ACCELERATED DOCUMENT DISTRIBUTION SYSTEM
REGULATORY INFORMATION DISTRIBUTION SYSTEM (RIDS)

ACCESSION NBR:9311020267   DOC.DATE: 93/10/01   NOTARIZED: NO   DOCKET #
 FACIL:STN-50-528 Palo Verde Nuclear Station, Unit 1, Arizona Publi   05000528
       STN-50-529 Palo Verde Nuclear Station, Unit 2, Arizona Publi   05000529
       STN-50-530 Palo Verde Nuclear Station, Unit 3, Arizona Publi   05000530
  AUTH.NAME   AUTHOR AFFILIATION
 CONWAY,W.F.   Arizona Public Service Co. (formerly Arizona Nuclear Power
  RECIP.NAME   RECIPIENT AFFILIATION
 FAULKENBERRY,B. Region 5 (Post 820201)

SUBJECT: Provides supplemental info to 930820 response to 930707 ltr
         by transmitting key findings & recommendations of
         independent assessment performed by Behavioral Consultant
         Svc.

DISTRIBUTION CODE: IE01D   COPIES RECEIVED:LTR _1_ ENCL _1_ SIZE: _14_
TITLE: General (50 Dkt)-Insp Rept/Notice of Violation Response

NOTES:STANDARDIZED PLANT   05000528
       Standardized plant.   05000529
       Standardized plant.   05000530

RECIPIENT ID CODE/NAME	COPIES LTTR	ENCL	RECIPIENT ID CODE/NAME	COPIES LTTR	ENCL
PDV PD	1	1	HOLIAN,B	1	1
TRAN,L	1	1			
INTERNAL: ACRS	2	2	AEOD/DEIB	1	1
AEOD/DSP/ROAB	1	1	AEOD/DSP/TPAB	1	1
AEOD/TTC	1	1	DEDRO	1	1
NRR/DORS/OEAB	1	1	NRR/DRCH/HHFB	1	1
NRR/DRIL/RPEB	1	1	NRR/DRSS/PEPB	1	1
NRR/PMAS/ILPB1	1	1	NRR/PMAS/ILPB2	1	1
NUDOCS-ABSTRACT	1	1	OE-DIR	1	1
OGC/HDS1	1	1	REG FILE 02	1	1
RES/HFB	1	1	RGN5 FILE 01	1	1
EXTERNAL: EG&G/BRYCE,J.H.	1	1	NRC PDR	1	1
NSIC	1	1			

NOTE TO ALL "RIDS" RECIPIENTS:

PLEASE HELP US TO REDUCE WASTE! CONTACT THE DOCUMENT CONTROL DESK,
ROOM P1-37 (EXT. 504-2065) TO ELIMINATE YOUR NAME FROM DISTRIBUTION
LISTS FOR DOCUMENTS YOU DON'T NEED!

TOTAL NUMBER OF COPIES REQUIRED: LTTR   25 ENCL 25

Arizona Public Service Company
P.O. BOX 53999 • PHOENIX, ARIZONA 85072-3999

WILLIAM F. CONWAY
EXECUTIVE VICE PRESIDENT
NUCLEAR

212-01246/WFC/RJS
October 1, 1993

Mr. B. H. Faulkenberry
Regional Administrator, Region V
U.S. Nuclear Regulatory Commission
1450 Maria Lane, Suite 210
Walnut Creek, CA 94596-5368

Reference: NRC letter dated July 7, 1993, from B. H. Faulkenberry, NRC, to
William F. Conway, APS

Dear Mr. Faulkenberry:

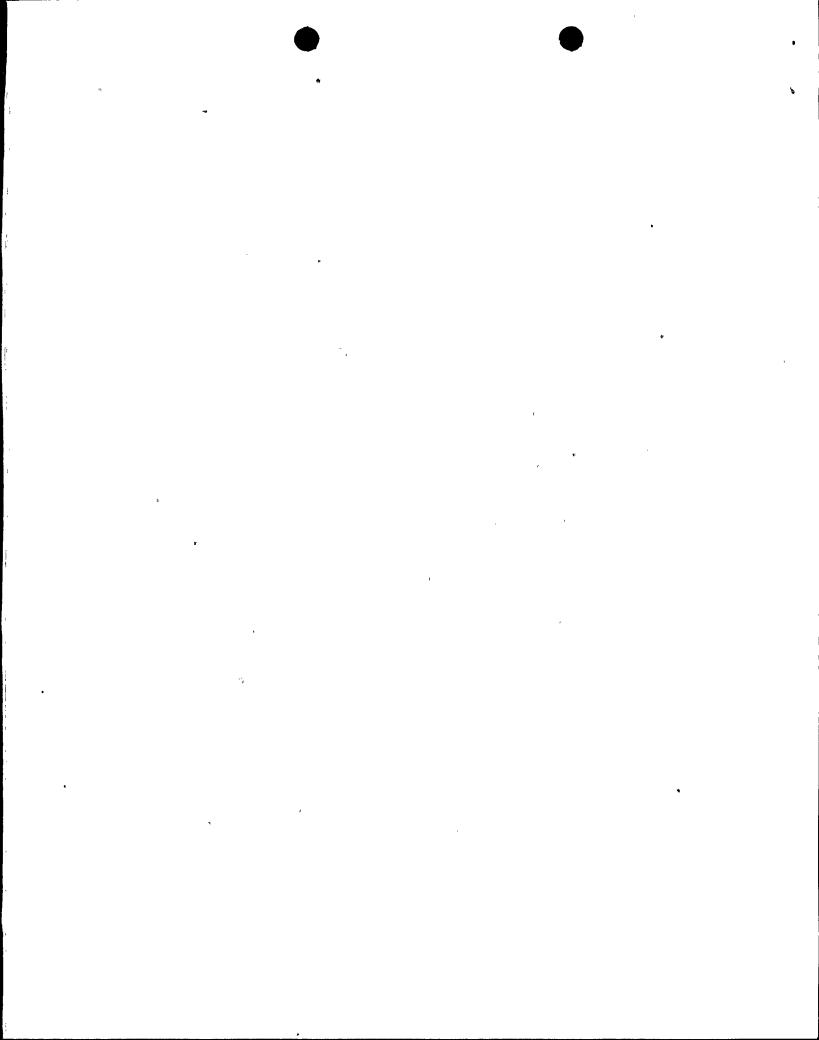Subject: **Palo Verde Nuclear Generating Station (PVNGS)**
Units 1, 2, and 3
Docket Nos. STN 50-528/529/530
Reply to Request for Information
File: 93-056-026

This supplements our August 20, 1993 response to the above referenced letter by transmitting the key findings and recommendations of an independent assessment performed by Behavioral Consultant Services, Inc. (BCS).

As indicated in our earlier letter, at the request of PVNGS management, BCS conducted an independent assessment of the issues that may impede or encourage employees to raise safety concerns. The assessment was conducted from December 1992 to June 1993. The findings and conclusions were derived through 112 personal interviews, over 2800 written surveys, direct observations, and a review of appropriate documents and data.

250148

IE 01

Mr. B. H. Faulkenberry
U. S. Nuclear Regulatory Commission
Reply to Request for Information
Page 2

212-01246-WFC/RJS
October 1, 1993

The assessment included recommended actions to foster a positive environment that encourages constructive input from employees as well as receptive management responses to safety issues at PVNGS.

The BCS survey found that the primary cause for employee discomfort in taking concerns to supervision is the relationship the employee has with the immediate supervisor and managers who are responsible for the affected area. There appeared to be a close correlation between management's receptivity to listening and responding to employees and the employees' willingness to communicate and resolve concerns directly with line management.

The assessment objectives and the findings related to each objective are outlined in Section 2 of the BCS report (Attachment A).

As a result of these findings, near term recommendations were made with the intent of creating conditions that will improve employees' willingness to raise safety concerns to their supervisors or other PVNGS resources (Attachment B).

Based on the essential findings of BCS, a recommended action plan is being developed for implementation to guide PVNGS management in establishing the kinds of conditions which will motivate employees to seek, find, submit, and help resolve nuclear safety and quality concerns.

The targeted pockets, where employees do not feel comfortable in raising safety concerns with their supervisors, will be among the areas most closely targeted for action in a comprehensive site program aimed at fostering an environment, and taking corrective actions, as necessary, to assure the free flow of communications and concerns.

Senior site management is scheduled to meet with each of the five groups identified as pockets where employees are not comfortable raising safety issues and concerns. I will also be scheduling meetings with management regarding these specific groups.

As we have repeatedly stated, PVNGS management is committed to establishing an environment in which employees and all levels of management are motivated to communicate nuclear safety and quality concerns.

Mr. B. H. Faulkenberry
U. S. Nuclear Regulatory Commission
Reply to Request for Information
Page 3

212-01246-WFC/RJS
October 1, 1993

Should you have any questions concerning the development of the recommended action plan or its eventual implementation, do not hesitate to contact Ron Stevens at 602-393-5600.

Sincerely,
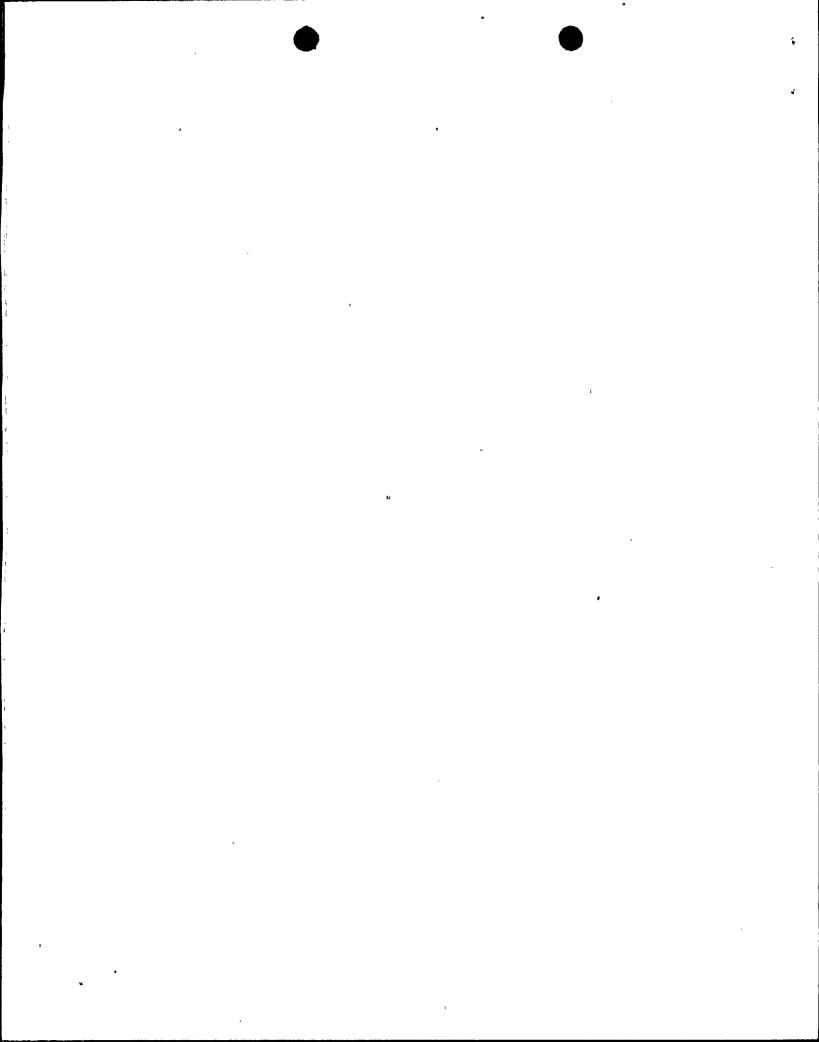
WFC\RJS\dat

Enclosures: Assessment Objectives and Findings (Attachment A)
             Near Term Recommendations (Attachment B)

cc: J. A. Sloan
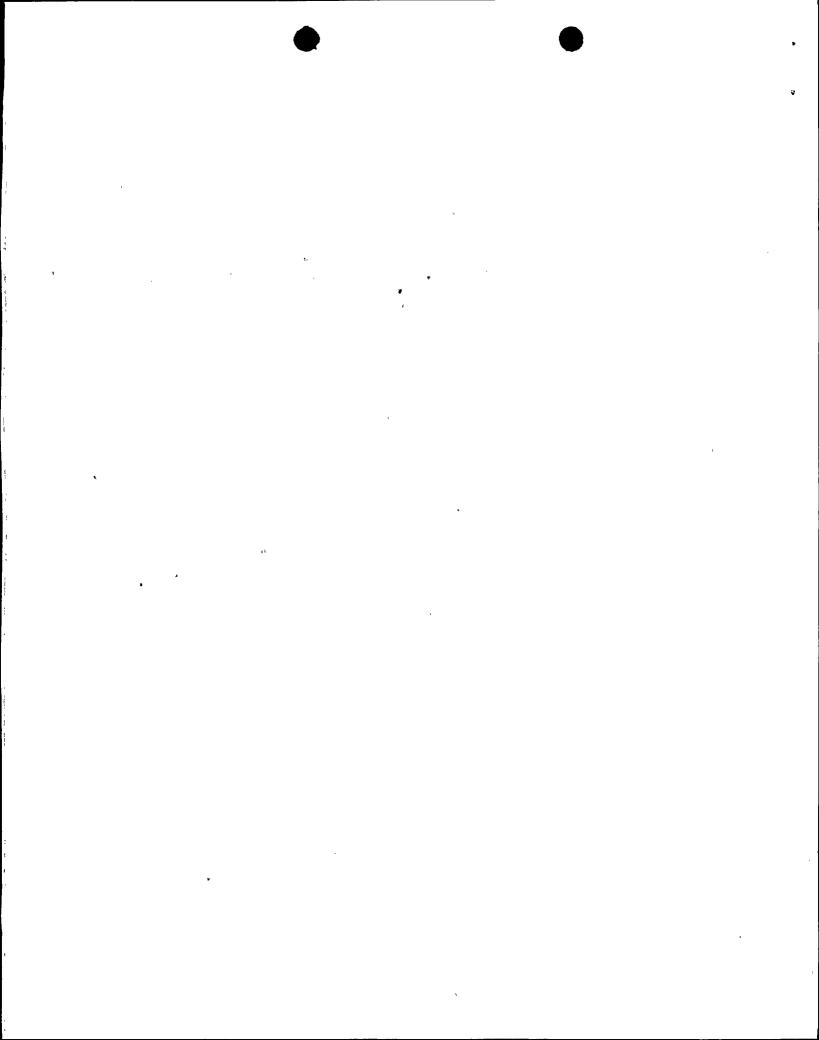   NRC Document Control Desk

ASSESSMENT OBJECTIVES AND FINDINGS

OBJECTIVE 1: Identify areas within the organization where employees are comfortable raising issues and concerns.

FINDINGS: Ninety percent (90%) of the 2,818 persons who responded to the <u>Survey of Management Practices Affecting Employee Concerns</u> stated they would "often" or "almost always" go first to their supervisor if they had a nuclear safety concern. Also, the survey identified ideal management practices known to impact employee performance. The following areas had scores which reflected good management practices:

> Combustion Engineering
> Cost/Schedule Services
> Executive Management
> Fire Protection Support
> Human Resources
> Nucl Info/Records Management
> Nuclear Engineering - Electrical
> Nuclear Projects
> Outage Planning & Mgmt
> Procurement - Other Groups
> PVNGS Contracts
> Quality Control
> Site Services - Other
> Unit 1 - Other
> Unit 1 - Work Control
> Unit 1 Mechanical
> Unit 2 - Work Control
> Unit 3 Mechanical
> Valve Services

Generally, employees are more willing to raise nuclear safety and quality-related concerns to their supervisors in such areas.

OBJECTIVE 2: Identify pockets where employees are not comfortable raising safety issues and concerns.

FINDINGS: The following groups scored low on the survey and have a significant number (3.6% - 14%) of employees who indicated they are unwilling to go to their supervisors with a safety concern.

> Site Services - Security
> Site Technical Support
> Unit 1 - I & C Maintenance
> Unit 2 - I & C Maintenance
> Unit 3 - I & C Maintenance

OBJECTIVE 3: Identify practices that encourage or discourage employees from raising safety concerns within PVNGS.

FINDINGS: Root causes for comfort or discomfort in taking employee concerns to one's supervisor are found in (1) the employee's relationship with the immediate supervisors and managers who are responsible for the area, and (2) unique, personal, past experiences of individual employees. Specific management practices determine the effectiveness of the supervisor-employee relationship. An employee's willingness to communicate and resolve concerns is directly related to the consistency of these practices.

Effective employee motivation requires more than the use of data, appropriate feedback, and regular meetings with employees. Managers must actively create a positive work environment through the use of positive verbal feedback, teaching, coaching, and effective listening in order to build

effective interpersonal relationships with employees. Positive relationships and a positive work environment will result in the elimination of most employee concerns.

In addition to those "pockets" identified in Objective 2, the following groups had low scores on the Survey of Management Practices. Evidence of poor management practices puts these groups "at risk" for raising safety and other concerns within their own areas.

>Central Maintenance
>Nuclear Training - Operations
>Site Maintenance - Maint Support
>Site Maintenance - Plant Mod & Maint Ser
>Unit 1 - Operations
>Unit 2 - Mechanical Maintenance
>Unit 2 - Operations

OBJECTIVE 4: Identify trends in frequency and content of safety and personnel-related concerns being raised within the organization.

FINDINGS: The assessment team found no clear trends in the frequency, source or content of safety or non-safety related concerns being raised within the organization. The average number of safety concerns raised in 1992 was the same as the first quarter for 1993. However, in the first quarter of 1993, PVNGS experienced an increase in employee concerns related to Management/Human Resource issues. This increase may have been related to the union election during this period.

During the interviews, many employees indicated a preference for using the Employee Concerns Program and the CR/DR process for submitting personnel-related concerns. A review of documents from those channels

indicated large numbers of such concerns were being submitted. Human Resources was generally perceived to be a "resource for Management" rather than for employees and, thus, rarely used as a channel for submitting or resolving concerns.

OBJECTIVE 5: Specify gaps in the input and feedback processes designed to address safety concerns.

FINDINGS: The most obvious gap, as pinpointed by the assessment team, lies in the varying practices among supervisors in interacting with employees in effective, timely ways. Such interactions promote or inhibit employee input. The first issue related to how supervisors listen and respond in appropriate ways when an employee raises a concern.

The second issue is the feedback practices that communicate the status and resolution of employee issues and concerns. The assessment team found that the employees sometimes doubted the reliability and timeliness of feedback on the status of CR/DRs. Employees who identify CR/DRs that are given a low priority may not receive feedback as consistently as employees who identify CR/DRs of a high priority. Several employees noted that they had not received feedback on CR/DRs they had filed; they remarked that their "concerns had gone to CR/DR Heaven."

OBJECTIVE 6: Summarize employee understanding of, and satisfaction with, existing programs related to the identification of safety concerns.

FINDINGS: Both management and employees appear to have a good understanding of the various options for identifying concerns. Both groups are reasonably satisfied with the existing programs. The survey reflected that

supervision is the source used most frequently by employees and contractors to communicate their nuclear safety or quality concerns. However, the Employee Concerns Department is receiving a growing number of safety concerns, in addition to, other kinds of concerns; and the Condition Report/Disposition Request (CR/DR) process has a high, and increasing, usage by those who express concerns. The Human Resources Department and the "next" level of management are used least frequently as a vehicle for submitting concerns.

The Employee Concerns program, created by the management of PVNGS, is working to encourage employees to raise concerns that employees feel cannot be resolved through their supervision. Anonymity removes the threat of any personal retribution. The level of management attention assures timely feedback and results. Both characteristics of the Employee Concerns program are perceived as positive by employees.

Some managers and supervisors voiced discomfort with the extensive amount of investigative time needed when Employee Concerns conducted their investigations. Several supervisors questioned the appropriateness of some investigations, especially those that were not safety or quality related. They felt that personnel concerns should be investigated by groups other than Employee Concerns.

Under "ideal" circumstances, employees would go to their supervisor with a concern; other channels would be used only as additional resources to the supervisor and employee as they sought resolution to a concern. In general, the interviewees felt that employees who went through Employee Concerns or
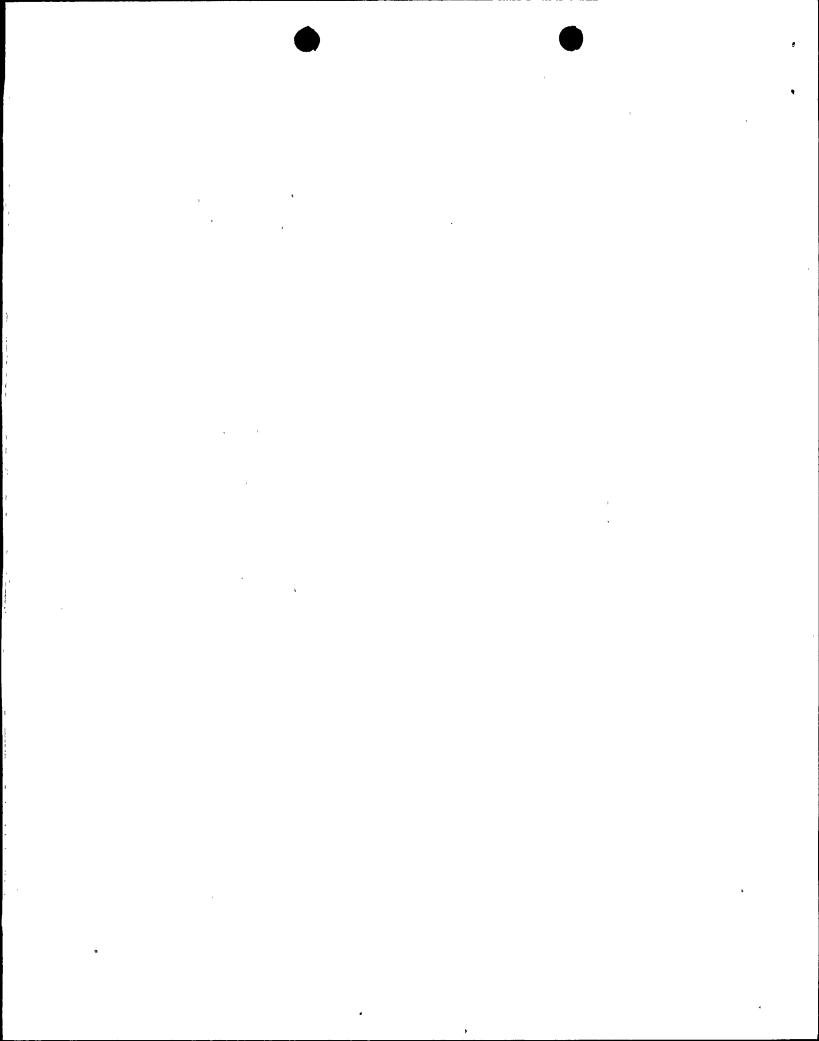
the NRC before discussing the concern with their supervisors were dissatisfied employees who were unable to work effectively within the system. While this view was prevalent among employees in many areas, the assessment team believes that the areas identified in Objective 2 and the "at risk" groups have a work environment that fosters discontent and increases the likelihood that an employee would take their concerns outside the area.

The following data reflect the answers in response to the survey item, *"If I had a nuclear safety-related or quality-related concern, I would first express that concern to my supervisor."*

Table 17b PVNGS Organization Overall

	Frequency*	Percent	Cumulative Percent
Almost always	2107	77.4%	77.4%
Often	336	12.3%	89.7%
Sometimes	.140	5.1%	94.9%
Rarely	60	2.2%	97.1%
Almost never	80	2.9%	100%

* Number of employees not answering this question = 95.

NEAR TERM RECOMMENDATIONS

Each of the following recommendations is made with the intent of creating conditions that will encourage and support the willingness of employees to submit concerns to their supervisor or other PVNGS resources.

RECOMMENDATION 1: Clarify expectations to all levels regarding site values and pinpoint actions (practices) that demonstrate support of those values.

ACTION STEPS:

a) PVNGS management should develop a list of values that define their expectations regarding how they are going to interact with one another and site employees. Examples of value statements might include:

- Respect for each individual
- Openness and honesty in all interactions
- Personal responsibility

b) PVNGS management should then develop a list of practices that exemplify or support each value. The list will help ensure that everyone has the same understanding of each value statement. For example, if the site has a value for a person's finding and submitting nuclear safety concerns, the group would pinpoint personal actions that would best demonstrate that value.

c) This list of values and practices should then be incorporated in a training module for all managers, supervisors, and employees.

d) The extent to which the values and related practices are demonstrated should be a part of ongoing discussions and annual appraisals. During an annual performance review, a supervisor or manager should be given feedback regarding actions that exemplified the values. For example, feedback might be given on how well the supervisor listens and responds to employees as evidence of their value of "respect for each individual."

RECOMMENDATION 2: Improve the relationships between line management and employees in the target areas.

ACTION STEPS:

a) Ensure that all managers and supervisors in target areas have completed training in behavior management and leadership skills. Such training should include modules that teach participants to:
- Identify personal or area values
- Pinpoint behavioral practices in support of those values
- Identify and appropriately use performance measures
- Deliver positive and corrective feedback
- Establish a recognition program within their areas
- Understand the importance of each of these elements to creating a positive culture within their areas

b) Arrange for qualified personnel from the Human Resource group or other consultative sources to work as personal consultants to supervision and management. The consultants would conduct observations and give personal feedback on interactions with employees. They would then assist in the development of improvement plans.
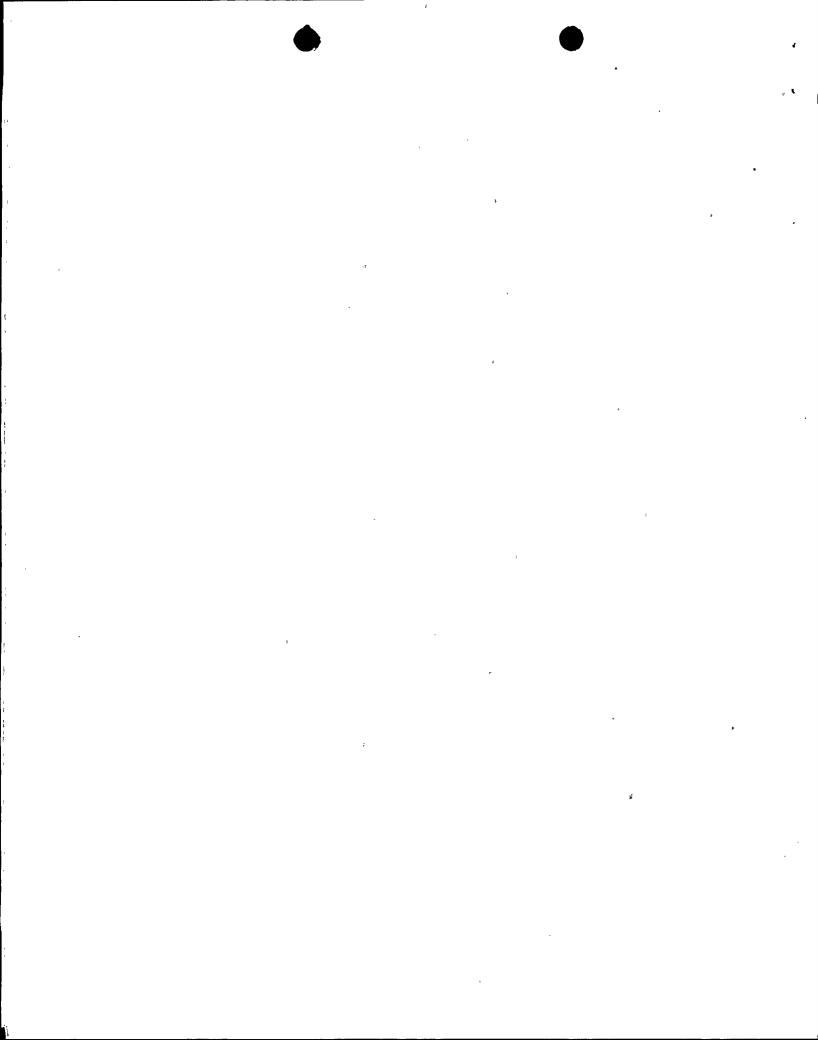
RECOMMENDATION 3: Ensure that managers and supervisors in target areas respond consistently and appropriately to employees that raise concerns, regardless of whether those concerns are nuclear safety issues, nuclear quality issues, management/human resource issues, or technical issues.

ACTION STEP: Provide training to all managers and supervisors in target areas on how to respond appropriately to such concerns. Specific skills to be developed should include listening, making assertive requests, questioning, controlling negative responses, and responding in ways to encourage verbal exchanges.

RECOMMENDATION 4: Encourage employees in target areas to use appropriate Palo Verde programs to identify nuclear safety and quality concerns.

ACTION STEP: Develop marketing and educational campaigns that are focused in the target areas to promote the use of internal programs including supervision, Employee Concerns and CR/DRs.

RECOMMENDATION 5: Begin implementation of longer-term improvements in management processes designed to create greater employee involvement and provide empowerment and problem-solving tools in target areas.
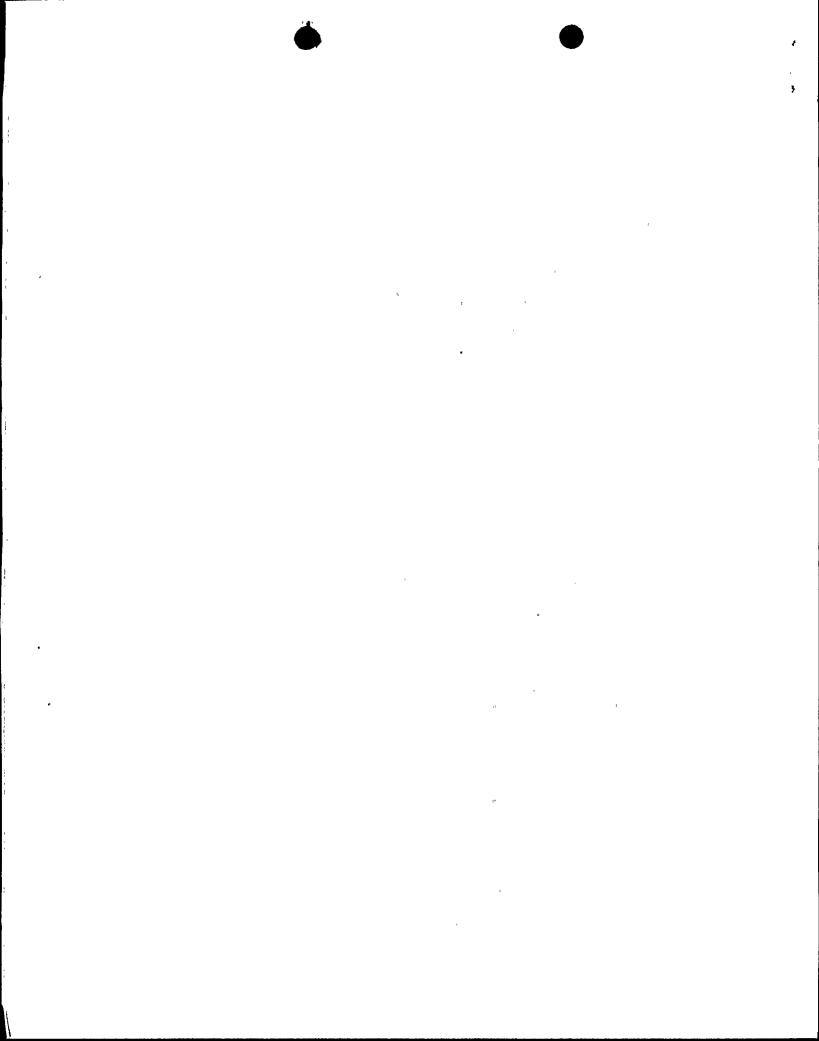
ACTION STEPS:

a) Require supervision in target areas to develop and begin implementing action plans that address the recommendations contained in Section Four of this report.

b) The plans should begin the creation of natural work teams which involve employees in managing their areas. Empower the teams to evaluate and resolve safety and quality concerns raised by team members within their areas (or to assure that the concerns are routed to an appropriate PVNGS resource where a timely response can be assured).

c) Establish guidelines for an appropriate recognition process. (See pages 4·- 32 and 4 - 33 in Section 4.)

d) Provide recognition to groups that successfully identify and resolve employee concerns effectively within their work groups.

RECOMMENDATION 6: Clarify the role of the Human Resources Department as internal consultants and resources to management to help in the development and implementation of improvement plans.

ACTION STEPS:

a) Develop a marketing and education program for clarifying and promoting the access and use of all communication services, including supervision, CR/DRs, Employee Concerns, etc.

b) Qualified individuals within Human Resources should contact managers and supervisors within the target groups and outline the kinds of support they might provide for the development and implementation of plans found in Section Four of this report. The Human Resources Department could

provide the consultative support, or use contract consultants with the needed expertise.