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UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

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BRIEFING ON HUMAN CAPITAL AND EEO

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TUESDAY,

JUNE 28, 2016

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ROCKVILLE, MARYLAND

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The Commission met in the Commissioners= Hearing Room at the Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, at 9:35 a.m., Stephen G. Burns, Chairman, presiding.

COMMISSION MEMBERS:

STEPHEN G. BURNS, Chairman

KRISTINE L. SVINICKI, Commissioner

WILLIAM C. OSTENDORFF, Commissioner

JEFF BARAN, Commissioner

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2 ALSO PRESENT:

3 ANNETTE VIETTI-COOK, Secretary of the Commission

4 MARGARET DOANE, General Counsel

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6 NRC STAFF:

7 VICTOR M. MCCREE, Executive Director for Operations

8 MIRIAM COHEN, Chief Human Capital Officer

9 STEVE COCHRUM, Deputy Associate Director, Human

10 Resources Training and Development, OCHCO

11 MELODY FOPMA, Associate Director, Civil Rights and

12 Diversity Office of Small Business and Civil

13 Rights

14 MICHAEL GARTMAN, Deputy Associate Director, Human

15 Resources and Policy, OCHCO

16 PATRICE REID, Senior Organizational Development

17 Specialist, Professional Development Branch,

18 Human Resources Training and Development, OCHCO

19 MARIA E. SCHWARTZ, Chapter Executive Vice-President,

20 National Treasury Employees Union

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P R O C E E D I N G S

9:35 a.m.

CHAIRMAN BURNS: We'll come to order. I want to welcome the panel of briefers today and NRC staff members, members of the public in the room or listening remotely. The purpose of today's meeting is to provide the Commission opportunity to hear about human capital activities, and an update on equal employment opportunity.

We'll begin with presentations from the staff. Following that, we'll hear from Maria Schwartz, Chapter Executive Vice President and Chief Steward of the National Treasury Employees Union for remarks. I look forward to today's presentation and the ensuing discussions with members of the Commission about these -- about these programs. Any of my colleagues need to say anything? Yes.

COMMISSIONER BARAN: Well, I don't think we can let this pass without noting that this is Commissioner Ostendorff's last public meeting, which fills me with a deep longing for denial. But you know, we can save these remarks for your farewell later. But you'll be missed very much.

COMMISSIONER OSTENDORFF: Thank you.

(Applause.)

COMMISSIONER SVINICKI: I'll have things to say later. It may be more appropriately stated there.

CHAIRMAN BURNS: Well, we will miss him. Vic?

MR. McCREE: Good morning Mr. Chairman, Commissioners,

1 and yes we will all have things to say later. [Laughter] It is a pleasure for us to brief
2 you this morning on our Human Capital Programs and Equal Employment
3 Opportunity. The agency is faced with challenging times, but we have a firm
4 foundation in our ongoing mission to protect the public health and safety and the
5 environment.

6 But it's through the skill and expertise of each and every employee
7 here at NRC that enables us to meet our mission. Many of the actions that we've
8 taken and that you'll hear about today continue to put us in a good position as we
9 move into the future. These include managing external hiring, aligning people and
10 their skills to our jobs and accelerating attrition through early out buyouts.

11 These efforts amplify the importance of our Human Capital
12 Programs, and how they play in our agency success, and why it's critical that we
13 continue to invest in people through these programs. At this morning's meeting,
14 you'll hear about some of the most important human capital and leadership topics
15 that this agency will continue to focus on.

16 In addition, you'll get an update on the status of our Civil Rights
17 Program, as well as our diversity and inclusion efforts. During these times of
18 change, we also need to ensure that we do not lose sight of the great progress
19 that the agency's made over the years in enhancing our diversity and opportunities
20 for all NRC employees and that we continue to invest in these areas.

21 So with that, I'm happy to turn it over to Miriam Cohen, our Chief
22 Human Capital Officer.

23 MS. COHEN: Good morning Chairman, Commissioners and

1 NRC employees, and I too want to acknowledge Commissioner Ostendorff for his
2 support to our office over the years and to me personally. We're definitely going
3 to miss you and I'll definitely miss our conversations and chit-chats about the
4 Steelers and the Cowboys. (Laughter.)

5 As we've briefed you over the years, one thing that remains
6 constant is that we continue to be in a period of change as we move into the future.
7 We know that that pace of change will only continue to increase. Our challenge
8 is to embrace these changes and the possibility they present.

9 In looking at the NRC workforce, we continue to be in a period of
10 contraction. We expect to begin fiscal year '17 with approximately 3,348
11 employees on board. This represents a reduction of 17 percent from the high of
12 4,800 employees in 2010.

13 We were able to reach these numbers as a result of our efforts
14 this fiscal year to increase voluntary attrition through an early out buyout program,
15 where 86 employees will be departing before the end of the fiscal year.

16 As these employees depart, it is critical that we capture the
17 knowledge and expertise of these employees, so that we can prepare remaining
18 staff to take on these new responsibilities. Given this starting point in fiscal year
19 '17, we expect that the agency will need to conduct limited hiring in '17, to ensure
20 we have a sufficient and skilled bench trend for key positions such as resident
21 inspectors.

22 During these times, we must also focus on maintaining high levels
23 of employee engagement. The NRC has always been considered a high-

1 performing organization, and a large reason for these high level of engagements
2 is because employees feel a strong connection to our mission of protecting people
3 and the environment.

4 For us to continue to meet our mission needs, our Human Capital
5 Programs must continue to evolve in recognition of where the agency is going in
6 the future. The presentations that follow will highlight the initiatives that support
7 this forward focus.

8 First, you'll hear from Michael Gartman on Strategic Workforce
9 Planning and where we are in this process in our next steps. Next, you will hear
10 from Steve Cochrum, Director of our Technical Training Center who will discuss
11 new developments in our learning programs and how we are developing our
12 workforce.

13 Dr. Patrice Reid will discuss the NRC's organizational culture with
14 a focus on resiliency, and finally Melody Fopma will provide an update on the
15 agency's Civil Rights Program and on diversity inclusion efforts. With that, I turn
16 the presentation over to Michael Gartman.

17 MR. GARTMAN: Thank you, Miriam. Good morning,
18 Chairman, Commissioners. Thank you for the opportunity to present our plans for
19 implementing Strategic Workforce Planning. Strategic Workforce Planning is a
20 core function of human resource management, and incorporates the systematic
21 identification and analysis of what an organization will need in terms of size, type
22 of position and expertise.

23 In June of last year, we had the opportunity to present our vision

1 for Strategic Workforce Planning. Today, we wanted to bring you up to date on
2 actions taken and present the longer term actions in which we are currently
3 engaged, or actions that we are planning.

4 Next slide, please. The seven step model that we presented is
5 an iterative and continuous process. Through this process, the Nuclear
6 Regulatory Commission is continuously aligning the needs and priorities of the
7 organization with those of its workforce to ensure it can meet its legislative,
8 regulatory and organizational objectives.

9 The process begins with strategic planning, because it is
10 important that we have a vision for what work the NRC will be doing, and how the
11 NRC will be structured. From this, the image of our future desired workforce takes
12 shape.

13 The further out you project workforce needs, the more proactive
14 your organization can be. Strategic Workforce Planning is not a tool, nor is it an
15 exact science. Rather, it is a continual process in which strong organizations like
16 the NRC should always be engaged.

17 Through Workforce Planning, you are always analyzing your
18 current workforce while asking questions about the skills and workforce strength
19 you will need in the future.

20 Next slide. So workforce planning requires that we continually be
21 able to ask that we identify our future work, the workload associated with this work,
22 the skills needed to perform the work, how many people are needed to perform the
23 work and the level of expertise needed.

1 Workforce planning must always take into account and be
2 responsive to external events and help forecast how external events will shape the
3 organization in the future. For the NRC, this includes fewer nuclear reactors being
4 licensed, a shift to decommissioned reactors and a budgetary environment that will
5 continue to place downward pressure on our staffing.

6 There are several impacts falling from this external environment.
7 First and foremost, we will be for the foreseeable future a smaller agency. While
8 we will reach a steady state, currently we will continue to see reductions in
9 corporate support, overages in staff and potential office mergers.

10 Next slide. The strategic workforce plan delivered in February of
11 2016 relied heavily on assumptions derived from Project AIM, and extensive
12 discussions with senior management to determine where the agency would be in
13 the future. We have completed a number of actions in the short term to enhance
14 our ability to manage talent, to improve our efficiency and agility.

15 Specifically, we analyze the current workforce to help determine
16 where overages existed and where skill gaps existed or could exist as we forecast
17 the agency's work going forward. Through this process, we recognized the
18 importance of common definitions for overages, vacancies and skill gaps.

19 As OCHCO began to analyze the NRC's current workforce, we
20 looked at demographic information, attrition rate, office staffing plans, and this led
21 us to realize that we did not have consistent, standardized definitions for these
22 terms.

23 This complicated our early efforts to determine future workforce

1 needs and to determine where critical skill gaps exist. Common definitions for
2 these terms have been developed and adopted by the Human Capital Council.
3 These definitions will be used by the offices in completing their staffing plans and
4 will lead to a more accurate picture going forward.

5 Given the external environment, the agency moved quickly to
6 curtail external hiring this fiscal year, by focusing on critical skill areas including
7 cybersecurity.

8 We also created the Strategic Workforce Oversight and Utilization
9 Panel or SWOUP. The SWOUP, which is comprised of deputy office directors
10 and the deputy regional administrator, was created to provide an agency-wide
11 perspective in workforce management, particularly with regard to external hiring.
12 That group's advice and counsel to OCHCO has been invaluable.

13 Through the SWOUP and through greater communication
14 between the offices, we have made strides in the movement of staff from overage
15 positions to access to areas where budget work either currently exists or will exist
16 in the future. We believe that the agency possesses the critical skills needed for
17 the majority of our current work. This will be confirmed when we review the office
18 staffing plans.

19 Last week, we asked the offices to provide a current staffing plan
20 and a future state workforce profile. For the first time in completing the staffing
21 plan, offices will use an automated and standardized tool that has been
22 incorporated into the Budget Formulation System or BFS. Utilizing the common
23 definitions previously discussed, offices will be able to annotate funded and

1 unfunded positions.

2 The future state workforce profile that I mentioned earlier, is also
3 being completed by the offices and is designed to provide a forward-looking
4 insight. Periodically, OCHCO has polled the senior management about the future
5 state, where and what the NRC will be doing over the next three to five years.

6 We believe that the staffing plan and the workforce profile will
7 allow us to proactively identify and mitigate potential critical skill gaps before they
8 happen.

9 In summary, the knowledge gained from staffing plan, the results
10 of the early out buyout and rebaselining will be used to refine our forecast and use
11 workforce planning to help us get to the future desired workforce.

12 Next slide, please. Long term, as we become more sophisticated
13 in workforce planning, the agency will need to focus on long term strategies. For
14 example, the organization whether it be NRR or OCHCO, will have to analyze its
15 workforce, determine its future workforce needs, determine any potential skill gaps
16 and develop an action plan to address those needs.

17 How does the organization now get to that desired end state?
18 One of the approaches will be the use of position management, strategies and
19 tools to reshape the workforce. Specifically, we will work with the offices to focus
20 on organization structure, including size and grade structure, as well as
21 appropriate staff to supervisor ratios that align with overall agency goals.

22 We have taken appropriate steps to begin the process of
23 reshaping our workforce. Specifically, we have implemented two voluntary early

1 out buyouts. We have limited external hiring and we have begun to reduce the
2 number of staff occupying overage positions. Despite the success of these
3 initiatives, we do not know what our future workload or Congressional budgets will
4 look like.

5 Accordingly, we would be remiss if we did not position NRC to be
6 a leaner, more agile organization. As we move forward, moderation will be the
7 key and the strategic workforce planning process will help us find the right balance.

8 For example, while we must curtail external hiring, we must
9 recognize when to open the pipeline to fill critical positions like the resident
10 inspector. Also, as we curtail external hiring, we cannot forget to focus on
11 retaining the talent and diversity of NRC's workforce that has been so critical to our
12 success to date.

13 We can do this by continuing work with our stakeholders on key
14 initiatives like diversity management inclusion. Our ability to find the right balance
15 will depend in large part on our ability now to be proactive. To be proactive,
16 strategic workforce planning must be adopted into our culture.

17 Ingrained into our culture now is the concept of continuous
18 improvement. Workforce planning is no different. With each iteration, staff will
19 become better at reducing overage positions and redeploying staff to budgeted
20 work. We will also become better at analyzing future work demands, spotting
21 critical skill gaps and developing mitigating strategies to meet that demand.

22 In fact, Steve Cochrum will provide insight into one such effort
23 currently being implemented. Finally, we must maintain focus on employee

1 development. By focusing on where the work is or will be in the future, we can
2 help shape our workforce to meet those needs.

3 We have to ensure that our first line supervisors are having
4 appropriate discussions with our staff on career interests and advancement
5 opportunities consistent with previously agreed-upon developmental assignments
6 captured in their Individual Development Plans or IDPs. We have to help the staff
7 understand that advancement is still available, but we have to preach agility and
8 prepare our workforce to take on new and different challenges.

9 I am confident that the NRC will be able to continue to meet these
10 and other challenges. Thank you for the opportunity to brief you on the status of
11 workforce planning. I will now turn it over to Steve Cochrum, who will be
12 discussing our efforts in developing the workforce.

13 MR. COCHRUM: Thank you, Michael. Good morning
14 Chairman and Commissioners. Today, I'm going to talk to you about our plans to
15 develop the workforce by transforming the learning environment.

16 First, let's talk about where we are currently. For many years, we
17 have built and maintained a robust training and qualification program that has a
18 proven track record for producing highly qualified inspectors and regulators.

19 Our current state for qualification training includes a two-year
20 program where new employees are taught indepth technical knowledge, mostly in
21 the classrooms, with some guided self-study. Then they complete on the job
22 training with qualified senior personnel, who show them how things are done in the
23 field.

1 Finally, in most positions an oral board must be passed before an
2 employee is considered fully qualified. Next, we send them into the field, where
3 according to our 2014 inspector training needs assessment feedback, they spend
4 approximately three to five years gaining experience on the job, getting to the point
5 where they actually feel confident in their ability to do their job effectively.

6 This process has served us well in the past, but things have
7 changed. Based on current budget restraints, we can no longer afford months of
8 classroom training. We can't always hire new experts from outside when
9 someone leaves. Also with the pace of change, by the time someone who is
10 ready and able to do the job, that job may have changed or we no longer need it.

11 As technology has advanced, we no longer learn the ways we
12 used to, and we have different development expectations. People today want
13 more diversity when it comes to their choice of how they get trained. To address
14 these changes, we need to apply a new way of thinking about what makes people
15 capable of performing on the job.

16 Next slide. The first major shift of mind set needs to be from
17 learning to performance. Simply by focusing on what people do in less than what
18 we think they need, the time it takes to become capable will shorten. Training is
19 only one way of gaining knowledge, and most knowledge is short-lived. So it
20 would be better to make it available at the moment of need rather than a two-year
21 qualification period.

22 The real solution to employee flexibility and fungibility is focusing
23 on performance. We believe the Competency Modeling Project is the first step in

1 that process. Competency models focus on what people need to do in their job,
2 which are tied to the behaviors they'll exhibit if they're performing well.

3 Next, shifting the role of OCHCO Training and Development
4 Division from acting on request for training services to becoming more of a
5 performance consultant. Training is not the solution of every performance
6 challenge. Most often, people who are having difficulties it's not because they
7 don't know what to do.

8 There are usually multiple factors getting in the way of great
9 performance such as environment, motivation, mentoring, coaching, not just the
10 knowledges and skills. Training alone will never solve these types of problems.
11 Once each position is modeled and we know what people in that role need to be
12 able to do, we can then analyze the existing training and qualification programs, to
13 make adjustments that produce results.

14 Our path starts with mapping competencies in the models that are
15 essentially a behavioral, knowledge, skill and ability road map for defining what
16 success looks like across all the roles and functions in the agency. If executed
17 well, competency models provide a common language for selecting, developing,
18 managing employees performance.

19 It also provides a connection between learning and agency
20 strategy, to help them better understand their roles in driving agency success. By
21 mapping these agency positions and building competency models, we can move
22 toward a performance-focused approach to our training programs which provide
23 effective and efficient training needed to only close those skill gaps identified.

1 This will result in reduced time to competency and increased
2 engagement for new and existing employees. Additionally, by redesigning
3 development programs that address performance, we'll focus on those activities
4 that are essential to producing results on the job.

5 The important knowledge resources there needed to be provided
6 will be provided by performance support tools in a way that they can be easily
7 accessed in the moment that they're needed. Future development activities will
8 include task-based mentoring, where actual on the job skills can be practiced and
9 support of an expert where learning leads to experimental learning, which has
10 shown to stick much better than observation or memorization.

11 This is not a quick, overnight process, but now that we know kind
12 of where we are, we can focus on the path forward. Next, I'll discuss the actions
13 as we start down this path, mapping agency positions with our Competency
14 Modeling Project. I'll also update you on some of our new learning activities with
15 our learning transformation project.

16 Next slide. But first I want to show you short video on how a
17 competency model combined with a software tool can be used to move employees
18 from one job to another. In this example, one of my instructors, who's qualified
19 as a resident inspector, assessed himself against the competency model we
20 developed with subject matter experts for the health physics, decommissioning
21 and inspector role.

22 [VIDEO PLAYED.]

23 MR. COCHRUM: On the slide, you'll see a graphic that outlines

1 what the video demonstrated. Once the employee selects the role, the system
2 populates the competency for that role and assigns the tasks and skills to meet
3 those competencies, along with providing the specific behavioral knowledges for
4 those tasks and skills.

5 Also as the video shows, once employees identify their gaps from
6 the competency models, the Individual Development Plan can be produced to
7 personalize learning activities.

8 Next slide. From all these, the video that was developed as part
9 of our pilot project, we've completed a couple of pilot activities to help us identify a
10 method for modeling, gain some experience and develop our internal capacity for
11 developing competency models going forward.

12 The software you saw in the video has been available to the
13 employees in the pilot to assess their gaps for about two weeks. The goals of the
14 pilot are to develop a modeling process and to build a project plan, to first model
15 each of the mission-critical positions and then evaluate other agency positions as
16 needed.

17 For some roles, especially those that are fairly standard, we can
18 purchase existing models and modify them to meet NRC needs. We piloted this
19 in the areas of cybersecurity and cloud computing in partnership with OCIO.

20 For technical positions, we need to develop the models from
21 scratch, as we did in the pilot for the risk and reliability analyst that you saw in the
22 video in the health physics decommissioning inspector positions. We did this in
23 partnership with several of the program offices.

1 There are a few key findings from the pilots. One thing we know
2 this was the majority of the task, that the selected subject matter experts identified
3 are based on soft skills like communication, writing, giving presentations. While
4 each group identified four or five specific technical tasks in their role, the technical
5 task, what separated good from great, was excellence in the soft skills.

6 Additionally, we found a good deal of overlap between the
7 positions. This is also based on similar results from the 2014 resident inspector
8 needs assessment.

9 This should allow us to gain efficiencies in future development, as
10 many of the competencies will be the same. As a former senior resident, I couldn't
11 help but notice that many of the tasks identified in the HP inspector's role were
12 similar of the ones that I used in my inspection role.

13 As the video stated, once employees have identified their gaps
14 from the competency models and start using the individual development plans, we
15 will need to provide them with effective and efficient training to close those gaps.
16 On the next slide, I'll discuss the ongoing learning transformation efforts to provide
17 that training.

18 Next slide. As part of last year's Commission briefing, we
19 discussed the learning transformation initiative. Since then, we have completed
20 several projects and are currently working on developing alternative learning
21 solutions for several ongoing projects.

22 Moving to the completed projects, for example, is drug testing
23 refresher for supervisors, which is an example of reducing training time while

1 continuing to provide effective training. Each year, several regional and TTC
2 supervisors need to travel to Headquarters to take the six to eight hour course.

3 After conducting a training needs review, it was determined that a
4 20 minute web-based, scenario-driven course would meet the refresher
5 requirements.

6 But more importantly, several online performance support tools
7 were identified and developed as part of the review. This will provide the needed
8 knowledge at the time of need, without hoping you can remember from three or
9 four years ago.

10 When a course is still the best development activity using blended
11 methods in combination with a self-paced online instructor-led, can greatly reduce
12 the need for travel and allow students to participate from their home or office. An
13 example of this type of approach is the H-122, H-123 Fundamental and
14 Intermediate Health Physics courses.

15 These were mentioned through the Commission in a meeting with
16 the associate and Agreement States a couple of months ago. Travel
17 requirements for these courses have been cut from three weeks to five days, and
18 the feedback from the Agreement States have been very positive to date.
19 Performance on the exams have remained in line with previous in-person offerings.

20 Another opportunity is coming up next month, which will be
21 teaching a reactor technology series as a distance learning offering. Due to fiscal
22 year '16 travel funding constraints, we partnered with several program offices to
23 conduct a pilot live via the web.

1 Currently, several students will be attending from Headquarters or
2 at home, based on a web-based technology solution. This will reduce the
3 traditional seven weeks of travel down to just two weeks for the hands-on simulator
4 portion of the training.

5 One other project I'd like to mention is the redesign of the power
6 plant engineering course, which is currently a two-week classroom course that
7 covers basic components in nuclear power plants. We are redesigning it to be
8 completed as a self-paced online study. Each section of the course will be built
9 as a stand-alone module, so if the course is needed for qualification, you can
10 complete all of them.

11 However, if you need just to review a few components for a
12 knowledge management activity, you can just review that activity in support of the
13 moment of need. You will also be able to access this concept for just the
14 components of interest.

15 As resources allow, we have over 15 additional courses targeted
16 for review such as the General Electric and Westinghouse Reactor Systems
17 Overview courses, and the differences courses for the New and Advanced Reactor
18 Designs. As we build competency models, we'll continue to evaluate classroom
19 training with learning transformation, and move to blended solutions if possible.

20 As we develop future training needs based on competency
21 models, we'll focus those learning transformation activities on the training needed
22 to close those essential skill gaps and reduce time to competency by identifying
23 the most efficient and effective method to provide that training.

1 In the future, I see training and development serving more as
2 performance consultants, helping our business partners to determine the actual
3 needs based on their own skill gaps, then support them with effective performance-
4 based development activities.

5 These activities may be instructor-led courses, but will also
6 include knowledge management activities, job aids, mentoring opportunities,
7 which moves us away from traditional classroom training and integrates with more
8 modern learning methods such as online modules, some virtual classrooms and
9 practical exercises.

10 Next slide. We know through workload planning rebalancing,
11 along with some budget reductions, we'll have future gaps and surpluses as
12 workload changes. Using the knowledge and skills matrices associated with
13 competency models will allow employees and supervisors to quickly identify the
14 gaps between knowledge and skills being used in their current position, to those
15 required for a new position where work may be needed.

16 Employees can then focus on obtaining those additional skills and
17 be prepared to move into that new world. Additionally, competency models will
18 allow employees to gain expertise, not just training in more than one area, which
19 could facilitate moving between roles.

20 As mentioned earlier, the models will provide a basis for individual
21 development plans and help supervisors clearly articulate what they're looking for,
22 and also help employees understand job requirements and expectations.

23 As we see a reduction in travel, we also should see a reduction in

1 travel by incorporating blended technology where possible, and allow learners to
2 gain the essential information anywhere they can, not only in the classroom, but
3 be in the classroom when practice applying those knowledges and skills are
4 needed.

5 In closing, we believe investment in competency modeling and
6 learning transformation will result in engaged employees spending less time in
7 training and more time doing, allowing the workforce to meet the challenges at the
8 time of the challenge. Thank you for the opportunity to talk about a few of our
9 projects to develop our workforce of the future. Next, you'll hear from Dr. Reid.

10 DR. REID: Thank you Steve, and good morning Chairman,
11 Commissioners and fellow NRC staff. I am pleased to have this opportunity to
12 update you on the agency's efforts in building a resilient organizational culture, in
13 light of the many changes that we have on the way at the NRC.

14 Over the past couple of years, the agency has made as an
15 imperative to focus on equipping our employees, the lifeblood of our agency, with
16 the necessary resources required to thrive and respond accordingly to the
17 changing environment in which we currently operate.

18 The topic of building a resilient organizational culture is most
19 relevant and timely to our discussion today, given the need for us to be adaptive,
20 innovative and responsive to the demands and environmental changes we
21 encounter on a regular basis. At the NRC, resilience is exemplified by our ability
22 to adapt in the face of multiple changes, while continuing to persevere towards our
23 strategic goals.

1 In the past, our employees have demonstrated the ability to
2 operate effectively under complex circumstances, acclimate to sudden change and
3 remain optimistic, all of which defines who we are as an agency. Resilience
4 therefore remains paramount to our mission success, especially in these present
5 times of change.

6 Next slide, please. A resilient organizational culture is built on
7 many pillars, some of which most notably include a strong sense of trust,
8 accountability and flexibility between employees and management. Trust is
9 perhaps the most important ingredient to creating a resilient team. We have found
10 that when trust is present, employees will feel comfortable admitting their
11 weaknesses and mistakes, ask for help or advice, take informed risks, focus on
12 objectives instead of workplace politics, offer and receive constructive criticism,
13 share ideas and work collaboratively.

14 At the NRC, we recognize that building an authentic relationship
15 based on trust is a reciprocal process, with both leadership and staff voluntarily
16 assuming responsibility for its initiation, development and maintenance through
17 high levels of regard and respect.

18 In recognizing the integral role that trust plays, we have
19 considered our agency-wide survey results from both the federal employee
20 viewpoint survey and the safety culture and climate survey, and have chosen to
21 proactively focus our agency-level survey action plan on fostering a greater climate
22 of trust.

23 As mentioned previously, trust requires that all levels of

1 employees within the agency develop and maintain this relationship. However,
2 the agency acknowledges that fostering a greater climate of trust must start at the
3 top with our senior staff leaders. As such, we remain committed to providing the
4 necessary tools and resources to our senior leaders and managers through our
5 executive leadership seminars that focus on equipping leaders with the right skills
6 needed to foster trust, as well as targeted discussions focused on strengthening
7 trust capabilities during our strategic leadership meeting.

8 Similar to trust, accountability is a key factor in establishing a
9 resilient team. When accountability is present, it ensures that individuals hold
10 themselves responsible for behaviors and actions, are willing to change as
11 needed, acknowledge setbacks and find creative ways to move forward.

12 This can be done through self-awareness, mindfulness,
13 proactivity, as well as managing issues efficiently as they arise. Consequently,
14 one of the goals of our agency level action plan focuses on establishing clear
15 expectations and shared mutual accountability for our NRC leaders.

16 In addition to trust and accountability, flexibility is an essential part
17 of resilience. By learning how to be more adaptable, our employees will be better
18 equipped to respond to changing circumstances as they arise. Resilient people
19 often use times of change as an opportunity to branch out in new directions.

20 While some may be discouraged by abrupt changes, those who
21 are highly resilient are able to adapt and thrive. The NRC reorganizes the
22 importance of flexibility and the important role it has when it comes to strategic
23 workforce planning, as we have heard in Michael's talking points.

1 Next slide, please. The NRC has several strengths when it
2 comes to the resiliency of our workforce. According to last year's safety culture
3 and climate survey, 94 percent of survey participants responded favorably to being
4 mission-driven.

5 Our workforce serves as a key driver for organizational
6 performance, and displays a superior level of understanding and commitment to
7 the goals and objectives of their work unit and the agency overall.

8 In addition, 72 percent of employees surveyed reported that NRC
9 has prepared them for the work they do. They have the information they need to
10 do their jobs. They have the opportunity for development and growth, and they
11 have the necessary training to improve in their current jobs.

12 Secondly, despite uncertainty or challenges our staff may face,
13 the NRC remains an engaged workforce. The 2015 Federal Employee Viewpoint
14 Survey results indicated that NRC has one of the highest levels of engagement
15 across the federal government, with 75 percent of our employees reporting that
16 they are engaged.

17 This is worth mentioning, given that people with high levels of
18 engagement are also likely to have confidence in their ability to overcome
19 obstacles and problems they encounter, have clear goals they are committed to
20 achieving, and enjoy challenging experiences and see these situations as
21 opportunities to learn and develop.

22 Thirdly, time and again, our workforce has demonstrated the
23 exceptional ability to respond to changing circumstances, as seen in our response

1 to the shifting demands in the nuclear industry. Our keen ability to maintain
2 situational awareness and communications with our stakeholders has resulted in
3 high marks and praise from external evaluators.

4 Lastly, the NRC workforce is positioned to rebound and grow from
5 experience, as evidenced in our response to the Fukushima disaster. As part of
6 our response, we created organizations that allow for information and resource-
7 sharing, as well as empowered those with the most expertise to share their ideas
8 and insights, in an effort to effectively and efficiently function.

9 Furthermore, as Steve had mentioned, we are implementing
10 learning mechanisms that will provide performance support, ensuring more
11 flexibility and increased experience through innovative learning opportunities.

12 Next slide, please. As we plan for the future, there are actions
13 that the NRC has initiated and continues to support, in an effort to strengthen the
14 level of resilience that exists in our agency today. First of all, we do recognize
15 that there are many areas for improvement as an agency, and as evidenced in
16 both employee climate survey results.

17 These results have provided further employee insight and
18 justification for the need to develop meaningful action plans that promote a positive
19 work environment.

20 We also embrace the notion that organizational resilience requires
21 that we continue to develop our leaders and staff, as well as to provide the
22 necessary support to sustain our high levels of employee engagement, and build
23 organizational change capability throughout all levels of the agency.

1 Resilience is an essential component of leadership that becomes
2 increasingly important during times of change, when uncertainty can cause high-
3 performing employees to become distracted. In view of this reality, our leaders at
4 all levels program provides our staff with the opportunity to acquire and strengthen
5 the fundamental leadership competencies that support self-awareness and self-
6 management, both of which are necessary capabilities required to demonstrate
7 resilience at the individual level.

8 We therefore find it's important to build this capability at earlier
9 stages in the career trajectory, ensuring that our staff is well-equipped to respond
10 and manage changes as they come. It is also worth mentioning that while we are
11 experiencing reductions that may affect our corporate support programs, this
12 resource will not be significantly impacted.

13 We have also invested resources in providing organizational
14 development support to the offices and regions, to ensure that they have the
15 necessary tools to improve and sustain a strong organizational culture, employee
16 engagement, team cohesion, problem solving ability and conflict resolution skills,
17 to name a few.

18 Our organizational development support enables our managers to
19 plan for and manage change, and to align attitudes, values, beliefs and structures
20 to meet the NRC's mission, thereby improving effectiveness and efficiency in the
21 workplace.

22 At the executive level, we continue to provide coaching
23 opportunities that generate learning and clarity for forward action with the

1 commitment to clear and measurable outcomes. Our executive coaching
2 program has provided a number of benefits, as many of our leaders work to
3 enhance their overall communication and increase their skills for change
4 management and adaptability.

5 Those who have participated have reported being more focused,
6 engaged, motivated and accountable for their workplace, as they learn to foster
7 self-reflection and creativity in problem solving and performance improvements.
8 As we move forward, it is vital that we prepare our managers and supervisors for
9 the future.

10 Specifically, we are committed to helping our supervisors conduct
11 career conversations to encourage staff to be flexible to take advantage of
12 opportunities as they become available. We also recognize the need to improve
13 individual adaptability, by providing staff with the necessary resources to transition
14 to areas where they may not have as great a comfort level, but where the agency
15 may have a greater need.

16 To that end, our Employee Assistance Program is well-equipped
17 with resources to assist individuals in adjusting to some of these changes.
18 Furthermore, OCHCO has developed a change management framework that
19 provides a step by step process that explains to managers, supervisors and project
20 leads how to successfully navigate and manage change.

21 The updated framework will include hands-on guides and
22 checklists associated with each step of the process, and these practical resources
23 will provide staff with the necessary information on how to manage change from a

1 people perspective, and using a methodical approach. The development of these
2 resources is currently underway, and the target date for completion is on track.

3 In the current environment where change is the norm and time to
4 bounce back between stresses is minimal, we need to think about how we manage
5 our personal resilience, and how we support our organization in adapting to the
6 changes it is facing.

7 Over the years, our employees have demonstrated resilience by
8 accepting that there are challenges which they will continue to face, but also
9 knowing that they have intrinsic resources and abilities that they can draw on as
10 we move forward. In closing, we must acknowledge the importance of
11 strengthening our resilience as an organizational capability, and as a key enabler
12 for effectively managing change.

13 We share a special ability to take charge of our lives, recognizing
14 that this is what resilience can give us, the ability to align ourselves with our
15 strengths, and to recognize our personal power to overcome obstacles. This is
16 organizational capability that the agency is committed to strengthening, a resilient
17 organizational culture with a strong sense of purpose that cascades down and
18 across the agency.

19 I thank you for this opportunity to brief you on behalf of the NRC
20 Workforce. I will now turn it over to Melody Fopma.

21 MS. FOPMA: Thank you Patrice. Good morning Chairman and
22 Commissioners, and thank you for the opportunity to present to you today an
23 overview of equal employment opportunity and diversity inclusion at the NRC.

1 Next slide, please. Focusing on complaint volume first, less than
2 one percent of NRC's workforce engages in EEO activity each year. Our numbers
3 compare favorably to other federal agencies. That being said, the NRC has been
4 experiencing an increase in complaint activity. There are many factors both
5 internal and external that can influence complaint volume.

6 External factors such as passage of new laws such as the
7 Americans with Disabilities Amendments Act can be contributors to a rise in
8 complaints. NRC is engaged in change, and during these times it is not
9 unexpected to see an increase in complaint activity. It's also a good indication
10 that employees are aware of their rights.

11 We've not seen any specific complaint trends, as cases have been
12 filed throughout the agency and not isolated to one particular office or particular
13 basis or issue. Our complaints have been becoming more complex over the
14 years, and include numerous allegations, instead of just one single allegation such
15 as non-selection for a position.

16 As a result of this increased volume and complexity, investigating
17 complaints has been taking longer. The Equal Employment Opportunity
18 Commission regulations require agencies to investigate complaints within 180
19 days. We have exceeded this time frame in many, in several of our cases, but we
20 are responding to this challenge by cross-training additional SBCR staff to help
21 disposition these complaints.

22 Next slide, please. This bar graph represents the number of
23 informal and formal complaints filed over the past 11 fiscal years. The data for

1 fiscal year '16 is as of May 13th. Although the size of our workforce has been
2 getting smaller since 2010, complaint activity has been gradually increasing over
3 time, and this emphasizes the point I made earlier that complaints are not just
4 driven by workforce size, but by other factors, including both the internal and
5 external environment of the time.

6 Next slide, please. This pie chart shows us that the most
7 frequent basis of alleged discrimination raised in complaints so far this fiscal year
8 are age and sex, and sex includes gender, with reprisal close behind. In fact, 60
9 percent of our complaint activity alleges these bases.

10 This breakdown and the percentages you see are very similar to
11 last year, and is largely consistent with the basis we've seen in prior years at the
12 NRC.

13 Next slide, please. The most frequent issues raised in
14 discrimination complaints so far this year were non-sexual harassment or hostile
15 work environment, assignment of duties and performance appraisals. Almost 60
16 percent of our complaints alleged these issues.

17 Harassment is still the most commonly alleged issue, and this has
18 been true across the federal government for the past several years. In addition,
19 the issue of assignment of duties is becoming more frequent at the NRC, which
20 may be a result of more directed reassignments and competition for high profile
21 assignments.

22 Next slide. In concert with today's message of maintaining a
23 resilient workforce, SBCR has strived to be innovative and find cost saving ways

1 to train our counselors, managers and staff. Our counselors must receive eight
2 hours of refresher training annually to stay certified.

3 In the past, SBCR developed and conducted the counselor
4 training in person. This year, SBCR partnered with OCHCO to develop an online
5 training curriculum using iLearn to training our counselors. Also for the first time,
6 SBCR conducted the EEO and Diversity Training course for managers and
7 supervisors via webinar, and also finally SBCR and OCHCO partnered again to
8 conduct a lunch and learn for all staff on the subject of workplace harassment.

9 The training was broadcast via webinar and VTC to all the regions
10 and was recorded, so all employees can access it at a later date. The realities of
11 our fiscal constraints make this an excellent use of current technology, in order to
12 provide our in-house expertise in a live training format to NRC employees.

13 This format is not only more effective than online training, but it
14 has been recommended by a recent EEOC task force on workplace harassment.
15 I want to thank Chairman Burns for his recent announcement emphasizing the
16 agency's commitment to a discrimination-free work environment, and for
17 encouraging managers and staff to participate in the agency's Alternative Dispute
18 Resolution Program.

19 The agency continues to have success utilizing ADR, and has
20 settled six complaints so far this year. These settlements have saved the agency
21 resources and costly litigation. In addition, for the first time this year we
22 conducted ADR in the regions using video teleconference, which saved travel
23 resources.

1 Next slide, please. These two pie charts compare permanent
2 staff demographic data in fiscal year 2012 and mid-year fiscal 2016. The point I
3 want to emphasize here is despite the fact that the workforce has gotten
4 considerably smaller as Miriam indicated earlier in her remarks, the percentage
5 representation of each minority group remains largely unchanged over this period.

6 It's important that we continue to monitor our workforce to ensure
7 that the continuing reduction in staff size does not adversely impact one
8 demographic group over another.

9 Next slide. I'd like to share with you now some of the ways we
10 are creating a culture that fosters diversity and inclusion at the NRC. On May
11 15th, the agency launched a new initiative entitled "DIALOGUE," which stands for
12 diversity, inclusion, awareness, leading organizational growth, understanding and
13 engagement.

14 DIALOGUE was modeled after an OPM best practice program
15 called the Diversity Dialogue Project, which was started by NASA. At the NRC, a
16 select group of staff have been participating in facilitated discussions on diversity
17 topics, such as unconscious bias, unwritten rules, race, gender, ageism and
18 disability.

19 The goal is for employees to develop a greater appreciation for
20 the value and positive impacts made by diverse groups in meeting the mission of
21 the agency. One staff member shared his recent experience with the project, and
22 I'd like to read you what he said, and I quote:

23 "My experience in the Diversity Dialogue sessions has been

1 enlightening and enjoyable. I say enlightening because the nature of our
2 discussions force us to confront bias and prejudices that are both known and
3 unknown. These are aspects of our psyche that we all are in ways ashamed of
4 but exist whether we like them or not.

5 "But as you talk to others, what you come to realize is that having
6 a prejudice or bias doesn't mean that there's something wrong with you; it simply
7 means you are human. In recognizing our prejudices, we have the opportunity to
8 cognitively deconstruct them, and in the process make your truth more true."

9 So we have plans underway now to expand the project to include
10 management and the regions. The NRC's eight EEO advisory committees, its
11 Employee Resource Group and affinity groups continue to promote inclusion at
12 work and assist management in reaching its diversity goals.

13 Recent events sponsored by these groups for all employees
14 included a professional networking session, an engaging session on
15 communicating with deaf employees, an IDP workshop that is aimed at assisting
16 employees in planning their career development, and yesterday's ACLGBT
17 PRRIDE Luncheon demonstrated how the agency welcomed diversity with pride.
18 The turnout for this was awesome and the message was exceptional.

19 We continue to see evidence everywhere of employees taking
20 charge of their careers and futures. An example of the recently-formed NRC
21 Technical Womens Network, known as NTWN. This networking group is
22 dedicated to the career advancement of women in the technical fields. However,
23 like all of our groups, it is open to all employees and we look forward to supporting

1 their future efforts.

2 Finally, I hope everyone comes out to support NRC's Annual
3 Diversity Day, scheduled for August 25th this year. Ms. Dottie Lee, renowned for
4 her expertise in cross-cultural communications, will be the featured speaker, and
5 in the afternoon NRC teams will face off for NRC's Diversity Feud game hosted by
6 Mike Weber.

7 I'd like to close by welcoming Pam Baker as the new director of
8 SBCR, and say good-bye and thank you to Ivana Ordaz for her inspirational
9 leadership of SBCR for the past four years. And also thank you Commissioner
10 Ostendorff for all your support to SBCR over the years. We appreciate all of your
11 efforts in the diversity and inclusion area.

12 Finally, a big thank you and sincere appreciation to our EEO
13 counselors, our advisory committee members, employee resource group member,
14 affinity groups and executive sponsors, and all the employees who every day are
15 creating a culture of diversity and inclusion here at the NRC. Thank you and I'll
16 now turn it back over to Vic.

17 MR. McCREE: Thank you, Melody and thank you to each of the
18 panel members who presented this morning. Mr. Chairman and Commissioners,
19 we've attempted in the time allotted this morning to provide a high level overview
20 of the NRC's Human Capital and Equal Employment Opportunities Programs. I
21 think we succeeded.

22 We specifically shared what we're doing concerning strategic
23 workforce planning, to assure we have the workforce that we need now and in the

1 years ahead, so that we remain successful in carrying out our important safety and
2 security mission. We presented how we're transforming our workforce learning
3 and development programs to meet the needs of the modern workforce, including
4 through competency modeling.

5 We explained what we're doing to shape and enhance our
6 organization's culture to accomplish our work. Finally, we presented the state of
7 our Civil Rights Diversity and Inclusion in Small Business Programs, and what
8 we're doing to make certain we remain effective in those areas.

9 I firmly believe that we're on a path for continued success, and at
10 the highest level we're focused on ensuring that we have the right people in the
11 right place at the right time and in the right work environment and the right culture,
12 so that we remain successful in carrying out our mission. So at this point, we're
13 ready for your questions and observations.

14 CHAIRMAN BURNS: Well thank you. Thank you all. We'll
15 start the questioning this morning with Commissioner Ostendorff.

16 COMMISSIONER OSTENDORFF: Thank you, Chairman.
17 Thank you all for being here today. I think it's great we have this number of people
18 here attending this session. I'm always pleased to see the interest in the human
19 capital meetings we've had with the Commission. So I am pleased to see you all
20 here.

21 I want to start out by also adding my thanks to that of Melody to
22 Vonna for her leadership of SBCR and welcoming Pam, and I know that that
23 continued strong leadership will be there going forward. So thank you both.

1 I had a chance yesterday, along with other Commissioners, to
2 attend the PRIDE lunch, and was also very pleased at the attendance and the
3 focus on inclusion. I would just say in my six years here, I've been personally
4 impacted on a good way of learning and changing some of my own attitudes as a
5 result of participation in various diversity events here at the NRC. So thank you
6 for helping me become a better educated, hopefully a better person.

7 I'm going to take -- I did not intend to do this when I came here
8 today, but Commissioner Svinicki gave me a little razzing in the anteroom about
9 sea stories here.

10 (Laughter.)

11 COMMISSIONER OSTENDORFF: I'm going to tell a sea story
12 today, but I'm going to use it to weave together some comments that --

13 COMMISSIONER SVINICKI: To be fair, I said I would miss them.

14 (Laughter.)

15 COMMISSIONER OSTENDORFF: Yeah. So I'm going to
16 share one with you. Maybe it's about three people, four people who have heard
17 this. But before I tell the story, I want to highlight why I'm telling it, because there's
18 some comments made by people here at the panel that are directly related to why
19 I'm going to tell this story.

20 So Steve, your comments on shifting from learning to
21 performance. I'm highlighting on that, let people do and learn. You said that,
22 and it's important to spend more time on doing. I'm a big believer in on the job
23 training and learning by doing, and though there's a clear reported role for training

1 courses and so forth, at the end of the day most people learn by doing their jobs,
2 by actually doing them with some appropriate supervision, and I'll come back to
3 that in a second.

4 Then Patrice you made a comment that I wrote down twice, and it
5 just -- it was on your Slide 17. I could not more wholeheartedly agree with you
6 that trust is perhaps the most important ingredient to creating a resilient team.
7 Trust.

8 So let me tell you a story. I'm going to go back to the 1970's, and
9 is that clock right?

10 (Off mic comment.)

11 COMMISSIONER OSTENDORFF: Okay, all right. I know I
12 have more than one minute.

13 (Laughter.)

14 COMMISSIONER OSTENDORFF: You can tell me when to
15 stop. I don't need the whole -- you don't need to start the whole -- just tell me
16 when I need to stop. So and I have the experience here, some of the people have
17 this, Victor has this experience in his time in the Nuclear Navy and others perhaps
18 have this, but let me share a personal story on USS George Bancroft, the ballistic
19 missile submarine during the Cold War, and I was forced to qualify as engineering
20 officer of the watch, and perhaps I think it was probably April of 1978, during my
21 first patrol.

22 I was an ensign at the time, and the engineer said "Ostendorff,
23 you don't have to be perfect engineering officer of the watch. You just need to be

1 able to carry out the immediate actions for casualty, and give me time to go back
2 from my state room as engineer to maneuvering, in case you have a problem back
3 there."

4 So it was a kind of "how safe is safe enough" approach. But it
5 was so focused on learning by doing, and actually having the job. I was 23 at the
6 time and I felt very privileged to be in charge of the watch section back in the engine
7 room on this ballistic missile submarine during the Cold War.

8 So I'm going to tell a little more detailed story. About seven
9 months after that, I qualified as officer of the deck at the end of my second patrol
10 and received my submarines. I was very proud of that, qualified on submarines.
11 And so I finished that at the end of the second patrol.

12 Then going to the third patrol, this is perhaps February of 1979,
13 on a ballistic missile patrol. I was a lieutenant JG now. I was kind of feeling, I
14 had a little silver bar on my collar. So I was the midwatch officer of the deck and
15 here's my story.

16 I was 24 years old now and I was in charge from midnight until six
17 o'clock in the morning in driving this submarine, maintaining it in a small box for
18 basically continuous communications with the National Command Authority,
19 because we were carrying 160 nuclear warheads, 16 missiles, 10 MIRVs in each
20 missile.

21 And we were there on the patrol during the Cold War in case we
22 had to launch missiles. Hopefully, that would never, ever happen but we were
23 ready to do it, and we were maintaining continuous communications through a

1 communications buoy, and we were supposed to be in this small box and we were
2 basically trying to be undetected by Soviet Naval forces in the area.

3 So about five o'clock in the morning, towards the end of the watch,
4 I commenced to do a baffle clear, and baffle clear is when you maneuver the
5 submarine around to be able to hear the area that was masked by your propeller,
6 because your propeller noise is about 120 degree arc, 60 degrees either side of
7 your stern, where you can't hear from sonar.

8 So we put the rudder over, I was going maybe four knots, 4.8, 5
9 miles an hour. Put the rudder over 15 degrees, right 15 degrees rudder. I gave
10 the quartermaster a course to steer, and the course of this maneuver because we
11 were going very slow; this was about a 7,000 ton submarine.

12 It was not a race car. It was a (Laughter.) - did not maneuver on
13 a dime. So as we turned, and this is before digital charts or before digital fire
14 control systems, and we have a quartermaster there with his sharp pencil, and he's
15 actually doing what's called the dead reckoning, some of you are sailors here, a
16 DR trace.

17 And so during the course of this maneuver to 15 degrees rudder
18 at slow speed, I drive out of the box. This is a box you're supposed to be in for
19 national defense purposes, to ensure that our missile control package was on the
20 alert status we had told the President it would be on.

21 The quartermaster, who was about 22 years old, second class,
22 says "Officer of the deck, could you come to the chart." So I go over to the chart
23 and he shows me where his penciled dead reckoning trace has taken us outside

1 the box we're supposed to be in.

2 I said oh my gosh. This is not good, and it's violating our
3 operating practice to stay in the box, consistent with national defense and only so
4 many ballistic missile submarines are on alert patrol at any given time even today,
5 and their functional performance here is a big deal for national security.

6 So there's only two people who know about this mistake, the
7 quartermaster, 22 years old, who's not going to tell anybody, (Laughter.) and
8 myself, and myself. Remember when you were a kid you had these cartoons.
9 You've got the angel and the devil (Laughter.) signifying your conscience.

10 So what do you do here? We maneuvered back into the box. I
11 didn't tell -- the quartermaster knew that I knew and I told him hey, I screwed up
12 here. What do I do, and I've got to tell you. This is not an easy decision, not an
13 easy decision.

14 So I get relieved by the next, the oncoming officer of the deck who
15 comes on at probably 0545, relieves me and the captain's asleep the whole time.
16 And so he -- I go in there and I said I've got to do the right thing here. And this
17 was -- but I'm going to tell you, this is not a no-brainer decision. I'm going to tell
18 you, it was not a no-brainer.

19 So I wake the captain up and I say captain, I've been relieved as
20 officer of the deck by Lieutenant Jerrall. The ship is on course whatever it was,
21 speed, depth. Captain, I made a big mistake here. I came too close to the edge
22 of the box and drove out of the box. We were out there for maybe seven minutes.
23 During this baffle clear, we went outside of our operating area.

1 Now I'm going to do a time out there, because this particular
2 moment is a fork in the road for my career. That captain had every right to have
3 disqualified me on the spot and to basically have taken me to captain's mast and
4 disciplined me, because I made a mistake and he'd have been entitled to do that,
5 no if's, ands and buts about it.

6 He didn't do that. Rather, he said Bill, did you learn from this?
7 And this is the guy I just woke up out of a deep sleep, (Laughter.) but he had the
8 presence of mind to be careful before he engaged his mouth, and to think
9 thoughtfully about what he's going to do in this situation that was presented to him
10 as a commanding officer of a ballistic missile submarine on patrol, carrying out the
11 nation's war plans.

12 See, it goes back to Patrice's comment on trust and Steve's
13 comments on learning by doing. He had given me an opportunity to be officer of
14 the deck. I wasn't the most experienced or knowledgeable guy, but he trusted me
15 if something went wrong, I was going to tell him about it.

16 So I bring that story to bear because it has had a personal impact
17 on me now for 37 years, as far as giving people the chance to make mistakes, not
18 waiting until they've spent three years learning a new job or taken 12 courses, or
19 they've polished the cannon ball to where they're -- they know enough to be safe
20 and to come tell you as boss or supervisor that they think they've got it right. They
21 need a cross-check here and maybe some steering in the right direction.

22 So I tell you that because I think that as an agency, as we look at
23 the downsizing that's a fact of life and downsizing is far, far harder than upsizing

1 is.

2 I think as we look at moving people from a fungibility, ability,
3 flexibility standpoint, it's important for all of us, especially supervisors, to be willing
4 to give people a chance to learn on the job and acknowledge they may make
5 mistakes because they don't have to be perfect at it, and that's okay people. That
6 is okay for people to make mistakes.

7 So Patrice and Steve, thank you for your points, which I think is
8 so important for us to all think about as we move forward. I appreciate the
9 indulgence to my colleagues for time. I'm going to make one last comment on a
10 personal note to Melody. Eric, raise your hand.

11 (Laughter.)

12 COMMISSIONER OSTENDORFF: So Eric is my recently
13 departed Chief of Staff who went on back to NRR after spending two years in my
14 office, did a great job there. He has the distinct high privilege in a couple of weeks
15 of marrying Melody, and we're very happy for both of you. But Melody know that
16 for the record I have told Eric, this is for the record, that he is clearly marrying up
17 in life.

18 (Laughter; applause.)

19 COMMISSIONER OSTENDORFF: So congratulations. Thank
20 you all. It's been a privilege to serve with you.

21 CHAIRMAN BURNS: Thank you Commissioner.
22 Commissioner Baran. Can you top that?

23 COMMISSIONER BARAN: The short answer is no, I cannot top

1 that. We are definitely going to miss you Bill. One thing, I've learned a lot of
2 things from you in the time we've worked together, but one thing that I have
3 definitely learned is that there is -- there's no set of questions, set of comments
4 that cannot be significantly improved by references to ballistic missile submarines.
5 (Laughter.)

6 I don't really know how we're going to cope with that knowledge,
7 but we'll work on that. Well, let me ask a little bit about Project AIM and where we
8 are on that. In the staff's original Project AIM paper last year, the staff projected
9 the NRC would have about 3,400 FTEs in 2020. That wasn't a recommendation;
10 it wasn't a target that was established by the Commission or the staff.

11 And as Miriam noted in her remarks, the agency will actually start
12 fiscal year 2017 at 3,348 FTE as a result of all of our Project AIM efforts, including
13 early retirements and buyouts. So we will have reduced our workforce by nearly
14 ten percent in just two years. That's obviously a very significant reduction in a
15 short period of time.

16 Miriam and Vic, how well are we as an agency coping with this
17 reduction in staffing levels, and what have you seen as the most significant
18 challenges as a result of this reduced FTE?

19 MR. McCREE: Commissioner, thanks for your question. So I
20 think the coping aspect of it can be answered on several levels. One, it's taking
21 a significant amount of discipline and effort by OCHCO and by the staff to do it in
22 a very smart way. Certainly, Miriam and others have alluded to the work of the
23 Strategic Work, the SWOUP to enable us to make the right staffing decisions on

1 which positions to fill, which ones not to, but certainly focusing on internal staff
2 reassignment.

3 That gets challenging, certainly when the discussion goes to
4 critical staff positions. So that remains a challenge. We've emphasized the
5 importance of developing during this period of change continuous development
6 training. Certainly the reduction in our training budget makes that much more
7 challenging.

8 But we're trying to do it in a very smart way, to make sure that
9 we're not only filling or satisfying the positions that need to be filled now, but as we
10 look to the future and think about succession planning, that we're also doing that
11 in the right way. I think those are the primary areas that we're focused on.
12 Miriam.

13 COMMISSIONER BARAN: Are there any skill gaps you're
14 seeing that were unanticipated?

15 MR. GARTMAN: So I think the answer to that is two part. There
16 were skill gaps that were identified as part of the Strategic Workforce Plan that was
17 presented back in February, and those are the areas that the agency has taken
18 active measures to mitigate the impact of.

19 As we go through and we see continuous pressure to bring down
20 our staffing levels, we've noted additional potential skill gaps that have come up
21 on our radar, more so through the pipeline area I guess you would say, resident
22 inspector, those type of things, the feeder pool positions.

23 So those are the things that we're looking at now and we're trying

1 to get a complete picture of where we are on those and what appropriate measures
2 we should take vis-a-vis hiring external or, you know, what staff do we have
3 available in the agency that are in overage positions that can be retrained.

4 MS. COHEN: I think in the plan we talked about PRA, although
5 PRA wasn't necessarily a gap right now. You know, we've had our grow your own
6 program to help mitigate those. I think the real issue moving forward is going to
7 be the feeder pools. Because we were very judicious in the limited hiring we did
8 this year, we did not have a new NSPDP class.

9 That was because we are concerned about ending the year in the
10 right place. And so as you look at the numbers that we're going to start next year
11 on and where we may go in '18, we have to make sure that we're going to have a
12 pipeline of new employees coming into the organization.

13 Because if you look at some of the information in the background,
14 I mean the organization demographics indicates, you know, that we have a larger
15 percentage of employees that are going to become eligible to retire.

16 So I think while we don't have the exact skill, critical skill gaps right
17 now, I think we really need to manage for the future, once we know what our
18 budget's going to be in '17 and beyond, to make sure we have that level of
19 continuity.

20 COMMISSIONER BARAN: Can you take another minute just to
21 talk about how you're envisioning that we do that? So obviously external hiring
22 has been very limited. Do you envision an uptick in external hiring for an NSPDP
23 class or how are we going to address this? Are there younger folks in the agency

1 that could fill the roles of resident inspectors? Is it a combination of those things?
2 How are we going to approach that?

3 MS. COHEN: I think there's a number of different issues. I know
4 that typically we have not used the Headquarters employees in the past to really
5 fill a lot of the resident inspector, the pool, the resident inspector development pool.
6 But I think what we're really looking at is, and the offices have the opportunity now,
7 as they give us their staffing plans.

8 One of the things that we have been waiting for and Michael's
9 office, division will be looking at it is we had sort of the early out buyout. We had
10 rebaselining.

11 So right now there's a lot of flux in the offices in terms of movement
12 of individuals to new positions that are potentially created as reorganizations, and
13 actually some of the office level divisions and mergers.

14 So I think in the short term we're going to probably have sufficient
15 people to move into the positions that may come up as a result of all these
16 changes. I'm looking more in a forward forecasting way, that if you have five
17 percent attrition, in years when we don't have an early out buyout, you're going to
18 lose 160, 170 positions a year, so you're going to need to replenish at some level.

19 I think this was a unique year because we were concerned about
20 hitting the FTE target by the end of the year, that we kind of slowed down and put
21 the brakes on. But I think that given the numbers and where we're headed, that
22 we will be replenishing the pool moving forward.

23 COMMISSIONER BARAN: Okay. Vic, you mentioned training

1 and the difficulty there, where at a time when we need to have greater fungibility
2 and agility, we also have reduction in funds available for training and travel for
3 training, and I appreciate, Steve, your discussion of the learning transformation
4 effort. I know that plays into this and Commissioner Ostendorff mentioned more
5 of the kind of on the job training piece of this.

6 But as I've had, you know, a couple of recent visits to a couple of
7 the regional offices, I hear this is a concern, that you know, for some key training,
8 the resources haven't been there or the resources for travel to that training haven't
9 been there. Do you feel like these needs are being addressed?

10 MR. McCREE: So well mentioning, talking about this holistically,
11 right? We're committed to having the right people in the right place at the right
12 time, and inherently that means people who are trained and qualified, ready to do
13 the work that we have before us and that we anticipate, and we are where we are,
14 right?

15 We have a budget growing smaller. So we have to still be able
16 to prepare people for the work that we have to do with less resources. What we're
17 doing, what Steve is doing is extraordinarily important. It's an effort that they
18 began several years ago. I know Doug is back here, Tom is -- as Doug says Tom
19 is working.

20 But they're the key components in this competency modeling
21 learning transformation initiative, which has the potential to give us, provide
22 training at a lower cost that is just as effective. It's an ongoing project that we're
23 about to pilot. As Steve mentioned, there's a PWR course here in seven weeks

1 that's going to have a significant distance learning component to it.

2 We need to evaluate and Steve and I were talking about the
3 effectiveness of that, to make sure that we're not losing anything by presenting it
4 differently. But we -- I'm optimistic that we're going to be able to meet our people
5 needs, training qualified at a lower cost.

6 The other challenge is our experiential, you know. How do you
7 get people from Point A to Point B and the travel costs associated with that, so
8 they could learn by doing. That's where we're going to continue to focus our
9 efforts, to make sure that we can continue to do that.

10 COMMISSIONER BARAN: I just wanted to ask one more
11 question. I was struck, Melody, by your Slide 26 that compared the
12 demographics, at least by race, from 2012 and 2016. In some ways, I was
13 pleasantly surprised that the numbers really haven't shifted that much, given all
14 that's happened in those years in terms of FTE reductions.

15 I don't know if this is a question for you or the panel more broadly,
16 but is this -- is this something that we're getting lucky on, or is this being actively
17 managed, to avoid reduced diversity in our workforce?

18 MS. FOPMA: I think it's a combination of both. We were also
19 pleasantly surprised, looking at the demographics. But we are, you know, we
20 continue to monitor that, and as I said earlier, as we're downsizing, we're going to
21 keep an eye on that. We also are going to look at some of our programs.

22 We're underway. We have plans underway to look at the NSPDP
23 program and the SCSCDP, do a barrier analysis they call it in the industry on those

1 two programs to, you know, make sure -- look for ways to improve that and make
2 sure that we get a diverse pool and that we select a diverse pool of candidates in
3 those types of programs.

4 COMMISSIONER BARAN: Thank you very much.

5 CHAIRMAN BURNS: Thank you, Commissioner. I also want to
6 welcome, Pam. I know we were walking over to the event, the luncheon
7 yesterday and still trying to find her way around the building. So if you see her,
8 help her out over on the campus. (Laughter.) But it's good, and I also want to
9 express my thanks to Vonna, who I've known for a number of years in a number
10 of positions.

11 I think actually Vonna is a good example of the type of career
12 development and career change that we really, I think, encourage going from both
13 the technical, you know, with the technical background and the technical
14 competencies to the administrative, the support type offices, and I think that's a
15 good model. So I wish her success in her new role in NRO as well as Pam and
16 welcome there.

17 Again, I appreciate all the presentations. It was sort of a lot to
18 think on, and as Commissioner Ostendorff said, this meeting, as well as the
19 meeting we'll have later in the year, are important aspects to look at our people,
20 and the context for EEO and inclusion at the agency.

21 This is one of the few -- for those who do not know it, one is this
22 is actually a statutory requirement in the Energy Reorganization Act. But I think
23 Representative Lindsey Boggs is the one who put it, put it in at the time back when

1 this was adopted. But it is -- and it's fairly unique, I think, in the Federal
2 Government, and particularly, you know, with a multi-member agency to have this.

3 But I think there is a lot of value for us to meet at least these two
4 times a year, as well as the more informal events that have been mentioned today,
5 and the other part of the structure. This is both, you know, architecture as well as
6 storytelling, and those are all important and make us who we are.

7 A few questions Commissioner Baran asked, I thought, I had a
8 similar observation in terms of sort of the demographics, as he did. But even
9 though we have our sort of pleasantly surprised, and I think as Melody said, maybe
10 as much luck as it is structure, I would say it's more sort of intent. There's an
11 intention.

12 It's always -- there's an intention. It's always -- the luck part of it
13 is you can never predict who is going to be, you know, who's going to come in,
14 who's going go out, when it's going to happen and all that. But are there particular
15 -- what my question would be, and Melody or Miriam or anyone else can kind of
16 address it, is are there particular things we need to be conscious of or look at in
17 terms of assuring, you know, either continued progress or maintaining, you know,
18 a diverse workforce?

19 What do we need to pay attention to given some of the challenges
20 that we have that others have mentioned in terms of where, in terms of a glide path
21 to a smaller agency versus a larger one? Anyone want to take that on?

22 MR. McCREE: Chairman, I'll start and perhaps Melody or
23 someone else may want to speak to it. I believe the favorable statistics speak to

1 the success of our efforts, which you're well aware of began several decades ago,
2 to enhance the diversity and inclusion of NRC.

3 So the fact that we've had an over 600 FTE reduction in NRC staff
4 over the last few years, yet we've maintained good representation in our diversity
5 areas I think speaks volumes to how successful we've been. Were it not for that,
6 I think the data would look a lot different.

7 Why it's as good as it is? I think we are, we still remain a great
8 place to work, and I believe that we are able to retain a number of the diverse talent
9 that we've been able to attract, which again says a lot.

10 I think going forward, given the fact as Mike alluded to we do
11 anticipate an even smaller NRC, I think it begs that we continue to focus, that we
12 monitor, that we cultivate an environment that appreciates values, that takes
13 advantage of diverse talents that people bring to the job.

14 I also believe it speaks to the value of the NSPDP program, which
15 has been one of the principal means that we've been able to attract people. And
16 then in an environment where we're reducing our hiring, we need to be very
17 thoughtful about the extent to which we reduce that particular segment of the
18 population that we hire and continue our efforts to cast a broad net. So I think in
19 those areas in particular we need to remain vigilant.

20 CHAIRMAN BURNS: Yeah. I would particularly encourage,
21 and with the NSPDP as an entry level program, in terms of continuing to nurture.
22 I know I went through in OGC in the early 90's, where in terms of our honors
23 program we had basically stopped it for a number of years, and I think to some

1 extent we're not as thoughtful as we could have been in terms of assuring sort of -
2 - in terms of ensuring the sort of continued development, as well as the need for
3 the workforce and until we revive it.

4 Now granted, sometimes those programs are going to be, you
5 know, they're going to be large, sometimes they're going to be small. But I think
6 they do need attention, even if you have a pause here, as it sounds like we had
7 last year. So I do encourage that.

8 One of the things I was interested in Melody, in terms of the ADR
9 process, is using video conferencing. A lot of times and with a lot of sensitive type
10 engagements, you know, the one on one. How is it determined whether it's going
11 to be used in that circumstance? I imagine that the person who's raised the
12 complaint is going to be agreeable to the video conferencing aspect. But it just
13 struck me. I was curious as to how that works.

14 MS. FOPMA: Yeah. Well, we have used it in the regions, you
15 know, to save travel resources, and of course both parties have to agree that, you
16 know, they have to agree and be willing to participate via teleconference or
17 videoconference. But it has worked well surprisingly, you know. Having, being
18 able to look up and see the person right there has worked.

19 So it's not the most optimum way, but again trying to save
20 resources, we have been successful doing that.

21 CHAIRMAN BURNS: Okay, all right. Yeah, I think in that
22 circumstance, again I think it's got to be a situation where you're going to have --
23 you think you're going to have high success. You never know obviously, coming

1 through the ADR process. But I would think it's an area or an instance in which
2 you may expect sort of a high success rate in terms of coming out with an
3 agreeable option. But you know, it just struck me as an interesting one.

4 A lot of what we talked about this morning is I would call a sort of
5 building or as architecture, as sort of building frameworks within which managing
6 the resources, managing the workforce, training the workforce, getting them
7 prepared, getting it prepared.

8 Maybe it's sort of like Field of Dreams, you know. If you build it,
9 they will come. But that's my real question. That's a real question, is our
10 challenge is about, for example, strategic workforce planning we're going to have.
11 How are we encouraging supervisors to use it at the supervisory level? How do
12 we inculcate that?

13 The same way I think on some of the leadership training and
14 development. How do we assure that people do it, because it is not -- I think I
15 used this one before. It's my wife's old joke about her father. I said we're going
16 to go to this party and you will enjoy. You will attend and you will enjoy.
17 (Laughter.)

18 So I mean that doesn't always work. So how, how do we assure
19 this sort of transformation through -- how do we make the architecture or this
20 framework something that people use, and then become this success? I'll open
21 up to any, all of you. I want to start with you, Mike.

22 MR. GARTMAN: Thank you, Chairman. So I think you're
23 absolutely correct. This is not -- Strategic Workforce Planning is not OCHCO. It

1 is an agency management program. The first level supervisor is vital to the
2 success of that program, and one of my slides about the foundations of strategic
3 workforce planning, it talks about the different questions that you continually have
4 to ask, to prepare yourself to create that infrastructure that you talk about.

5 So when you talk about the knowledge and skills needed to
6 perform the work, how many people are needed to perform the work, the level of
7 expertise needed, nobody knows and understands that better than the first line
8 supervisor.

9 To that end, we recognize the importance of the first line
10 supervisor and we're attempting to give that first line supervisor the tools needed
11 to recognize how Project AIM, Strategic Workforce Planning is going to affect your
12 organization, and how to have those discussions with your staff about the future,
13 where you're going as an agency and have those conversations to build that trust.

14 MR. McCREE: I appreciate Mike's comment. I agree with him
15 100 percent. I think Patrice spoke very eloquently to the fact that we still have a
16 very engaged workforce. So they have a will, a desire to be engaged, to do their
17 work. I appreciate the characterization of the architecture, which is more process-
18 focused, how to do it, how to go from here to there and that's important.

19 We recognize, because of the environment we're in, that process
20 needs to be very clear, user friendly, transparent, efficient and enabled to do it.
21 Of course supervisors have to be a key part of that, and we're setting the stage for
22 that with frequent meetings and conversations.

23 In fact, we have an all-supervisor meeting in a couple of weeks,

1 and we're going to talk about these key enablers of employee development and
2 growth. But again, we have a very capable group of people that are helping us to
3 deliver. We just need to deliver from them by having an architecture that works,
4 and having an environment where they'll be supported by their supervisors and
5 managers, and we're committed to doing that.

6 CHAIRMAN BURNS: Patrice, do you want to add anything?

7 DR. REID: Well, I believe they covered a lot of the points. But
8 what I'd also like to mention, from a change management perspective, is that we
9 have to remain focused on our people. We can have the best process in place,
10 but our people are really the ones that will motivate and adapt to this change.

11 We can't change organizations. What we do is change people's
12 response to the structures that we do have in place. In light of what Vic had
13 shared, I'd also echo his comments in the light of that we have to also have some
14 structures in place that we get feedback from our staff, to know where do we need
15 to course correct.

16 That would then rely on being able to pulse our staff, to see are
17 the resources that we're pushing out to our managers, supervisors and senior
18 leaders, the right resources they need to get the information, to quell whatever
19 anxiety or angst they may be experiencing in the times of uncertainty.

20 CHAIRMAN BURNS: Okay, thanks, thanks. Commissioner
21 Svinicki.

22 COMMISSIONER SVINICKI: Well thank you to all the presenters
23 today. I also want to welcome Pam, who I can't see unless I move over, and thank

1 Vonna for her service. I think that consistent with, you know, change and
2 development, what I admire about NRC is that we do that at even the most senior
3 levels. We know that people have multiple capacities within which they can
4 contribute and strengthen the organization. So I think we have an example of that
5 today.

6 I do want to back up to Commissioner Ostendorff's comments,
7 because he has, I think, cast me as someone who was being hard on him about
8 telling stories. The truth of what happened in the back room was that having
9 grown up in a large family, it is my nature to remark upon any strange smell that I
10 smell, as in what smells in here, what is causing this smell?

11 So in the back room, there is a mustiness that gets appreciably
12 worse in the summer time. So I commented on that. Now Commissioner Baran
13 mentioned that all the topics we discuss at the NRC can be improved by a story
14 about ballistic missile submarines.

15 What I learned in the course of working with Commissioner
16 Ostendorff is that any time I remark upon a smell or strange smell, a bad smell,
17 what is causing this smell, that anyone who's served in our submariner services
18 then has a story about smells on submarines.

19 I think it has to do with the lack of the open air. So really it makes
20 some logical sense to me. But he is withholding some story about smells, and
21 maybe he'll tell it at his going away today.

22 COMMISSIONER OSTENDORFF: Can I ask you to clarify one
23 thing? Please tell this group that the musty smell you're smelling was not coming

1 from me.

2 (Laughter.)

3 COMMISSIONER SVINICKI: It was absolutely not coming from
4 you. We can walk in that room unoccupied and it develops that smell in the
5 warmer months of the year. So maybe this should be about my willing to point
6 that out. But again, when you grow up in a large family in a small house, you
7 know, you do need to get to the bottom of what smells. (Laughter.)

8 It's just something, that as a member of the family it's your
9 obligation to do, because it has to be addressed, because in general unaddressed
10 it will just get worse and worse. So but it's interesting about the reason that after
11 you mentioned you had a story but weren't going to tell it in the back, I was
12 remarking upon storytelling.

13 I think Chairman Burns talked about that a little bit today. He said
14 sometimes these discussions are about architecture. But they're about
15 storytelling, and the reason that that was on my mind was in my commute home
16 yesterday, I heard a story on the news that well, people are very innovative.
17 Someone has written a computer program to write sonnets.

18 If you're a poetry person, you know that sonnets have a very
19 particular structure. So now this -- and it was also about artificial intelligence. So
20 the computer is learning how to write such convincing sonnets. I have my own
21 commentary on this whole thing, which I probably don't have time to say.

22 But they said that then they published these sonnets, and then
23 alongside they have sonnets written by human beings, and they're judging that the

1 computer's getting better and better because it's fooling people who are tricked
2 into thinking that the computer generated sonnets are actual sonnets.

3 Now I guess my brief commentary would be it might be really
4 good, but is it ours? That's a very existential, philosophical question if a computer
5 writes it. But what they find is the reason you can tell when it's a computer-
6 generated sonnet is that poetry, and I've been a poetry person more or less for
7 most of my life, I enjoy poetry.

8 But there is a story embedded in poetry. I don't think of poetry as
9 having narrative, but it can have very strong narrative, and computers really aren't
10 storytellers. That's what they're finding out, that storytelling is just -- at bottom it's
11 just innately human, and you have to be human really to tell a story.

12 So I thank Commissioner Ostendorff for his great humanity in
13 telling the many stories that he has told. In a few weeks, we're going to have a
14 meeting more specifically about Project AIM. But I look at the evolution of
15 initiatives like Project AIM. I kind of have a three-step process.

16 You begin a lot with looking at tasks and activities. I think at the
17 next level, you dig deeper into process, and then as you have addressed the first
18 two areas, you really begin to grapple with any questions of structure and how an
19 organization should look at its structure. Is its structure serving it?

20 Well, and I agree with Patrice that people then are the constant
21 there. They are not -- so all of these other things, tests and activities, process
22 issues and structure are always impacting the people, and that's kind of the
23 fundamental constant throughout the entire movement.

1 I think that at our -- the point in time we find ourselves on Project
2 AIM, I think we are pushing more thoroughly to process and structure and we're
3 going to need to think about that.

4 When we get to structure, we will be best served in making
5 informed choices. If our Strategic Workforce Planning, if our ability to do task
6 analysis to really understand the resourcing of the type of work we do, and
7 particularly if we've been modifying process we might need to relook at what those
8 underlying job task analyses would tell us.

9 I think in the area of inspection, we have the most informed and
10 evolved task analyses, because if we look at something like the reactor oversight
11 process, very mature, under continuous examination. I think that we've got a
12 tremendous amount of fidelity with the inspection program, and then at every
13 graduated level of enhanced oversight, we also are very informed and have good
14 fidelity in the models.

15 I would observe or perhaps I'm less aware of us having as high of
16 a fidelity, even in the licensing area, where we do a lot of licensing. I think different
17 licensing actions or, you know, up to and including new reactor licensing or design
18 certifications are tremendously resource-intensive.

19 I'm not sure that our models are as sophisticated in that area, and
20 when we move from these types of resourcing models to reflect upon our structure,
21 I've been outspoken to date about the contrast in the amount of new reactors work
22 we have today from when -- the amount of work we had when I joined the agency.

23 So I think to make informed discussions about combining

1 elements of our organization or modifying our structure in any fundamental way,
2 we're going to maybe need to return to and improve our fidelity on the resourcing
3 models for certain of the constant types of work that we encounter.

4 One of my concerns about the centers was really serving the NRC
5 staff well by giving them greater forecasts and understanding of how we intend to
6 utilize our skills. One of my concerns about Centers of Expertise is that we want
7 to be able to give people transparency into how we're going to be putting their
8 capabilities to use.

9 Centers, I worried, would become too much of a temptation to say,
10 you know, we're not really sure how we might utilize these capabilities, but if we
11 keep them in a center, they will be kind of a ready reaction force. We're not really
12 given the luxury of resourcing our agency in a way that allows us to have a
13 tremendous amount of capability and reserve.

14 We need to again have work that we either have in-house or
15 forecasts having soon for the capabilities that we have within our process and
16 structure. So does anyone want to remark upon the inspection amount, the way
17 we have greater fidelity on those models versus maybe licensing or maybe even
18 other types of less routine work that we do?

19 MR. COCHRUM: I'll take a stab at it. Obviously as you
20 mentioned, we have a very mature process when it comes to resident inspectors
21 and including other inspectors that has a very formal qualification program. I
22 mean we got those set out in manual chapters and it's very prescriptive of what
23 you've got to do to build to complete the qualification.

1 As you said, they're very mature, been vetted out. Looked at a
2 lot. They describe a lot of the tasks that you need to build to know about. They
3 don't necessarily drive the in between knowledges and the behavioral aspects that
4 hopefully with competency modeling we'll be able to pull those out and do that.

5 Based on just what you said, you know, since they are mature,
6 we're not looking to go necessarily model resident inspectors first. There are
7 other areas we think that are better, you know, abilities for us to get more bang for
8 the buck so to speak and model those areas. Licensing reviews may be one of
9 them.

10 But one of the things we did to try to help inform our project plan
11 was we asked all the offices to provide us a list of what they thought were the
12 critical positions moving forward, mission-related, and that was based on some
13 feedback that we wanted to be able to at least inform our list from the beginning.

14 Our pilots have shown that there's a lot of commonality between
15 different roles already, and we kind of knew that just anecdotally. Looking at the
16 qualification standards we currently have, there's a lot of overlap between them.

17 So we suspect that as we build these models and we're able to
18 look at exactly what people need to do to perform well, I think we'll see some
19 benefit from moving toward that in the other roles that don't have as much of the
20 say structure qualification standards or training, and we'll be able to pinpoint our
21 training to identify those gaps in those areas and get people up to speed to be
22 more fungible.

23 We really suspect there will be a core set of competencies that

1 everybody will kind of need, which should make you a little more fungible an
2 agency moving forward.

3 COMMISSIONER SVINICKI: Victor, did you want to speak to the
4 utilization piece a little bit, because there's the competency piece. But there's also
5 forecasting work and then applying the competencies to the work that we forecast.

6 MR. McCREE: So as I think I've mentioned before, I do believe
7 workload projection is fundamental. I think you have to start with, you know, what
8 work do you have on your plate, what work do we anticipate in the future and how
9 should that affect the skills that are needed, the training qualifications,
10 development planning and overall workforce management.

11 You mentioned, you know, the structural changes. So I believe
12 all of that is absolutely essential and for completeness. I believe the examples
13 that Steve has given are in mostly technical areas.

14 But our plan is to do competency modeling across the board,
15 including in corporate areas, so that we have a clear picture of what one needs to
16 have in terms of training, experience, etcetera, to fulfill that role and therefore be
17 able to move from one position to another.

18 COMMISSIONER SVINICKI: I do appreciate the presentations
19 today, in that I think strategic workforce planning is something that we're going to
20 have to iterating on as we do many elements, because you make changes and
21 then you need to reiterate on the planning. So it's not any kind of flaw in the
22 process. It's simply a necessity of the Project Aim environment in which we find
23 ourselves.

1 So we will need to keep revisiting that. I did want to say that in
2 terms of the video, Steve, that you showed, I was not aware of the power of some
3 of those tools available. I think that is a powerful tool. I sat here reflecting on
4 we've come a long, long way in the government since I did my first individual
5 development plan, which I think I sketched out and then put a form in a typewriter.
6 So that's how ancient that system was.

7 But just the power to self-assess and then map that against gaps,
8 and then also to receive an assessment from supervisors and others, and then
9 inform that and identify things. That's a powerful tool, and it's useful as well in the
10 different ways that people learn, as we do the transformation of learning here at
11 NRC.

12 Had the recent opportunity to spend some time with three of my
13 nieces, and the way they learn by watching videos online and things like that, going
14 to You Tube if they want to learn how to do something. I think it isn't necessarily
15 an inferior delivery or just because we have budget constraints.

16 I think there are truly ways that people are evolving that they have
17 preferred learning styles, and I think it's important for us to have a whole menu of
18 options for people. I don't think that in person training will ever entirely go away.

19 But I think yes, it is a reflection of some budget constraints. But
20 I think we're also adapting to the new methods within which we can offer various
21 types of training. I just want to close with one clarification. Now Miriam I don't
22 always hear things correctly, so it might have been me and you were going through
23 some introductory material rather quickly.

1 You gave a peak number I think for fiscal year '10 of FTE. I heard
2 you say, that was me, 4,800 employees. So I think it's 4,000 and something. It
3 might --

4 MS. COHEN: And 18.

5 COMMISSIONER SVINICKI: And 18. Okay, thank you. I just
6 wanted to -- in case anyone else heard it that way, okay. So thank you for
7 clarifying. It was just a smidge over 4,000. Okay. Thank you, Mr. Chairman.

8 CHAIRMAN BURNS: Thank you. I invite Maria Schwartz on
9 behalf of the National Treasury Employees Union.

10 MS. SCHWARTZ: Good morning. Good morning Chairman
11 Burns, Commissioners, EDO McCree, leaders, managers and my fellow
12 bargaining unit employees. This is my third opportunity to speak at this forum for
13 NTEU Chapter 208. I'm joined here this morning by Chapter President Cheryl
14 Burrows and several of the chapter's officers and stewards.

15 As mentioned before, NTEU is the exclusive representative of our
16 bargaining unit employees here at the NRC. Before I begin my comments on
17 today's briefing, I would like to express NTEU's gratitude to outgoing
18 Commissioner William Ostendorff. Commissioner Ostendorff has continually
19 expressed an interest in our bargaining unit employees, and the NRC values that
20 impact our working environment.

21 He has done this through his comments and through his actions,
22 which include a robust open door policy that he has extended to our bargaining
23 unit employees. NTEU wishes Commissioner Ostendorff fair winds and following

1 seas, as he begins his new position at the U.S. Naval Academy.

2 Our agency has seen a lot of growing pains since the last EEO
3 briefing addressing human capital in June 2015. Growing pains always occur
4 when an organization gets larger. These pains quite often occur when an
5 organization examines itself in the face of external or internal pressures that
6 threaten its organizational identity.

7 That is precisely what is happening with the Project AIM initiative,
8 which is profoundly affecting our bargaining unit employees, our human capital,
9 our agency's most important resource. To be very clear, I will mention the NRC's
10 mission statement this morning, but my comments are not directed to the NRC's
11 mission statement.

12 I'm speaking to the vision that is still lacking as Project AIM moves
13 into its implementation stage. NTEU's comments are focused on Project AIM
14 because, described as a cultural change, it is profoundly impacting our human
15 capital, our bargaining unit employees.

16 We have heard this morning about the efforts that are being
17 directed at reshaping the NRC workforce, which includes developing our
18 employees. We have heard this morning about how competency modeling is
19 being developed to target the skill sets that the agency needs, in terms of the skills
20 that our employees currently have or need to develop, in order to work effectively
21 and efficiently.

22 We have heard about changes in technology, which will allow the
23 agency to use fewer resources while potentially increasing the learning that takes

1 place. But it is important to remember that this is only a part of what is needed to
2 address the challenges that the agency is facing at this time.

3 The Project AIM initiative was initially called Project AIM 2020.
4 But as it has progressed, so has the realization that the goal of this initiative, to
5 create a more efficient, effective and agile workforce, will be the way that the
6 agency will implement its mission, regardless of what it is called, far beyond 2020.

7 At this point, however, just as implementation is beginning to
8 occur, our employees appear to be running out of steam. So for that manner does
9 our management. Regardless of the tools that were discussed today, if morale
10 and determination is lagging, if the trust and accountability that was also discussed
11 this morning are missing, the agency has a much bigger challenge to address.

12 There are alot of things that employees must do for themselves
13 proactively. To for example figure out how to work smarter and actively work to
14 develop their careers. But employees cannot be asked to understand how their
15 careers fit into a vision of where the agency will be next year and four years from
16 now when the vision is missing or unclear.

17 Yesterday's EDO update points to the fact that our leaders
18 recognize that they must come to grips with the fact that the Federal Employee
19 Survey results and the Safety Culture and Climate Survey results indicate that our
20 bargaining unit employees have lost faith in their leaders.

21 Part of this NTEU has no doubt, based on comments from our
22 bargaining unit employees, is that our leaders are not modeling the NRC values
23 and many it seems have forgotten how important it is to inspire. One important

1 way to inspire the trust that is lacking is by providing a vision of what the agency
2 is going to look like next year, in 2020 and beyond.

3 There is a biblical quote that says "Without a vision, the people
4 will perish." So the thought that leaders must provide vision is nothing new. It's
5 not something from the latest and greatest unchanged management, although it is
6 included in Change Management 101.

7 Vision has always been the first step in effective organizational
8 change, and it is something that employees look to their leaders to provide. How
9 can our employees embrace change without that vision? Those that have heard
10 me speak before know that I like to use analogies. This is the one that I would
11 like to use this morning.

12 Developing a vision statement is to organizational change what a
13 blueprint is to the construction of a house. When the house is built, it starts with
14 a blueprint and renderings of what the house will look like on the lot where it will
15 be located. The builder does not assemble a crew and buy tools, get building
16 permits and pour a foundation before that blueprint, that vision is complete.

17 Yes, as the house is being built, there will be modifications. In
18 fact, there may be wholesale changes. But a blueprint is the start of the process.
19 It isn't fair to the crew to tell them to go build a house, even if the foreman kind of
20 understands what is intended without a blueprint.

21 It isn't fair to the crew to say halfway through the ill-conceived
22 effort that management is sorry that they just kept hiring instead of looking at what
23 size crew was really needed, because after all they didn't have a blueprint and

1 besides, the family that is going to live in the house has lots of money and they
2 can absorb the unnecessary costs.

3 It isn't fair to turn to the crew after you have recruited them with all
4 kinds of great incentives, and tell some of them that you know they have great
5 skills, and you are sure they will be able to find a job elsewhere. You will help
6 them write their resumes and you certainly will give them good recommendations.

7 And further, without a blueprint of what you are building, what if
8 you get rid of too many of your bricklayers, because you didn't have an
9 appreciation of how many you really needed? All the training in the world isn't
10 going to turn a plumber into a bricklayer, and what will your costs look like if the
11 only bricklayers you have left are the older ones, who are very talented but can't
12 work as fast? What will the house look like if what you have left are the younger
13 apprentices, who need to build their experience?

14 Finally, how can the builder expect his crew, his most important
15 resource in the building of the home, to stay engaged when the crew doesn't know
16 what's coming next? The NRC has a statutorily-mandated mission. The agency
17 can't change its mission. But Congress does leave it up to our agency to
18 determine how our mission statement is best executed.

19 When that involves a cultural change, as Project AIM has been
20 described, this requires our leadership to provide a vision of what that change will
21 look like. I am pleased to continue to hear that as soon as this buyout early out
22 is complete, the agency can go forward with the strategic workforce planning.

23 Our employees continue to hear about career pipelines. What

1 does that mean to our employees? How does an employee get into the pipeline
2 if they want to do so? Our employees continue to hear that they need to develop
3 their individual development plans. How do they do that effectively if their
4 supervisors don't understand the changing organizational landscape enough to
5 have that conversation?

6 Where are all the supposed details and rotations that our
7 bargaining unit employees have heard so much about? NTEU has heard just the
8 opposite from supervisors, who tell us when we ask about a rotation or detail, that
9 there just isn't anything available, you know, with all the things that are going on
10 with Project AIM.

11 A vision of where our agency sees itself was important before
12 Project AIM. But a clear vision and transparent communications are now more
13 important than ever. As NTEU has said before, current communications are
14 hamstrung by the lack of an articulated vision.

15 Where does this leave us? Over the last couple of weeks,
16 employees have stopped me to discuss the buyout early out, hopeful that this
17 voluntary measure will address the FTE issue. But the FTE issue is much larger
18 than a buyout early out effort can address, and it's much larger than our five
19 percent normal yearly attrition can address.

20 However, this is one of the underlying messages we keep getting
21 from leadership. While attrition may address numbers of employees, it does not
22 address critical skill gaps that exist now, and will be exacerbated by attrition.
23 Bottom line is that while the term "overage" has finally been defined across the

1 agency, it is still not clear what this means for our bargaining unit employees.

2 Making this more frustrating for many employees, some of our
3 leaders and managers are reminding employees that their own careers really grew
4 during austere times. The second part of that statement, however, is how much
5 those employees, those leaders or managers appreciated a more senior employee
6 at the time mentoring them, even if only informally.

7 Without a vision of what is being created and what that will entail,
8 how can that happen? NTEU hopes to continue to partner with the agency as the
9 recommendations approved by the Commission are implemented. But NTEU is
10 cognizant that we are working with employees who are concerned and some even
11 fearful of what these recommendations will ultimately mean for them.

12 This concern is reflected in our FEBs and our Safety Culture and
13 Climate Survey scores, as well as in a recent OIG report that notes that employees
14 "do not have confidence in senior management, and feel senior management does
15 not provide a clear sense of direction."

16 NTEU believes one of the most important jobs it plays is ensuring
17 that the challenges and hardships associated with the changes our agency is
18 undergoing do not affect our bargaining unit employees unfairly or one group more
19 than another group. But the union too is hampered by wondering exactly what
20 the vision is for our agency.

21 I know it is demoralizing for NTEU. I have heard managers talk
22 about how demoralizing it is for them. But most importantly, I have heard our
23 bargaining unit employees talk about how demoralizing it is for them. As we have

1 heard this morning, we have -- there are many bright, dedicated employees who
2 are working to develop the tools that they believe the agency needs now, and will
3 need as we approach 2020.

4 NTEU applauds these efforts. But even when the tools are there,
5 without the vision, the blueprint, we have a greater challenge than how to become
6 more agile facing us. Our bargaining unit employees deserve a leadership that
7 inspires them, and they deserve more than a mere glimpse of that leadership's
8 vision of the NRC next year, in 2020 and beyond. Thank you.

9 CHAIRMAN BURNS: Thank you. I'd like again to thank each of
10 the presenters for their informative presentations this morning. I think you've
11 provided a good overview of our programs we have in place and our efforts to
12 retain and develop our highly competent workforce.

13 I want to also acknowledge, as I think others have, the
14 contributions that our EEO counselors, both here and in the Headquarters and in
15 the regions make, as well as the EEO advisory committees make to support the
16 agency's efforts to build and retain the best and diverse workforce possible, the
17 best and the most diverse workforce possible here at the NRC.

18 And again I appreciate the attendance this morning. We talked a
19 lot about storytelling, and I know Commissioner Ostendorff will continue to tell
20 stories, as I hope we all will in terms of all we do. We need both that framework
21 but also that storytelling that brings humanity to the framework that we have. With
22 that, we are adjourned. Thank you.

23 (Whereupon, the above-entitled matter went off the record at

- 1 11:36 a.m.)
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