and inclusion. As a result, these conclusions then informed decisions regarding the final survey content for the 2012 survey and the Towers Watson survey team provided recommended additions and deletions of survey items for the OIG's consideration.

Survey Development / Pre-test

After the survey instrument was agreed upon and confirmed by the OIG survey team, a pre-test version of the survey instrument was developed based on Towers Watson's research into safety culture; the qualitative review of the 1998, 2002, 2005, and 2009 survey questionnaires; the qualitative interview and focus groups; and Towers Watson's experience in other government and private sector organizations. The pre-test survey contained both Towers Watson normed and NRC tailored questions, and was tested with a broad cross-section of NRC employees, using a random sample of individuals from multiple NRC locations.

Survey questions were grouped into 20 categories, representing the major topic areas of the NRC's Safety Culture and Climate. A list of the categories, along with a brief description of the items each category contains, is provided in the following pages. For each category, the average favorable response (percentage of employees responding favorably to a given set of questions) was calculated; Exhibit 2 of this report shows the percent-favorable response for each survey category. Beginning at Exhibit 3, we present comparisons of the 2012 survey results with 1998, 2002, 2005, and 2009 NRC historical results; Towers Watson's U.S. Research and Development Norm; U.S. National Norm; and U.S. High Performance Norm.

Survey Categories

1. **Clarity of Responsibilities:** Assesses clarity of job responsibilities, duplication across work units, and task prioritization.
2. **Supervision:** Examines employee perceptions of their immediate supervisors' technical competency; level of authority; availability; communication skills; people management and team-building skills; attention to staffing needs; competency for understanding future needs; and their level of effectiveness when working with people of different gender, racial/ethnic background, or lifestyle.
3. **Working Relationships:** Measures the level of cooperation, respect, and teamwork among employees, work units, divisions, office/regions, and Headquarters.
4. **Empowerment:** Assesses the amount of authority employees have to do their jobs, the trust they receive from management, the openness to discuss differing opinions, the ability to openly and confidently raise issues, and whether NRC's climate allows one to be innovative.
5. **Communication:** Evaluates the availability of information about matters affecting the agency, and information employees need to do their job. It also assesses the degree of openness that employees feel they have in speaking up in the NRC. This category measures employees' understanding of the goals and objectives of their work unit, division, office/region, and NRC as a whole and the NRC Strategic Plan. This category also measures the effectiveness of various internal communication vehicles.

6. **Workload and Support:** Evaluates the level of staff resources to handle the workload, the amount of stress employees experience on the job, and prioritization and resource allocation to improve efficiency of work, such as the dissemination of information. This category also evaluates employees' understanding of the NRC's safety culture.
7. **Training:** Assesses availability and quality of training, and knowledge of safety concepts. Also provides employees the opportunity to identify barriers to attending NRC-sponsored and other publicly/privately offered training courses.
8. **Development:** Assesses availability and quality of training, recruitment and retention of talented employees, development of employees to their full potential, and perceptions of career progression within the NRC. Also provides employees the opportunity to identify barriers to attending NRC-sponsored and other publicly/privately offered training courses.
9. **Performance Management:** Explores NRC's recognition for quality of performance, and investigates the breadth, utility, and understanding of performance reviews.
10. **Engagement:** Probes employees' willingness to recommend the NRC as a good place to work, whether they feel they are a part of the agency, their pride in working for the NRC and their belief in NRC goals, objectives, and values. This category also measures employee intent to leave for both retirement- and non-retirement-related reasons.
11. **NRC Mission and Strategic Plan:** Assesses the clarity of NRC's mission and strategic plan, and whether employees believe management decisions are consistent with the mission and strategic plan. In addition, this category assesses the use of the strategic plan in assisting employees in prioritizing their work and formulating budgets.
12. **NRC Image:** Examines employee perceptions of whether NRC is highly regarded by its various stakeholders; NRC's effectiveness in communicating to the general public, and whether all employees are held to the same standards of ethical behavior. Also, this category assesses the factors that attract people to working at the NRC.
13. **Continuous Improvement Commitment:** Assesses employee views on NRC's commitment to public safety and whether employees are encouraged to communicate ideas to improve safety/regulations/operations. This category also measures the NRC's effort to capture and record the collective experience of retiring employees for future use in the agency.
14. **Quality Focus:** Explores employee views on the quality of NRC's (divisions') work as well as the sacrifice of quality work due to the need to meet a deadline or the need to satisfy a personal or political agenda.
15. **Open, Collaborative Work Environment:** This category probes the degree to which employees are satisfied with the different programs/policies that are available at the NRC (e.g., the Differing Professional Opinions Program, the Open Door Policy, and the Non-Concurrence Program). This category also addresses employees comfort with communicating with different levels of management.

16. **DPO/Non-concurrence:** This category assesses employee awareness and perceived effectiveness of the Differing Professional Opinions program and the Non-concurrence process.
17. **Elevating Concerns:** Examines employees' views pertaining to the process of bringing awareness to areas of concern, including accessibility and organizational responsiveness.
18. **Management:** Probes employees' views of overall management within the NRC, including management style and respect for diversity.
19. **Office/Region Management:** Focuses on employees' views of how their divisions and offices are managed, including communication and decision making.
20. **Senior Management:** Probes employees' views of senior management within the NRC, including management style and confidence in management's decisions.

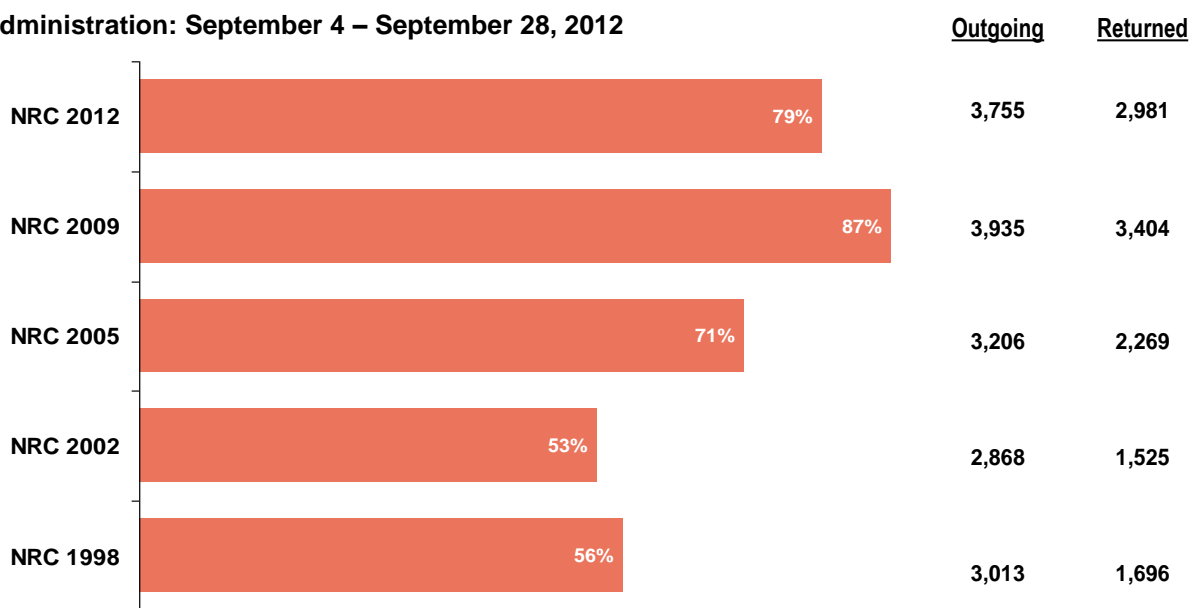
Survey Administration

The OIG's NRC Safety Culture and Climate Survey was administered from September 4 – September 28, 2012. All NRC employees and managers were eligible to participate. Of the 3,755 employees asked to participate, 2,981 completed surveys, for an overall return rate of 79%. This return is lower than the last survey administration (87% participation in 2009), yet is more than sufficient to provide a reliable and valid measure of the current attitudes and perceptions of NRC employees and managers. Other years before 2009 were lower than 2012.

Exhibit 1

Participation Rates

Administration: September 4 – September 28, 2012



TOWERS WATSON'S GLOBAL RETURN RATE IS 75%

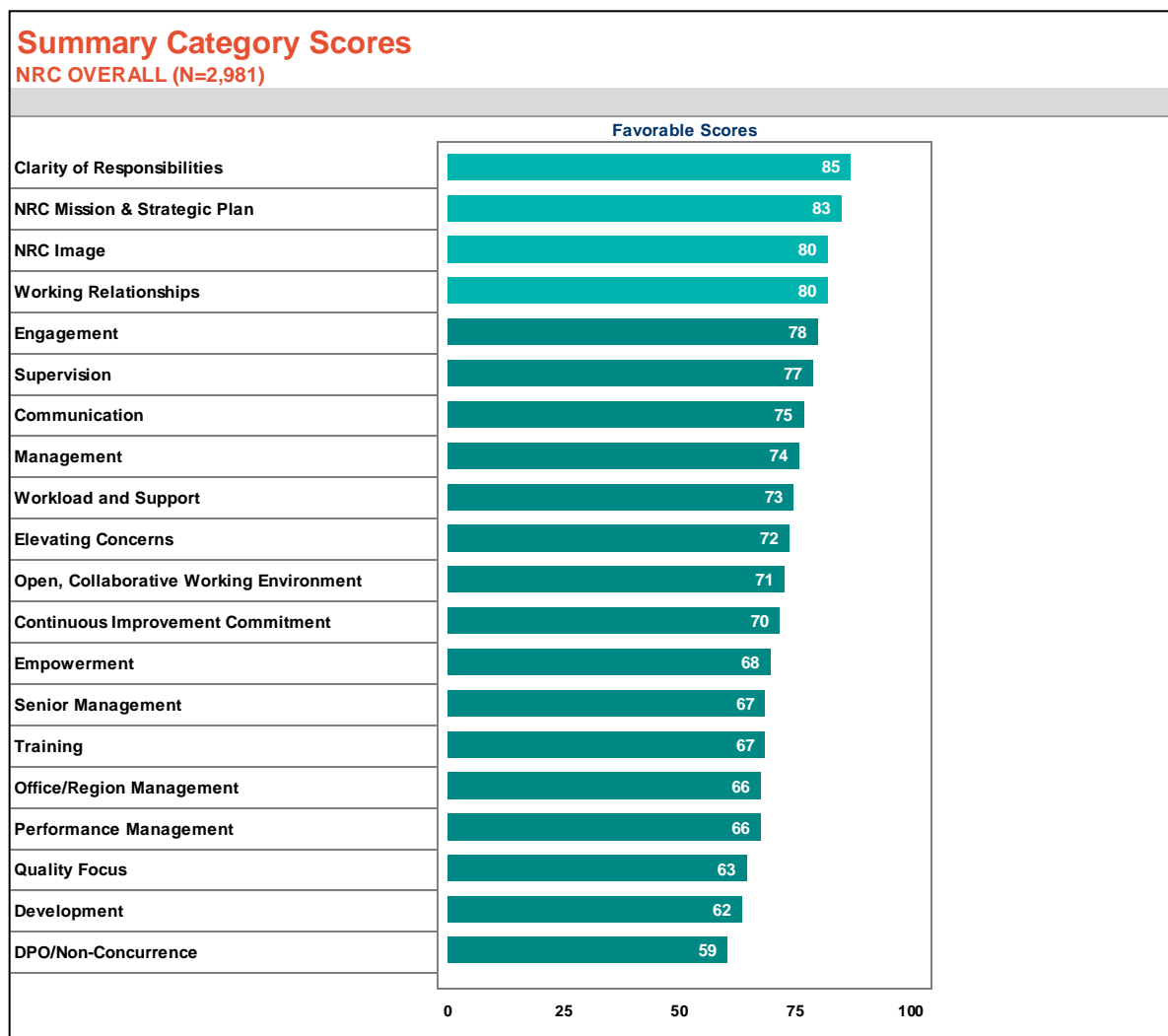
EXHIBIT 1 FOOTNOTE: A valid survey is when the individual selects at least one coding question and at least one opinion question. Self-select coding can result in sub-group participation amounts not adding up to the overall NRC total.

Overall Category Scores

The average favorable response score for each category (percentage of employees responding favorably to a given set of questions) was calculated and is provided below. All of the 20 categories demonstrate majority favorable scores (defined as greater than 50% favorable responses), with the most favorable being Clarity of Responsibilities at 85% favorable.

The category scores range between 59% favorable to 85% favorable, with Clarity of Responsibility, NRC Mission & Strategic Plan, NRC Image, and Working Relationships all being characterized by employees as most favorable, with scores at 80% or better. The remaining categories range from Engagement at 78% to DPO/Non-Concurrence at 59% (the lowest-scoring category). In reviewing “raw” category scores, caution should be exercised in the absence of historical or external benchmarks. The favorability scores of many questions administered in the general U.S. population tends to be lower than one might expect.

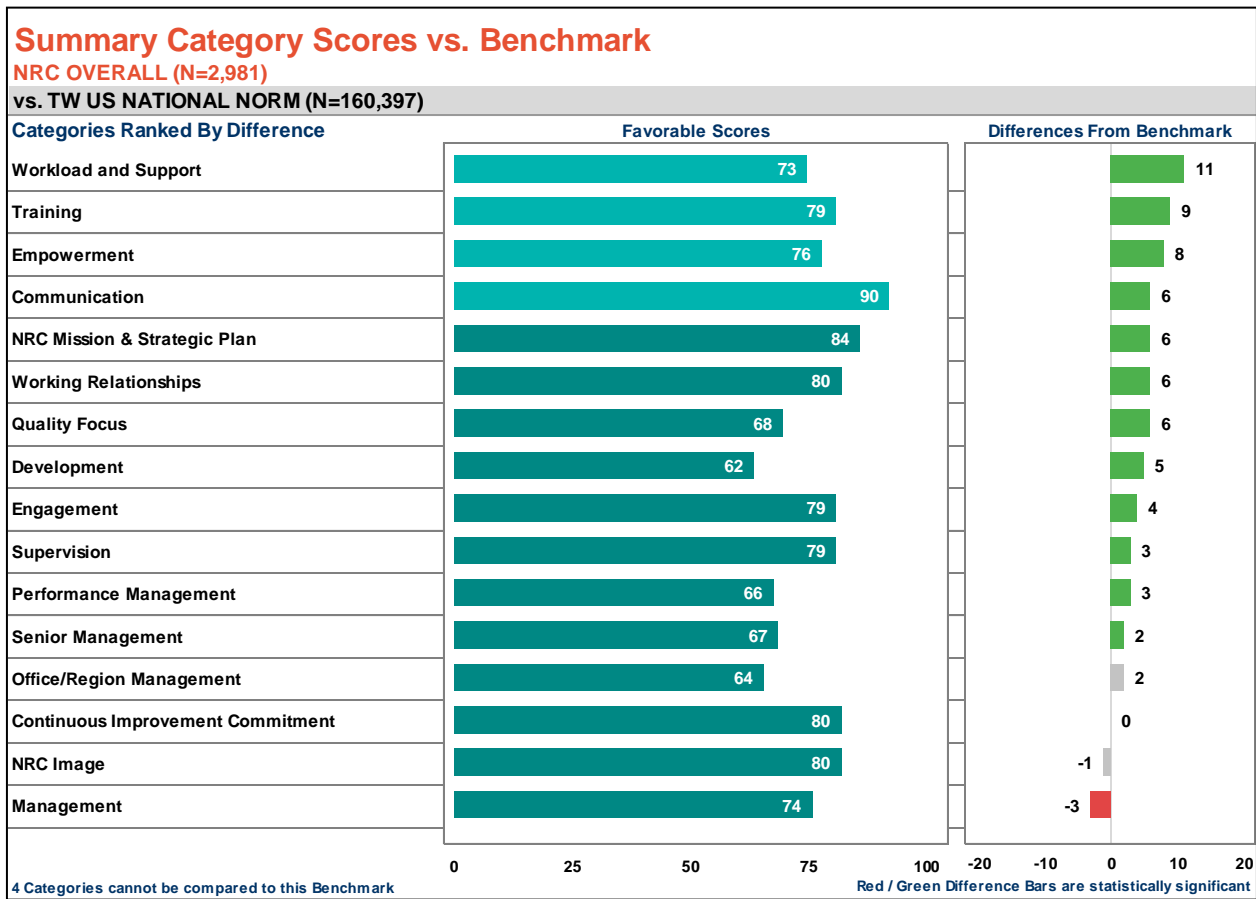
Exhibit 2



Comparison of NRC with the U.S. National Norm

A Towers Watson norm is a weighted sample of employee responses categorized by nation, industry, function, or performance. The first benchmark NRC is compared with is the U.S. National Norm. This norm is comprised of organizations representing a broad spectrum of industries across the United States and has been updated in the last 6 months. The norm includes 160,397 cases (weighted average) from individual respondents. Employees in the norm are Hourly, Salaried, Exempt, and Non-Exempt up to and including Executives. Organizations in the norm are weighted to ensure proper proportionality.

Exhibit 3



The overall category profile for the NRC is above the U.S. National Norm, as illustrated in the graphic. The NRC score for a category is represented by the center line in the graph. The NRC is significantly more favorable in 12 comparable categories represented by the green bars, the greatest difference being for Workload and Support, which is 11 points higher than the U.S. National Norm.

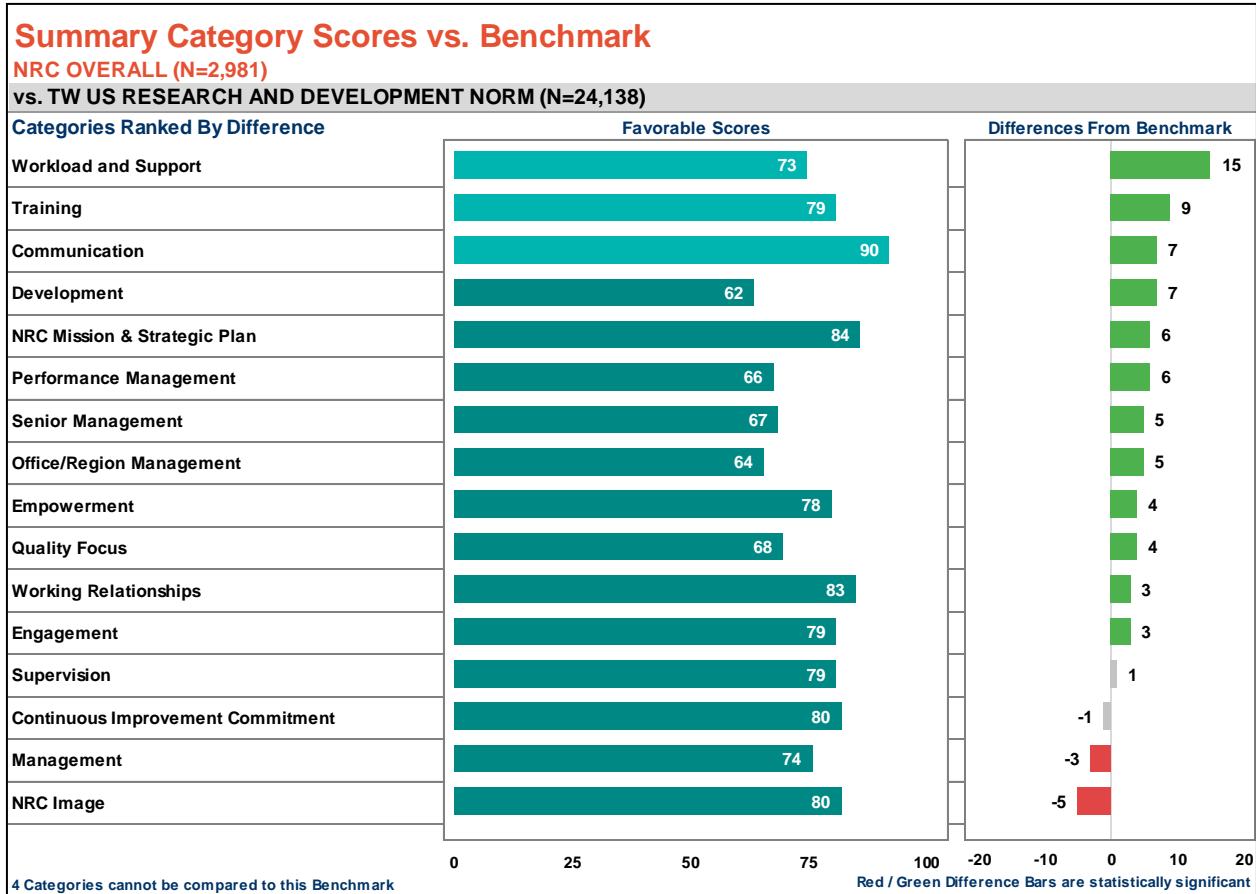
Whenever a percent favorable or unfavorable response between two groups is displayed, a statistical test is conducted by Towers Watson to determine how confident we can be about whether the difference in scores represents a “real” difference in opinion or if it is more likely the difference was caused by random chance. A statistically significant difference is one that is large enough, given the size of the groups being compared, to be unlikely to be caused by chance. Statistically significant differences are therefore thought to be indicators of real difference between the two groups being compared. A statistically significant difference indicates there is less than a 5% chance the difference occurs randomly.

The previous graphic does not show results for DPO/Non-Concurrence, Elevating Concerns, Organizational Change, or Open, Collaborative Working Environment because they are categories containing unique tailored questions specific to the NRC and do not have U.S. National Norm equivalent questions.

Comparison of NRC with U.S. Research and Development Norm

The U.S. Research and Development Norm is a representative sample of the U.S. research and development workforce weighted according to Bureau of Labor Statistics data. This norm contains a representative sample of organizations throughout the U.S. and includes 24,138 cases (weighted average) from R&D functions. When comparing the 2012 NRC survey scores with the U.S. Research and Development Norm, 12 categories score significantly above the norm. The most favorable difference is Workload and Support which is 15 points above norm. As the scores demonstrate in this comparison, NRC employee opinions are generally more favorable than what would typically be observed among U.S. R&D populations.

Exhibit 4

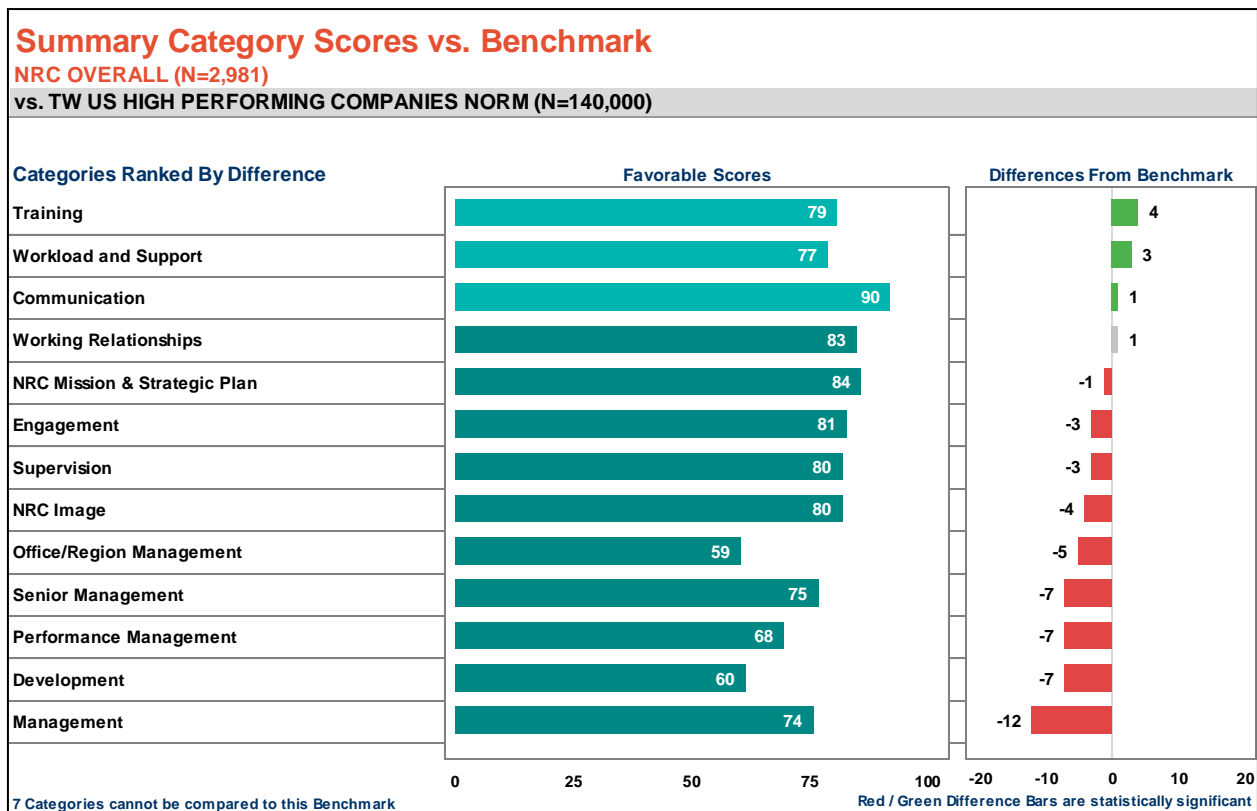


Comparison of NRC with U.S. High Performing Companies Norm

The Towers Watson U.S. High Performing Companies Norm is comprised of some of the top performing organizations in the U.S., included because they meet two criteria - very strong financial results and very high employee survey scores. An organization must meet both criteria in order to be included in this norm.

When comparing the NRC results to the U.S. High Performing Companies Norm, NRC had 3 categories with significantly more favorable scores. Training showed the highest difference of 4 points.

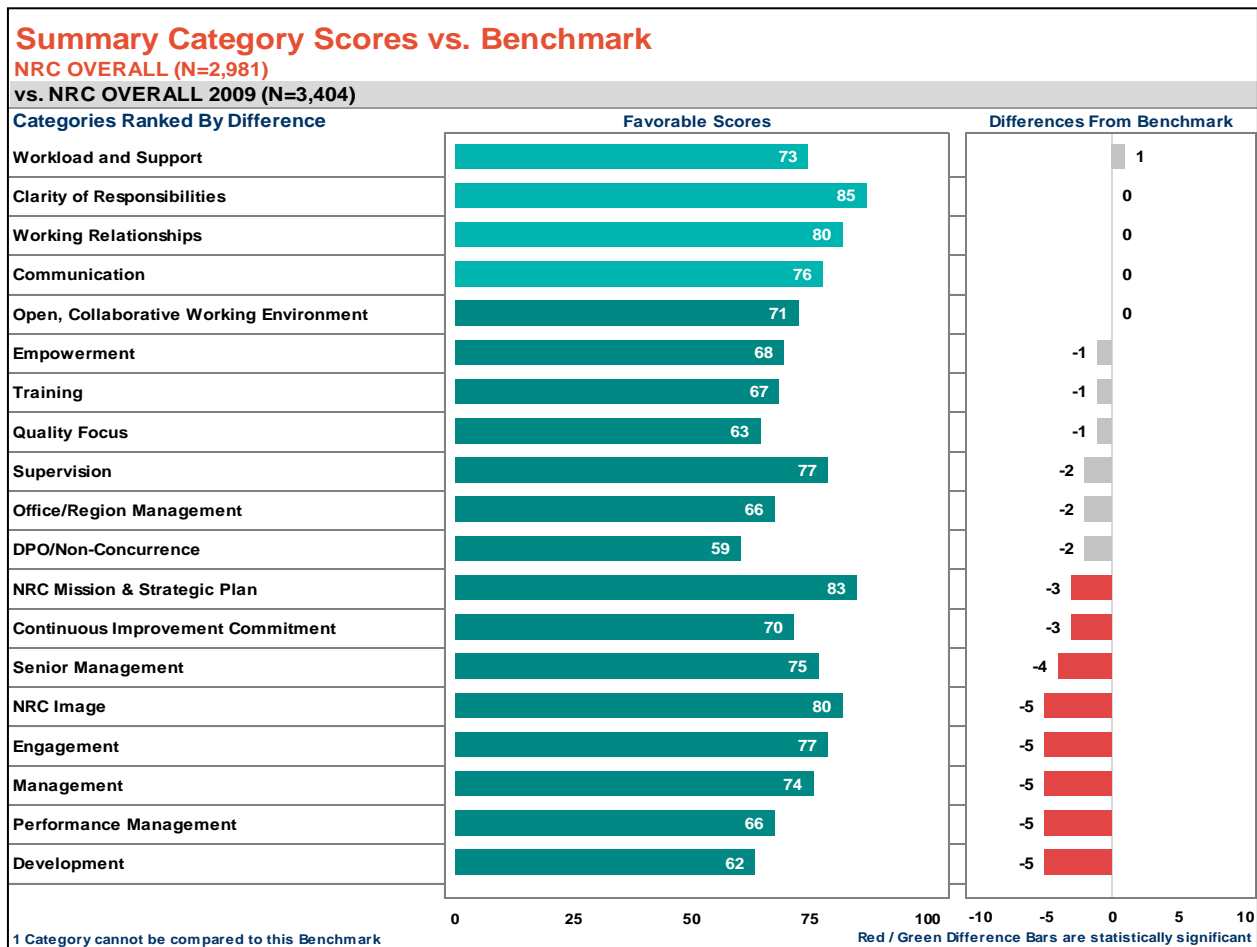
Exhibit 5



Comparison of NRC 2012 Results with NRC 2009 Results

The historical comparison of results from 2012 to 2009 looks fairly negative, with 8 of 19 comparable categories significantly less favorable than the 2009 NRC results. Of the 19 comparable categories, the most positive improvement since 2009 is the Workload and Support category, which is 1 point above the 2009 score.

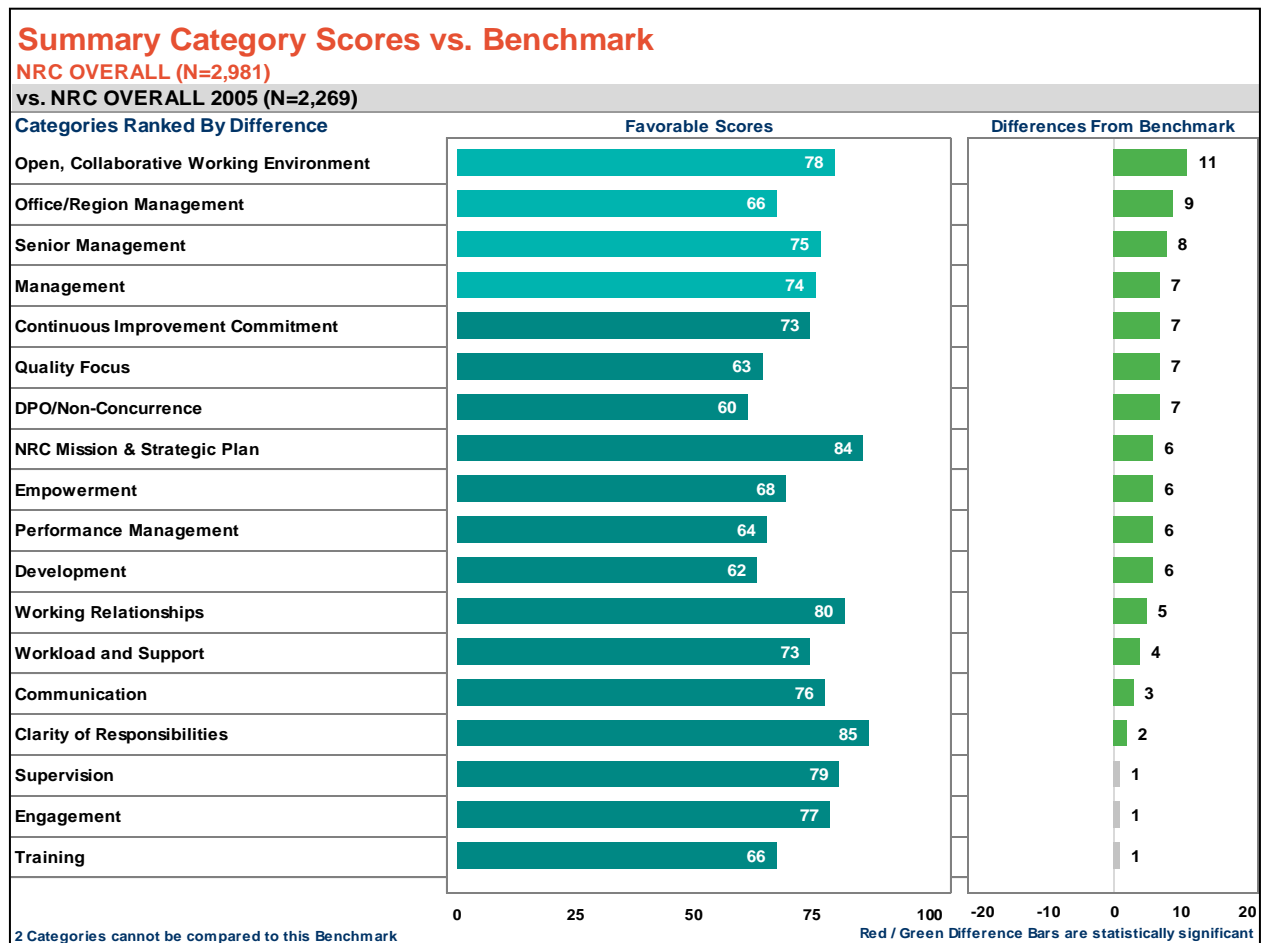
Exhibit 6



Comparison of NRC 2012 Results with NRC 2005 Results

Compared to 2005, the NRC has improved in all 18 comparable categories, from Open, Collaborative Working Environment, which is significantly more favorable in 2012 vs. 2005 by 11 points, to Clarity of Responsibilities, which has improved by 2 points. Engagement, Training, and Supervision showed an improvement of 1 point; however, they were not statistically significant.

Exhibit 7



Internal Comparisons

The following internal comparisons illustrate how various subgroups within NRC (i.e., regions, offices, grade levels, job functions, job categories, and tenures) vary at the category-level average compared with NRC overall. Please note that in these charts, statistically significant differences are indicated by brightly colored (green or red) cells.

When reviewing any of the internal comparisons, such as the graph on the next page, it should be noted that while all respondents are included in the overall number (N=2,981), not all employees provided a response to every coding question in the survey. For this reason, the sum of all groups may not be equal to the total NRC Overall combined group. Also, to ensure confidentiality for each respondent, groups with N<20 are included in the overall NRC population counts, but are not broken out separately.

Office Comparisons

Examining the NRC data in terms of office distinctions allows an interesting picture to emerge. In this first set of comparisons listed in the following graphic, most of the offices did not show any significant differences from NRC overall.

Headquarters Overall (N=2,175) has no statistical difference to the NRC Overall. This is due to the fact that Headquarters has a significant number of respondents as part of the overall survey respondent population.

Exhibit 8

Category Breakdown Matrix				
NRC OVERALL (N=2,981)				
By Office/division/region - Part 1				
		A. NRC OVERALL (N=2,981)		C. HEADQUARTERS OVERALL (N=2,175)
		B. REGION OVERALL (N=769)		
		Values displayed are based on Total Favorable		
		Colored Cells indicate a statistically significant difference		
#	Category	A	B	C
1	Clarity of Responsibilities	85	89	84
2	Communication	75	74	75
3	Continuous Improvement Commitment	70	71	69
4	Development	62	64	61
5	DPO/Non-Concurrence	59	61	58
6	Elevating Concerns	72	74	71
7	Empowerment	68	69	68
8	Engagement	78	79	77
9	Management	74	74	73
10	NRC Image	80	81	79
11	NRC Mission & Strategic Plan	83	86	83
12	Office/Region Management	66	68	65
13	Open, Collaborative Working Environment	71	72	71
14	Performance Management	66	66	66
15	Quality Focus	63	66	62
16	Senior Management	67	67	67
17	Supervision	77	77	77
18	Training	67	68	67
19	Working Relationships	80	83	79
20	Workload and Support	73	77	71

Office of Administration (ADM), Office of the Chief Financial Officer (OCFO), and Office of Information Services (OIS), have a number of categories that are significantly less favorable than the NRC Overall, with OIS statistically lower in 14 of 20 categories. Conversely, Headquarters has seven categories that are statistically more favorable.

Exhibit 9

Category Breakdown Matrix												
NRC OVERALL (N=2,981)												
By Office/division/region - Part 2												
A. NRC OVERALL (N=2,981)						G. NRR (N=442)						
B. HEADQUARTERS (N=216)						H. NSIR (N=171)						
C. OCHCO/SBCR/CSU (N=99)						I. OCFO (N=85)						
D. OGC (N=84)						J. OIG (N=51)						
E. ADM (N=131)						K. OIS (N=101)						
F. NMSS (N=125)												
Values displayed are based on Total Favorable												
Colored Cells indicate a statistically significant difference												
#	Category	A	B	C	D	E	F	G	H	I	J	K
1	Clarity of Responsibilities	85	90	84	83	84	78	86	83	76	87	73
2	Communication	75	81	74	72	70	73	75	74	70	79	71
3	Continuous Improvement Commitment	70	76	68	69	62	65	69	70	62	74	62
4	Development	62	67	61	61	56	57	60	62	50	75	50
5	DPO/Non-Concurrence	59	60	57	59	46	55	62	57	47	55	49
6	Elevating Concerns	72	79	72	69	64	67	70	72	58	78	61
7	Empowerment	68	75	67	65	64	64	70	67	54	73	55
8	Engagement	78	82	76	75	73	76	77	79	67	81	68
9	Management	74	82	75	66	71	67	75	73	59	84	59
10	NRC Image	80	83	80	77	73	79	81	83	67	83	66
11	NRC Mission & Strategic Plan	83	88	79	79	76	82	83	82	75	89	77
12	Office/Region Management	66	76	64	63	61	57	67	63	49	73	45
13	Open, Collaborative Working Environment	71	78	70	70	65	68	73	71	56	74	60
14	Performance Management	66	71	63	65	68	62	63	69	55	82	60
15	Quality Focus	63	69	63	55	51	56	64	61	56	77	41
16	Senior Management	67	72	66	63	61	54	68	66	59	74	58
17	Supervision	77	82	76	78	77	78	77	78	66	79	65
18	Training	67	70	63	67	66	67	67	65	62	77	58
19	Working Relationships	80	84	80	78	73	77	83	82	70	81	65
20	Workload and Support	73	82	70	71	59	65	73	69	62	90	51

RES and Region I had two or more categories that were significantly more favorable than NRC Overall. Region I had six categories that were significantly more favorable: Clarity of Responsibilities, Development, Elevating Concerns, Management, NRC Mission & Strategic Plan, and Workload and Support. Region IV had five categories that were statistically less favorable: Communications, Empowerment, Management, Office/Region Management, and Senior Management. Regions II and III were not significantly different from NRC Overall.

Exhibit 10

Category Breakdown Matrix									
NRC OVERALL (N=2,981)									
By Office/division/region - Part 3									
A. NRC OVERALL (N=2,981)					E. REGION I (N=178)				
B. RES (N=190)					F. REGION II (N=246)				
C. FSME (N=142)					G. REGION III (N=190)				
D. NRO (N=330)					H. REGION IV (N=155)				
Values displayed are based on Total Favorable									
Colored Cells indicate a statistically significant difference									
#	Category	A	B	C	D	E	F	G	H
1	Clarity of Responsibilities	85	86	84	84	95	86	90	86
2	Communication	75	77	76	76	79	77	72	66
3	Continuous Improvement Commitment	70	72	71	72	73	70	73	65
4	Development	62	69	63	58	70	64	67	55
5	DPO/Non-Concurrence	59	56	57	64	63	63	63	54
6	Elevating Concerns	72	74	72	72	80	76	74	65
7	Empowerment	68	72	68	68	75	69	71	59
8	Engagement	78	83	77	77	83	79	80	75
9	Management	74	78	77	73	81	77	71	66
10	NRC Image	80	85	79	80	84	82	83	75
11	NRC Mission & Strategic Plan	83	86	86	83	90	86	86	82
12	Office/Region Management	66	72	68	67	72	71	68	58
13	Open, Collaborative Working Environment	71	73	71	74	75	71	73	67
14	Performance Management	66	73	66	65	73	69	63	60
15	Quality Focus	63	68	63	63	68	68	69	57
16	Senior Management	67	73	73	68	72	70	66	58
17	Supervision	77	80	77	74	83	76	76	74
18	Training	67	73	66	65	73	69	69	62
19	Working Relationships	80	78	86	77	86	81	85	80
20	Workload and Support	73	78	74	71	83	74	78	73

Office Historical Comparisons

Each Office was also compared to its own 2009 score on each category. The numbers in the cells below and on the next two pages indicate the improvement or decline for that office versus its own 2009 results, by category. A number of groups have experienced improvements while others have been unable to maintain the same level of results as the previous survey. Headquarters had 17 categories with an improvement from 2009. Communication has improved by 7 points while Empowerment improved by 6 points. There are 14 categories across all of the offices that showed a significant decrease in favorability when being compared to the 2009 results.

Exhibit 11

A. Clarity of Responsibilities	G. Empowerment	N. Performance Management
B. Communication	H. Engagement	O. Quality Focus
C. Continuous Improvement Commitment	I. Management	P. Senior Management
D. Development	J. NRC Image	Q. Supervision
E. DPO/Non-concurrence	K. NRC Mission & Strategic Plan	R. Training
F. Elevating Concerns	L. Office/Region Management	S. Working Relationships
	M. Open, Collaborative Working Environment	T. Workload and Support

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
HEADQUARTERS (N=216) vs. 2009 (N=225)	1	7	4	3	1	N/A	6	1	5	1	2	4	5	-2	3	3	4	2	5	0
OCHCO/SBCR/CSU (N=99) vs. 2009 (N=105)	4	0	-3	-8	-3	N/A	1	-6	-5	-5	-7	4	-1	-4	-2	-7	2	-5	-1	5
OGC (N=84) vs. 2009 (N=88)	-5	-2	-1	-2	1	N/A	-6	-11	-10	-8	-6	-9	2	-8	-12	-7	-3	1	-4	-7
ADM (N=131) vs. 2009 (N=133)	-1	-1	-6	-5	1	N/A	6	-6	-2	-5	-4	6	3	-6	-1	-4	0	-2	-1	5
NMSS (N=125) vs. 2009 (N=189)	-8	-4	-10	-13	-11	N/A	-10	-10	-14	-9	-8	-22	-7	-11	-13	-22	-1	-2	-8	-11
NRR (N=442) vs. 2009 (N=455)	1	3	-3	-7	0	N/A	0	-5	-2	-5	-3	4	-1	-8	2	-1	-1	-2	3	4
NSIR (N=171) vs. 2009 (N=193)	-3	-2	-3	-9	0	N/A	-7	-5	-12	-5	-5	-6	-4	-4	-4	-8	-4	-1	-1	4

Exhibit 12

- | | | |
|--------------------------------------|--|---------------------------|
| A. Clarity of Responsibilities | G. Empowerment | N. Performance Management |
| B. Communication | H. Engagement | O. Quality Focus |
| C. Continuous Improvement Commitment | I. Management | P. Senior Management |
| D. Development | J. NRC Image | Q. Supervision |
| E. DPO/Non-concurrence | K. NRC Mission & Strategic Plan | R. Training |
| F. Elevating Concerns | L. Office/Region Management | S. Working Relationships |
| | M. Open, Collaborative Working Environment | T. Workload and Support |

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
OCFO (N=85) vs. 2009 (N=105)	-4	-1	-2	-8	-1	n/a	-1	-7	-3	-5	-4	-1	-4	-6	-2	-3	-7	-2	3	-6
OIG (N=51) vs. 2009 (N=49)	2	0	5	7	4	n/a	8	2	7	1	2	9	4	5	3	4	8	2	4	11
OIS (N=101) vs. 2009 (N=167)	0	1	-4	-9	0	n/a	-1	-5	-8	-6	-2	-2	1	-8	-5	-2	-10	-10	0	-3
RES (N=190) vs. 2009 (N=208)	1	3	0	-1	0	n/a	0	-1	-4	0	1	0	4	-1	3	0	-3	3	0	3
FSME (N=142) vs. 2009 (N=164)	-2	0	-4	-12	-7	n/a	-2	-9	-6	-8	-4	1	-1	-5	-3	-3	-2	-2	-1	0
NRO (N=330) vs. 2009 (N=440)	-1	-2	-4	-14	-1	n/a	-6	-8	-13	-10	-6	-5	-1	-8	-3	-8	-5	-4	-2	-1

Regions I, II, and III had similar non-significant differences from 2009 scores across all categories. Region IV had 11 significantly less favorable scores when compared to the 2009 results, with Office/Region Management being 22 points lower.

Exhibit 13

- | | | |
|--------------------------------------|--|---------------------------|
| A. Clarity of Responsibilities | G. Empowerment | N. Performance Management |
| B. Communication | H. Engagement | O. Quality Focus |
| C. Continuous Improvement Commitment | I. Management | P. Senior Management |
| D. Development | J. NRC Image | Q. Supervision |
| E. DPO/Non-concurrence | K. NRC Mission & Strategic Plan | R. Training |
| F. Elevating Concerns | L. Office/Region Management | S. Working Relationships |
| | M. Open, Collaborative Working Environment | T. Workload and Support |

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
REGION I (N=178) vs. 2009 (N=204)	3	2	-4	-2	-3	n/a	3	-5	0	-4	0	-1	1	-3	1	-2	0	1	0	5
REGION II (N=246) vs. 2009 (N=265)	-1	5	-1	4	3	n/a	1	-4	0	-2	-3	3	2	-3	3	-1	1	4	0	0
REGION III (N=190) vs. 2009 (N=198)	2	-2	-6	2	-3	n/a	1	-5	-7	-3	-2	-6	-1	-4	2	-6	-1	1	2	0
REGION IV (N=155) vs. 2009 (N=182)	-4	-7	-12	-11	-12	n/a	-13	-10	-18	-8	-8	-22	-10	-14	-10	-14	-7	-4	-4	1

Grade Level Comparisons

Another comparison of interest is grade level. The pattern demonstrated in the chart below is very typical of government and private sector clients, regardless of industry or sector. The NRC data reveal statistically significant positive responses from the SES/SLS/Executive, the most senior level of the agency (the column to the extreme right in the graphic). GG-1's to GG-10's, GG-11's to GG-12's, GG-15's and Senior Level/Administrative Law Judges are either equal to, or had more favorable responses in several categories, when compared to NRC Overall, while, GG-13's and GG-14's had significantly less favorable scores for several categories.

GG-14 had the highest number of categories that were significantly less favorable when compared to NRC Overall: Clarity of Responsibilities, Communication, Continuous Improvement Commitment, Development, Elevating Concerns, Empowerment, Management, NRC Image, NRC Mission and Strategic Plan, Office/Region Management, Open Collaborative Working Environment, Performance Management, Senior Management, and Supervision.

Exhibit 14

Category Breakdown Matrix									
NRC OVERALL (N=2,981)									
By Grade Level									
A. NRC OVERALL (N=2,981)					E. GG-14 (N=864)				
B. GG-1 TO GG-10 (N=245)					F. GG-15 (N=764)				
C. GG-11 TO GG-12 (N=185)					G. SENIOR LEVEL/ADMIN LAW JUDGE (N=25)				
D. GG-13 (N=686)					H. SES/SLS/EXECUTIVE LEVEL (N=185)				
Values displayed are based on Total Favorable									
Colored Cells indicate a statistically significant difference									
#	Category	A	B	C	D	E	F	G	H
1	Clarity of Responsibilities	85	90	83	85	82	87	98	94
2	Communication	75	82	77	73	71	76	73	84
3	Continuous Improvement Commitment	70	75	74	68	65	71	67	83
4	Development	62	69	63	59	56	64	60	81
5	DPO/Non-Concurrence	59	52	53	54	55	64	50	82
6	Elevating Concerns	72	75	70	70	67	74	68	89
7	Empowerment	68	68	68	65	63	73	70	88
8	Engagement	78	81	80	78	75	78	80	85
9	Management	74	81	75	71	68	77	71	91
10	NRC Image	80	82	79	80	77	81	86	91
11	NRC Mission & Strategic Plan	83	86	85	82	80	85	78	93
12	Office/Region Management	66	75	67	62	59	68	71	88
13	Open, Collaborative Working Environment	71	70	69	68	67	76	69	90
14	Performance Management	66	74	68	61	62	69	51	80
15	Quality Focus	63	64	59	60	60	64	68	83
16	Senior Management	67	75	65	63	62	70	58	86
17	Supervision	77	81	79	74	73	79	85	92
18	Training	67	69	71	67	64	68	70	75
19	Working Relationships	80	82	80	79	77	82	69	91
20	Workload and Support	73	77	74	72	69	72	87	86

Job Category Comparisons

Employees were requested to identify their Job Category in the coding section of the survey, choosing from senior management, middle management, line management, and non-supervisor classifications. The pattern displayed below is particularly common among government and private sector organizations alike. However, it remains interesting to see the sharp differences between higher levels of management and other employees at the line management and non-supervisory levels. Senior management and middle management deviate by double-digit differences compared with NRC Overall scores.

Exhibit 15

Category Breakdown Matrix						
NRC OVERALL (N=2,981)						
By Job Category						
A. NRC OVERALL (N=2,981)			D. LINE MANAGEMENT (N=452)			
B. SENIOR MANAGEMENT (N=68)			E. NON-SUPERVISOR (N=2,330)			
C. MIDDLE MANAGEMENT (N=118)						
Values displayed are based on Total Favorable						
Colored Cells indicate a statistically significant difference						
#	Category	A	B	C	D	E
1	Clarity of Responsibilities	85	96	90	88	84
2	Communication	75	88	81	74	74
3	Continuous Improvement Commitment	70	88	81	72	68
4	Development	62	88	80	66	59
5	DPO/Non-Concurrence	59	86	81	66	55
6	Elevating Concerns	72	94	87	76	70
7	Empowerment	68	94	82	72	66
8	Engagement	78	87	83	77	77
9	Management	74	96	85	77	72
10	NRC Image	80	95	85	81	79
11	NRC Mission & Strategic Plan	83	96	89	86	82
12	Office/Region Management	66	93	81	67	64
13	Open, Collaborative Working Environment	71	94	87	75	69
14	Performance Management	66	82	77	68	65
15	Quality Focus	63	85	76	64	61
16	Senior Management	67	91	84	70	65
17	Supervision	77	96	88	79	75
18	Training	67	77	73	66	67
19	Working Relationships	80	95	90	83	79
20	Workload and Support	73	91	79	71	72

Job Function Comparisons

As noted in the chart illustrating Job Function Comparisons, there is very little difference between Legal and Scientific job functions when compared to NRC Overall. However, Security employees are significantly less favorable in four of the 17 categories – the highest difference being -10 for Office/Region Management and Workload and Support.

The Engineering job function had significantly more favorable scores for eight of the 20 categories. All the category score increases were in the single digits, with DPO/Non-Concurrence showing the highest increase of 4 points.

Exhibit 16

Category Breakdown Matrix							
NRC OVERALL (N=2,981)							
By Job Function							
A. NRC OVERALL (N=2,981)			D. LEGAL (N=108)				
B. ADMINISTRATIVE/SUPPORT (N=854)			E. SECURITY (N=197)				
C. ENGINEERING (N=1,428)			F. SCIENTIFIC (N=361)				
Values displayed are based on Total Favorable			Colored Cells indicate a statistically significant difference				
#	Category	A	B	C	D	E	F
1	Clarity of Responsibilities	85	85	88	86	76	84
2	Communication	75	76	75	71	71	74
3	Continuous Improvement Commitment	70	70	70	68	67	71
4	Development	62	63	63	60	55	61
5	DPO/Non-Concurrence	59	52	63	60	52	60
6	Elevating Concerns	72	70	74	71	67	72
7	Empowerment	68	65	71	69	63	68
8	Engagement	78	76	80	77	74	78
9	Management	74	73	75	70	67	75
10	NRC Image	80	76	83	79	74	82
11	NRC Mission & Strategic Plan	83	82	85	80	80	84
12	Office/Region Management	66	65	68	65	56	67
13	Open, Collaborative Working Environment	71	68	74	72	66	72
14	Performance Management	66	68	66	62	66	64
15	Quality Focus	63	59	66	62	56	63
16	Senior Management	67	68	67	63	62	67
17	Supervision	77	76	79	80	72	74
18	Training	67	67	69	68	62	66
19	Working Relationships	80	78	83	77	75	78
20	Workload and Support	73	70	76	79	63	72

Total Length of NRC Service Comparisons

When employee opinion data are segmented according to length of service groups, there is little difference in scores. This is unusual when compared and contrasted with private sector organizations, where employees with between 5 to 10 years of service often respond unfavorably to the topics addressed in the survey compared to the rest of their organization. The absence of significant variation in category results at the NRC indicates that tenure is not a major factor in how employees respond to the questions in the survey.

Those employees with less than 1 year of service had five categories score significantly higher than NRC overall. These all had double-digit positive differences with Development and Office/Region Management being the highest at 22 points.

Another interesting finding is the lack of statistically significant favorable differences for employees with 20 years of service or more. Generally in Towers Watson's experience, this group tends to be more favorable than other groups of employees due to their length of service with the organization. In the case of the NRC, this population is generally equal to the overall results.

Exhibit 17

Category Breakdown Matrix									
NRC OVERALL (N=2,981)									
By Total Length of NRC/AEC Service									
A. NRC OVERALL (N=2,981) B. LESS THAN 1 YEAR OF SVC (N=48) C. 1 YEAR BUT < 5 YEARS OF SVC (N=737) D. 5 YEARS BUT < 10 YEARS OF SVC (N=914) E. 10 YEARS BUT < 15 YEARS OF SVC (N=379) F. 15 YEARS BUT < 20 YEARS OF SVC (N=153) G. 20 YEARS BUT < 25 YEARS OF SVC (N=320) H. 25 YEARS OR MORE OF SVC (N=414)									
Values displayed are based on Total Favorable									
Colored Cells indicate a statistically significant difference									
#	Category	A	B	C	D	E	F	G	H
1	Clarity of Responsibilities	85	86	85	82	86	86	89	89
2	Communication	75	84	75	73	74	75	76	76
3	Continuous Improvement Commitment	70	75	70	69	69	70	71	72
4	Development	62	84	62	58	61	60	66	66
5	DPO/Non-Concurrence	59	56	56	57	59	62	63	62
6	Elevating Concerns	72	83	73	70	71	70	71	74
7	Empowerment	68	80	69	66	68	68	69	71
8	Engagement	78	83	80	77	79	76	77	75
9	Management	74	93	76	71	74	69	73	77
10	NRC Image	80	92	82	79	79	81	79	79
11	NRC Mission & Strategic Plan	83	93	85	81	84	83	85	85
12	Office/Region Management	66	88	67	62	63	67	68	70
13	Open, Collaborative Working Environment	71	81	71	69	73	71	71	73
14	Performance Management	66	57	67	64	67	69	66	70
15	Quality Focus	63	67	65	60	63	62	66	63
16	Senior Management	67	71	66	64	67	68	70	72
17	Supervision	77	89	77	75	76	74	78	80
18	Training	67	74	68	64	67	66	68	71
19	Working Relationships	80	88	79	78	82	81	81	84
20	Workload and Support	73	83	73	70	72	70	76	76

Resident Inspectors versus Non-Resident Inspectors

When a comparison is done between Resident Inspectors versus Non-Resident Inspectors, the only significant difference is negative in Office/Region Management for Resident Inspectors.

Exhibit 18

Category Breakdown Matrix				
NRC OVERALL (N=2,981)				
By Resident Inspector				
		A. NRC OVERALL (N=2,981)	C. RESIDENT INSPECTOR - NO (N=2,850)	
		B. RESIDENT INSPECTOR - YES (N=123)		
		Values displayed are based on Total Favorable		Colored Cells indicate a statistically significant difference
#	Category	A	B	C
1	Clarity of Responsibilities	85	91	85
2	Communication	75	69	75
3	Continuous Improvement Commitment	70	64	70
4	Development	62	55	62
5	DPO/Non-Concurrence	59	60	59
6	Elevating Concerns	72	71	72
7	Empowerment	68	65	68
8	Engagement	78	80	78
9	Management	74	67	74
10	NRC Image	80	81	80
11	NRC Mission & Strategic Plan	83	83	84
12	Office/Region Management	66	57	66
13	Open, Collaborative Working Environment	71	69	71
14	Performance Management	66	59	66
15	Quality Focus	63	65	63
16	Senior Management	67	61	67
17	Supervision	77	80	77
18	Training	67	66	67
19	Working Relationships	80	84	80
20	Workload and Support	73	75	73

EXHIBIT 18 FOOTNOTE: Senior Resident Inspectors are included in the Resident Inspector group.

Key Driver Analysis

A key driver analysis (multiple regression) enables the identification of those critical areas that drive employee engagement. Using multiple regression, a statistical technique which is used to understand and predict the changes in one variable by understanding the relationship between variables, the analysis looked at factors that had a predictive relationship with engagement. Meaning, if scores in these factors that influence engagement change, that, in turn, would influence engagement scores to also change. In order to determine the critical factors that influence employee engagement, the Engagement category is designed to empirically measure employee engagement. It was utilized as the dependent variable in the key driver analysis, while all other questions contained in the survey serve as the independent variables (potential influencers on engagement) and are regressed on the Engagement Index.

“Total Favorable” in the results charts that follow is the combination of the “Agree”/“Tend to Agree” responses. The Question Mark response column is comprised of employees who do not know or do not have an opinion to the question. “Total Unfavorable” are employees that responded with a “Tend to Disagree” or “Disagree” response to the question.

The Engagement category is comprised of responses to the 10 questions that follow in Exhibits 19-23:

Exhibit 19

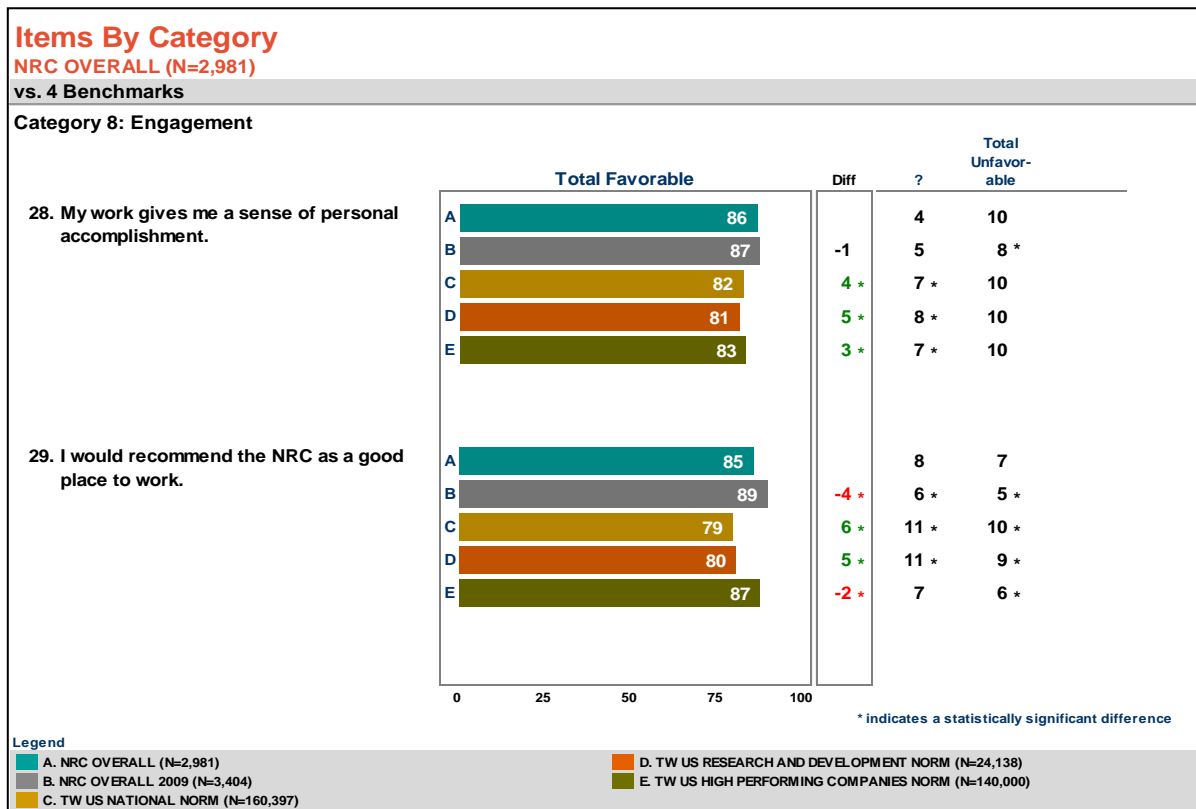


Exhibit 20

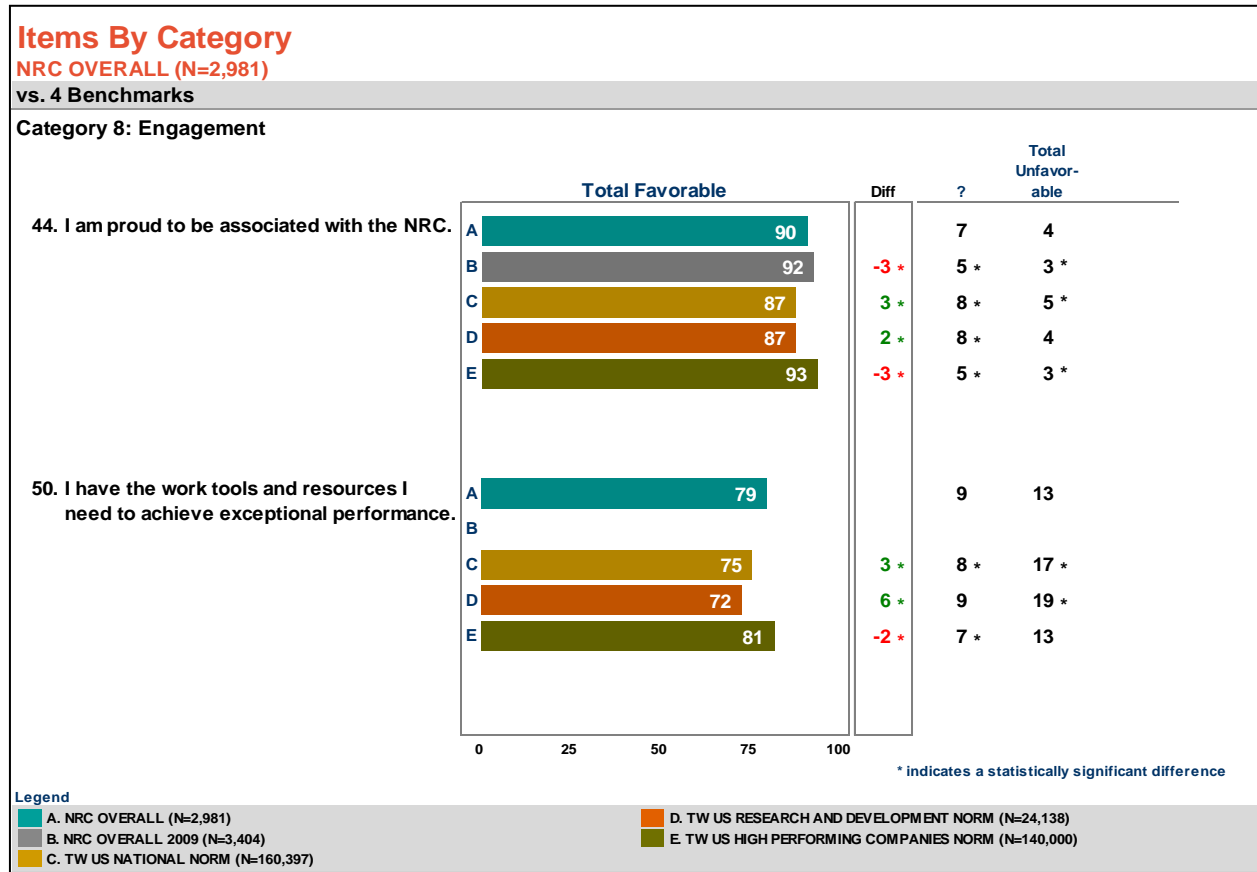


Exhibit 21

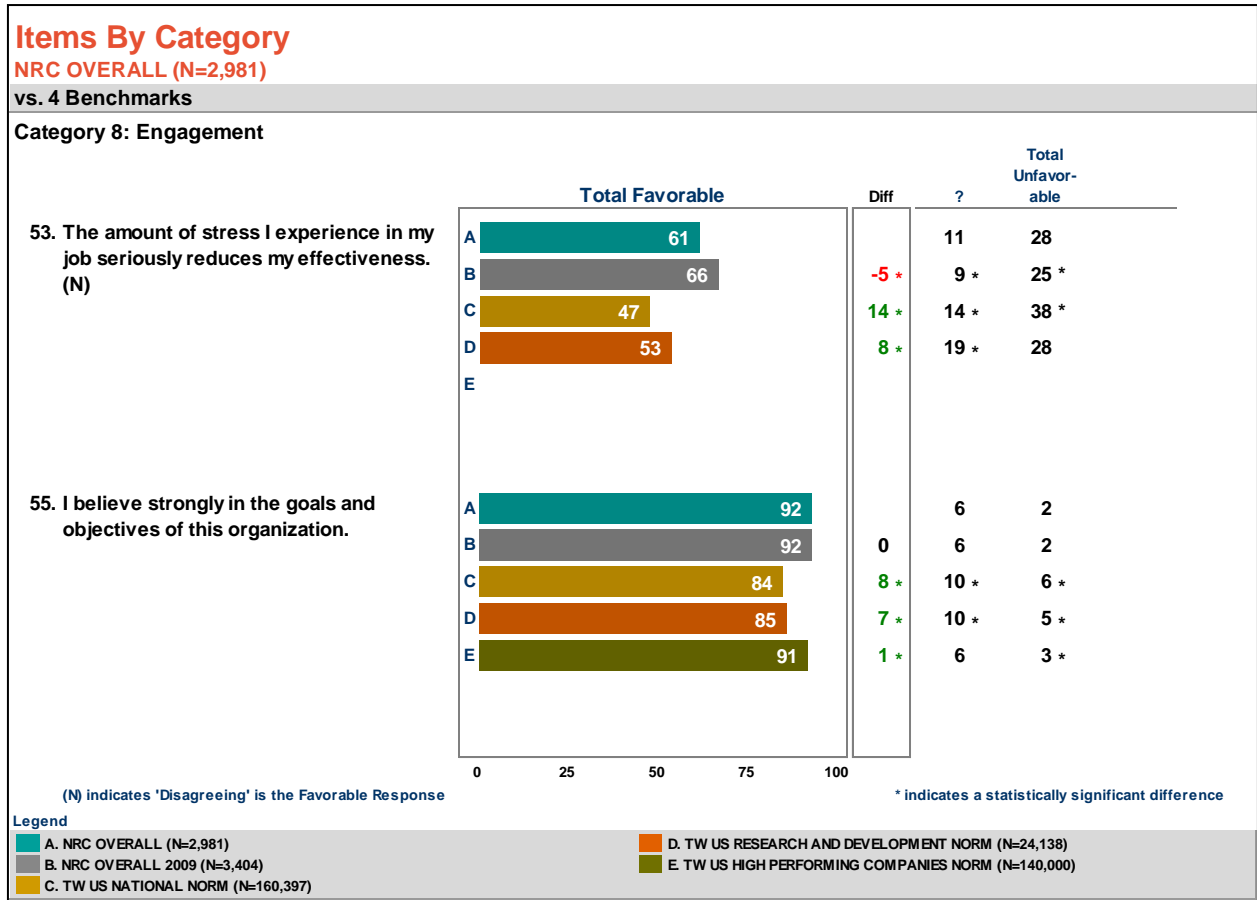


Exhibit 22

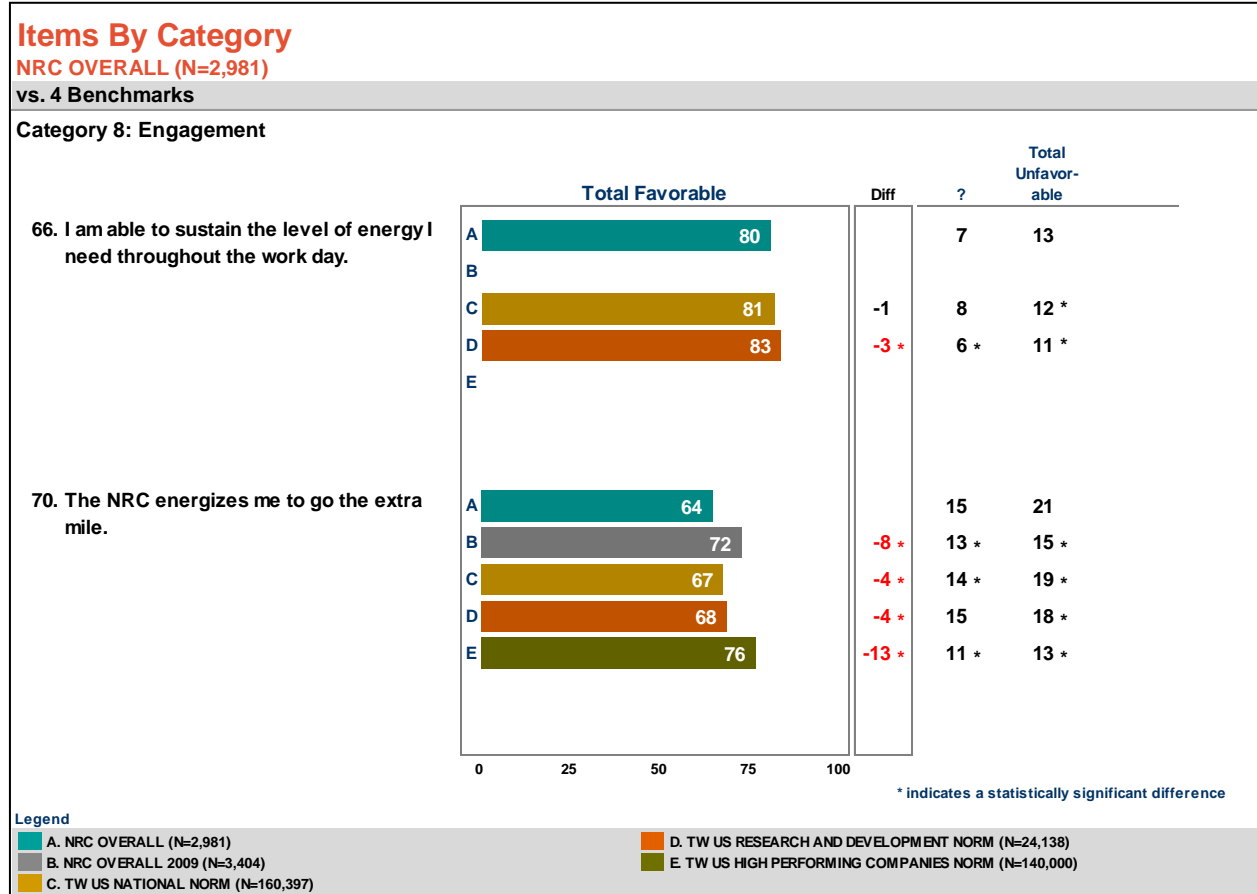
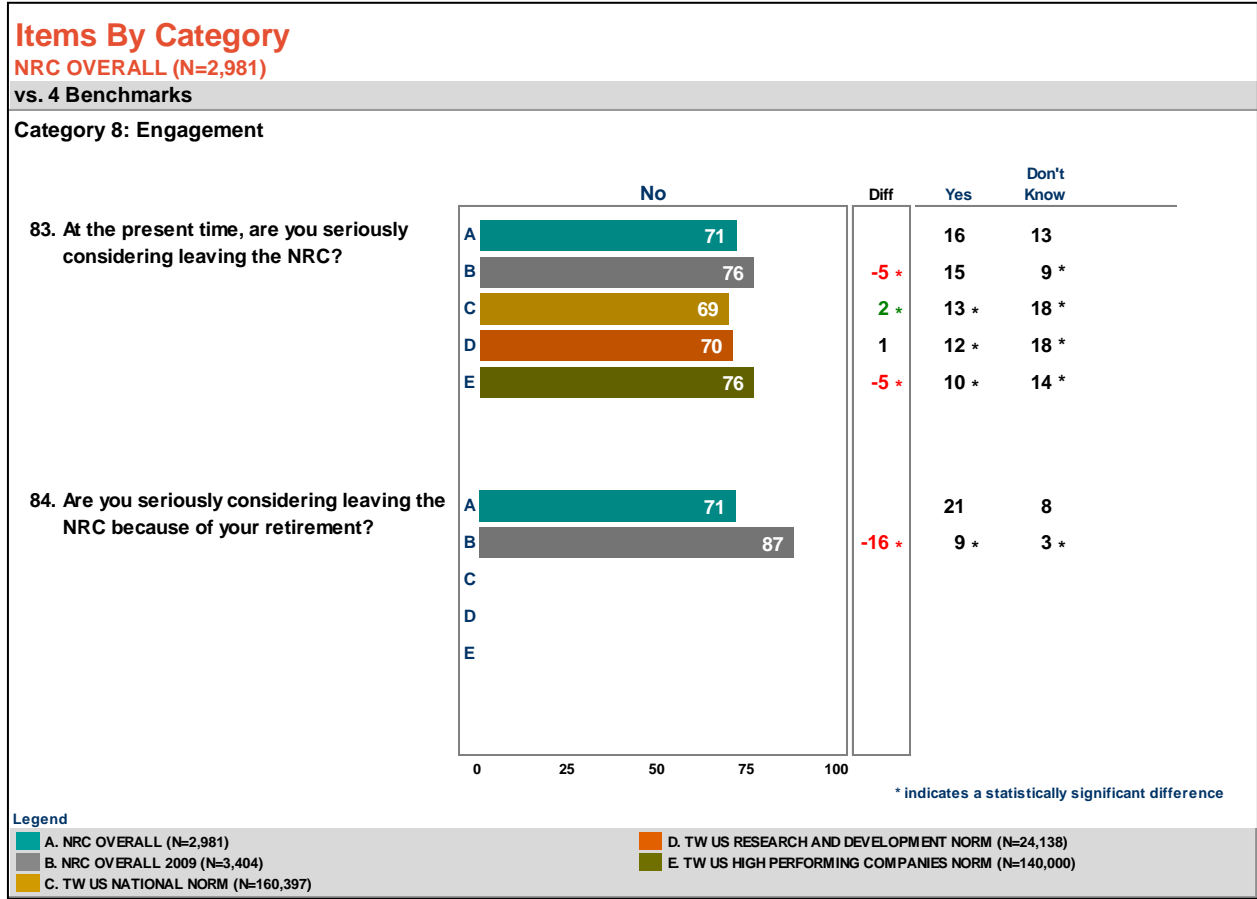


Exhibit 23

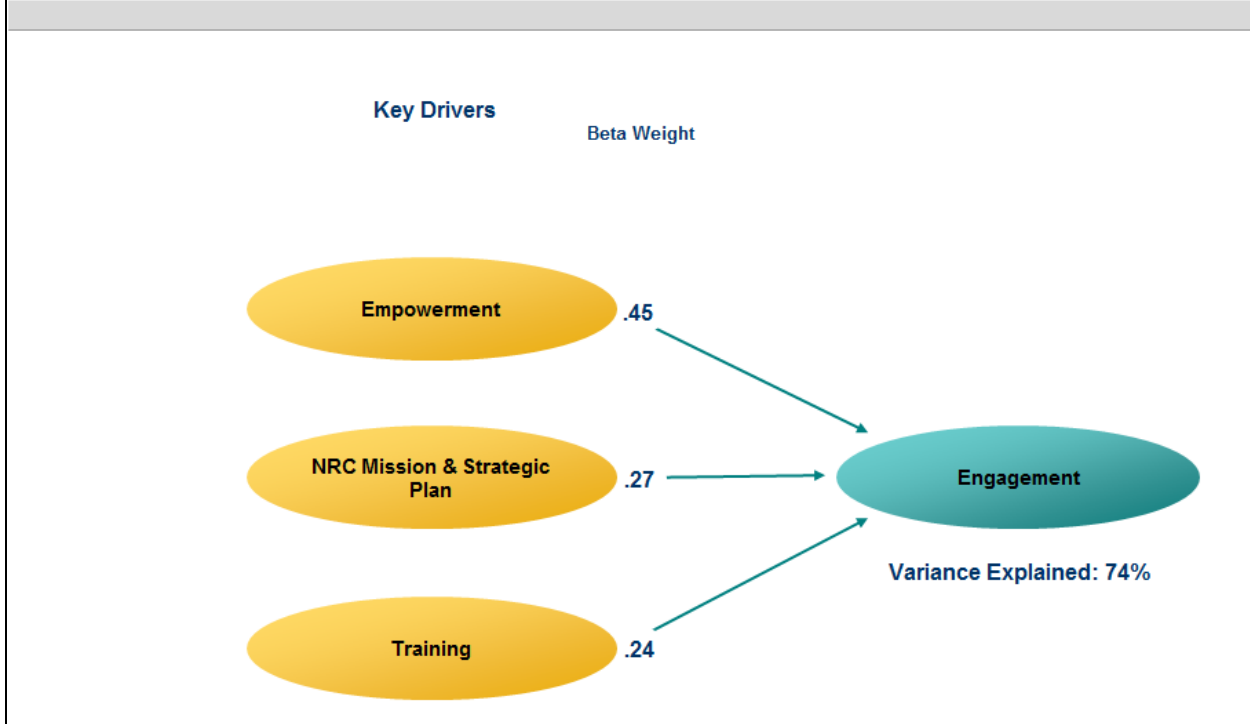


The results of the Key Driver Analysis are shown on the following pages.

Exhibit 24

Key Drivers of Engagement - in NRC OVERALL

NRC OVERALL (N=2,981)



The Total Variance Explained for this model is 74%, which is considered highly predictive of the dependent variable Engagement. This indicates that 74% of all of the variation in responses to Engagement can be accounted for by the responses to these three categories. The .45, .27, and .24 for the key driver categories are regression coefficients, which indicate the relative strength of each category in driving engagement. The categories have been listed in the chart above in order of how strongly they predict engagement of NRC employees.

In interpreting this model, we can assume that individuals responding favorably to Engagement Index items also responded favorably to the items determined to most influence Engagement. Conversely, individuals responding unfavorably to Engagement Index items also tended to respond unfavorably to the items determined to most influence employee engagement. It is apparent that employee engagement at the NRC is highly affected by attitudes toward Empowerment, NRC Mission & Strategic Plan, and Training.

We continued the analysis to identify the actual questions driving engagement. Six items emerged from the analysis:

- I have sufficient authority to do my job well.

- This Agency has established a climate where the truth can be taken up the chain of command without fear of reprisal.
- I am sufficiently informed about NRC's: Performance of its mission.
- Regarding the NRC's mission, I believe: Management decisions are consistent with the mission.
- I believe I have the opportunity for personal development and growth in this organization.
- I have sufficient knowledge of safety concepts to apply them in my job.

Key driver analysis serves as an important tool in prioritizing issues for post-survey follow-up activities.

The exhibits below show the results of the key driver analysis for Employee Engagement, comparing NRC scores to the NRC 2009 results, U.S. Research & Development and the U.S. High Performing Companies Norms.

Exhibit 25

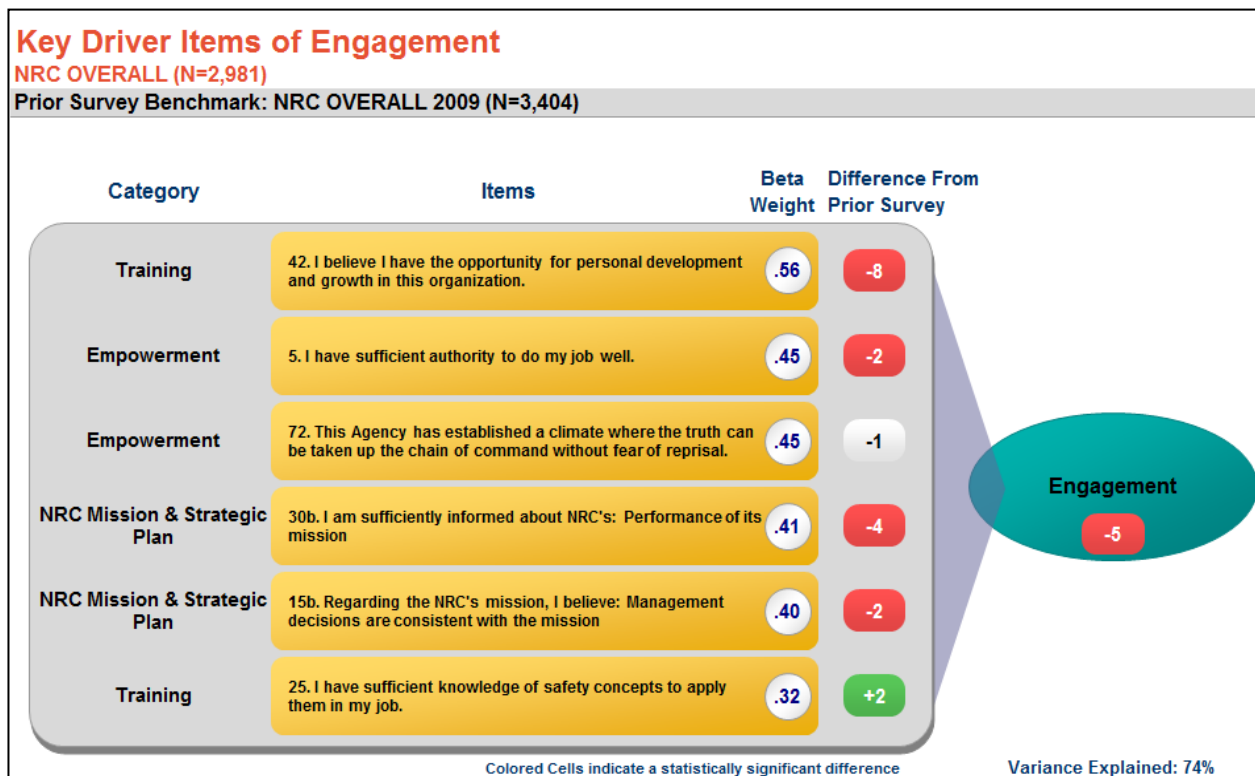


Exhibit 26

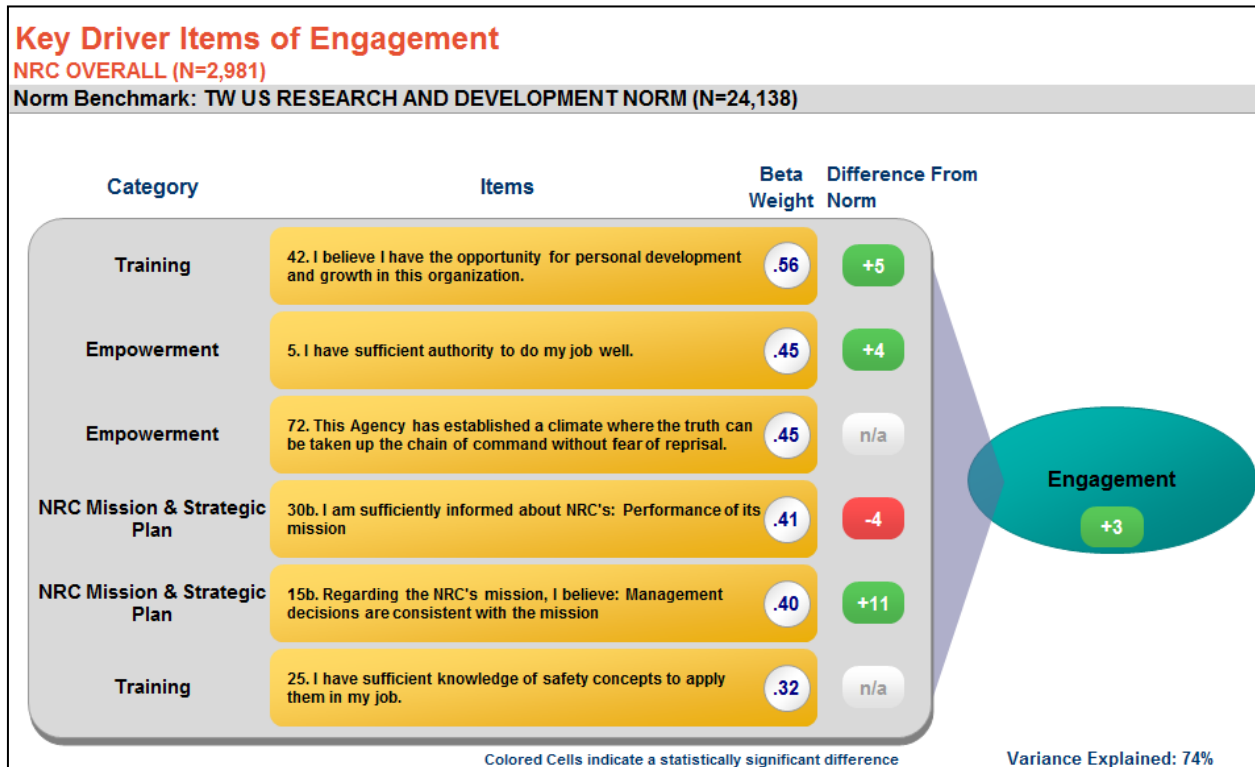
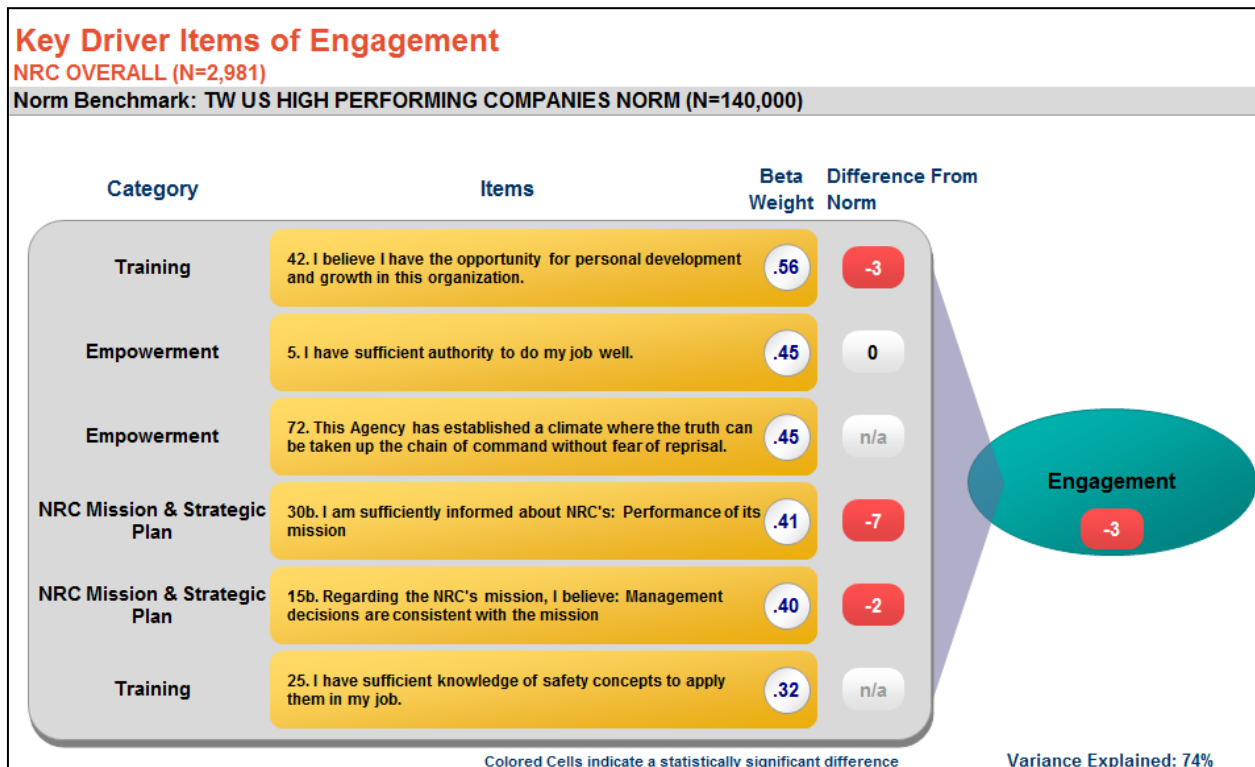


Exhibit 27



As can be seen above in Exhibits 25, 26 and 27, question 30b is significantly below the three benchmarks. Additionally, the first question from Training, question 42, is significantly above the R&D norm, yet below the 2009 score and the High Performing Companies benchmark. The questions with an “n/a” score were developed specifically for the NRC, and therefore do not have norm comparisons.

In the NRC Mission & Strategic Plan category both questions were significantly below the U.S. High Performing Companies Norm. However, the second question ("Regarding the NRC's mission, I believe: Management decisions are consistent with the mission") had significantly more favorable scores for the U.S. R&D comparison: 11 points above.

The importance of employee engagement cannot be underestimated. Engaged employees have higher allegiance to an organization, are willing to expend extra effort, recommend the agency to others as a great place to work and are committed to staying with the organization.

Conclusion

While the 2012 NRC data continues to be more favorable than industry and national norms, the overall results are less favorable relative to the 2009 survey.

OVERALL STRENGTHS TO MAINTAIN

Despite concerns raised by some in the focus groups, the survey highlights strength in having appropriate staff. Consistent with the focus groups, improvements have been made in specific communication vehicles.

- **Workload and Support** – Sufficient staff to handle the workload and information needed to do my job.
- **Training** – Many feel training prepared them for their work and they have sufficient knowledge of safety concepts.
 - While still strong relative to benchmarks, NRC is losing ground on the broader career development issues (see Development on next page).
- **Communication** – Most understand how goals/objectives of their work fit into NRC's future, and understand objectives of NRC overall. The survey highlights improvements in ADAMS and EDO updates.
 - Despite the strength in communication overall, the survey reinforces a key point raised in the focus groups: the need to improve communication of why decisions were made.

OVERALL OPPORTUNITIES FOR IMPROVEMENT

The biggest opportunities reinforce many of the concerns raised in focus groups, especially relative to image, development and non-concurrence.

- **DPO/Non-Concurrence** – Losing significant ground on negative reactions when raising views different from senior management, supervisor and peers.
- **Management** – While the absolute percent favorable scores are not low, NRC is well below the external benchmarks on recognizing and respecting value of human differences.
- **Development** – Significant declines in recruiting/retaining the right people and developing people to their full potential (see training question on opportunity for development and growth).
- **Performance Management** – Low and losing ground for effectiveness of performance reviews.

- **Image** – One of the largest drops in percent favorable relates to holding everyone to the same ethical standard. NRC has been aligned to the benchmarks in the past but is now below all three external benchmarks.
- **Senior Management** – Less than half of respondents feel action has been taken in response to the last survey – as many are neutral, which provides a good opportunity for improvement.
- **Quality focus** – Reinforcing a key point raised in the focus groups, there is a clear opportunity to impact the perception that people sacrifice quality in order to meet metrics.

BENCHMARK COMPARISONS

- 2009 NRC survey: Results have statistically decreased in 8 categories and remained the same in 11 categories.
 - The greatest declines are in Development, Performance Management, Management, NRC Image and Engagement (all -5* points below 2009). (Asterisks denote a statistical significant difference).
- U.S. National Norm: The NRC is statistically more favorable in 12 categories, equal to norm in 3 and lower than norm in the Management Category.
- U.S. Research & Development Norm: Similar to the U.S. National Norm, many categories (12) are more favorable than the norm. Workload and Support is 15* points above the norm with Training at 9* points and Communication at 7* points.
- U.S. High Performing Companies Norm: This high standard highlights some of the opportunities for the NRC. Nine categories are statistically below norm, with Management at -12* points.

GROUP DIFFERENCES

While the results overall are relatively consistent, there are clear differences across key groups:

- Headquarters had very favorable scores compared to the NRC Overall. However, OCFO, OIS, ADM, and Region IV scores tended to be less favorable than the overall results.
- Engineers had the highest scores by job function. Security was least favorable, with 4 categories statistically below NRC Overall.
- As expected, Senior Management and Middle Management had the most favorable results.
- GG-1 to GG-10, GG-15 and SES/SLS/Executive Level had many categories results more favorable than the NRC Overall. GG 14 was the least favorable.
- Employees with less than 1 year of service had the most favorable results on a years-of-service basis.