Objective and Key Results Evaluation for 2020

U.S. Nuclear Regulatory Commission

Office of the Executive Director for Operations

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INTRODUCTION

"Transformation" refers to the collection of activities that are advancing the U.S. Nuclear Regulatory Commission (NRC) towards the vision of becoming a modern, risk-informed regulator.  The agency's motivation for transformation is borne out of the increasing awareness that, while they have served the agency well, many of the processes and approaches used to accomplish the agency's safety, security, and environmental mission were based on 20th century technology.  More modern, state-of-the art methodologies and practices can be applied to accomplish the work of the agency more effectively and efficiently.  For example, as the regulated community adopts new technologies, such as advanced reactor design concepts, the agency has identified opportunities for improvement.  Moreover, the Coronavirus Disease 2019 (COVID-19) public health emergency brought to light the importance of adaptability and agility in confronting rapidly evolving challenges.

Transformation is a multi-year journey.  In 2019, staff gathered information and ideas, such as through the scenario-based exercise documented in "The Dynamic Futures for NRC Mission Areas" (Agencywide Documents Access and Management System (ADAMS) Accession No. ML19022A178) and the NRC Futures Jam, to formulate a common vision and goals for transformation.  These exercises brought to light the need for a broad set of new tools and resources that would enable transformation of the agency's processes and approaches. On October 29, 2019, staff provided a briefing to the Commission entitled, "Transformation at the NRC – Becoming a Modern, Risk-Informed Regulator."  In that briefing, the staff informed the Commission that this work would be organized around four focus areas:

- Be riskSMART – making sound decisions while accepting well-managed risks in decision-making.
- Focus on our People – maintaining an engaged and highly skilled workforce now and in the future.
- Innovation – being innovators who making timely decisions that take into account different viewpoints and fully explored options.
- Use Technology – using technology to work smarter, including using data analytics to highlight areas for regulatory attention and improvement

The focus areas were supported by agencywide initiatives to put in place the transformation-enabling tools and resources.  Those were led by Transformation Initiative Teams comprised of representatives from NRC headquarters and the regional offices.  The project schedules for the Transformation Initiative Teams were established in what is referred to as the Transformation Roadmap, with a starting point in late 2019.  The timeline for most of the Initiative Teams was to complete the development of their respective tools and resources before the end of calendar year 2020, and then to build staff familiarity through strategic outreach and communication.  The widespread deployment and integration of the tools and resources into routine work processes will be expanded in 2021.  The activities of the Transformation Initiative Teams complement work already underway or planned at the office-level.  In 2020, each of the Executive Director for Operations (EDO) staff offices put in place an Office Transformation Plan.  These plans included innovative approaches to address challenges and improve work processes specific to those offices, ways to encourage staff to use the tools and resources developed by the Transformation Initiative Teams, and strategies to foster an office culture that would embrace change and support further innovation.

In 2020, as discussed in SECY-20-0049, "Agencywide Transformation Performance Measures," dated May 29, 2020 (ADAMS Accession No. ML20149K586), the NRC staff selected the Objectives and Key Results (OKR) methodology as the approach for assessing and evaluating the progress towards achieving transformation-related goals.  In the OKR methodology, the "Objective" is a statement of what the organization wants to achieve.  The "Key Results" (KRs) are the measurable criteria that tell the organization whether that objective has been accomplished.

In the framework implemented by the staff, OKRs that represent agencywide goals or aspirations are established by the EDO with the support of the Transformation Steering Committee.[1]  Those OKRs become the basis for driving the actions that the EDO staff offices, regions, and Transformation Initiative Teams take to support the agencywide transformation goals.  Each office and Transformation Initiative Team then formulates their own organization-specific OKRs that support the agencywide OKRs.  This manner of cascading OKRs facilitates alignment of the transformation vision across the agency and ensures that staff are working towards a common purpose.

OKRs are intended to be time-bound, both to motivate near-term action and in recognition of the fact that an organization's goals evolve in response to internal and external drivers.  The NRC has adopted an annual cycle, wherein the EDO establishes the agencywide OKRs at the beginning of the calendar year, evaluates the progress at the end of the year, and then re-formulates the OKRs for the following year based on new goals and priorities.  The OKRs may be revised or updated in response to changing circumstances during the prior year.  The office-level and Transformation Initiative Team OKRs are aligned with those at the agency-level and will also be revised on the same frequency.

2020 Agency OKRs

In line with the vision of becoming a modern, risk-informed regulator, the EDO established the following agencywide objective for 2020:

> Empower every employee to use innovation to make timely and better-quality decisions to promote safety, security, and protect the environment.

This Objective had three KRs:

**KR 1**:  Deliver impactful solutions that meet the near-term goals identified in the Transformation Roadmap and the fiscal year (FY) 2020 Office Transformation Plans by September 30, 2020.

**KR 2**:  Free staff time to support better quality and more timely decision-making by each office improving at least three processes, either programmatic or corporate.

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[1] The Transformation Steering Committee provides ongoing strategic oversight of agency transformation activities.  In addition to the EDO, the Transformation Steering Committee is made up of the Deputy EDOs, the Director of the Office of Nuclear Reactor Regulation, the Chief Human Capital Officer, the Chief Information Officer, and the Team Leader for the Transformation Core Team, who resides in the Office of the EDO (OEDO).

**KR 3**: Improve employee engagement and demonstrate it by improving our overall Federal Employee Viewpoint Survey (FEVS) employee engagement score to 80 percent, the highest score ever achieved by the NRC. (Multiyear stretch goal)

These OKRs reflect the context, discussed previously, that a primary focus for 2020 was to develop and build staff familiarity with new transformation-enabling tools and resources. The development of these tools and resources is the near-term goal of KR1, with reference to the Transformation Roadmap. Transformation Initiative Teams collaborated with offices, as part of the 2020 Office Transformation Plans, to build staff familiarity through outreach, communication, and training. The agency's work processes have a direct bearing on the timeliness and quality of decision-making, and the tools and resources created in 2020 will enable continued and sustainable improvements in these various processes in 2021. In 2020, KR2 drove office-specific improvements to some programmatic and corporate processes to start to realize the efficiency gains needed to allocate resources to matters that are most important to accomplishing the agency's mission. KR3 was established as a necessary corollary to realize the goals of KR1 and KR2. An organization with high employee engagement is one in which the staff know the organizational goals and priorities, understand how their work supports the accomplishment of those goals, and where trust is extended across the organization. A high level of employee engagement is critical to fostering an agency environment where innovative ideas are accepted, and meaningful change is possible.

The OKR methodology, as implemented by most organizations, incorporates an end-of-year retrospective evaluation of progress made during that year. For the agency, the approach for this evaluation is documented in the 2021 – 2022 Interim Learning Agenda (ADAMS Accession No. ML20254A007), pursuant to the Evidence-Based Policymaking Act of 2018. In the Interim Learning Agenda, what are referred to as Priority Questions help the agency focus and prioritize the most impactful improvements to agency policies and programs. Interim Learning Agenda Priority Question (3) asks:

Will the adoption of Objectives and Key Results be an effective method for the NRC to strive for aspirational goals?

In answering this question, the Interim Learning Agenda directs that the agency should determine, in part, whether the OKRs have effectively moved the NRC toward achieving aspirational goals and whether the agency established an effective program for the implementation of OKRs. The evaluation is documented in this Report.

EVALUATION

*Have OKRs effectively moved the NRC toward achieving aspirational goals?*

Analysis Approach

The agency's aspirational goal, as defined by the transformation vision, is to become a modern, risk-informed regulator. OKRs effectively move NRC towards this goal if their application drives actions or supports decision-making to achieve this end. The OKRs specify, through the KRs, what will be necessary for the organization to measure to determine whether its transformation is successful for that time period. These measures then drive transformation as the organization structures its actions to meet the standard for success. The OKRs improve

decision-making by orienting staff across the agency towards common outcomes and by highlighting what is working well that can be leveraged for further gains, as well as areas where focused attention is needed to address challenges.

The way in which progress is measured for a KR depends on what is being tracked or counted. There are three general categories for the agency's KRs. The first is called a milestone KR. This refers to a KR that involves the completion of an activity at a given point in time, such as the issuance of a paper. Progress for the KR is measured by tracking how much has been completed out of the total effort or time required to accomplish that activity. The second category is called an output KR. This involves a goal for the number of occurrences of an action, activity, or event within a given time period (for instance, the number of visitors to a webpage over the course of one year). Progress for the KR is measured by tracking how many have been actually accomplished out of the goal number of actions, activities, or events. The third category is called an outcome KR, which involves a goal related to a measure that the organization is trying to influence, such as timeless of product delivery, resource expenditures, or employee satisfaction. The way in which progress is tracked depends on the type of data that corresponds to the measure.

Given the different measures for each of the three types of KRs, the agency put in place an approach to indicate the progress of each KR on the same scale, which would aid in data analysis and visualization. Each KR is measured on scale of 0 to 1.0, in increments of 0.1, where 0 denotes no progress and 1.0 denotes full accomplishment. For milestone KRs, a score of 1.0 means that the associated milestone is complete. A score of less than 1.0 is the fraction of work that has been completed (for instance, as calculated by the ratio of staff hours already expended working on that milestone to the total number hours required to complete it). For output KRs, a score of 1.0 means that the goal number of actions, activities, or events has been accomplished. A score of less than 1.0 is the fraction of the goal number that has been accomplished. Finally, for an outcome KR, a score of 1.0 means that the goal measure has been achieved. A score of less than 1.0 is the fraction of progress towards meeting that goal.

Analysis of Agency KR 1 – Deliver impactful solutions that meet the near-term goals identified in the Transformation Roadmap and the FY 2020 Office Transformation Plans by September 30, 2020.

Agency KR1 focused on the delivery of impactful solutions that meet the near-term goals identified in the Transformation Roadmap and the FY 2020 Office Transformation Plans by September 30, 2020. Transformation-enabling tools and resources, the development of which are the near-term solutions identified in the Transformation Roadmap, are listed in Table 1, categorized by transformation focus area. The completion (and associated rollout) of each of these tools and resources was designated by the responsible Transformation Initiative Team as a milestone KR, wherein its progress would be scored as the fraction of the total development effort expended. Completing the development, in this case, refers to the point at which the Transformation Initiative Team makes all intended users aware that the tool or resource is available (i.e., not just pilot or test users), such a via agencywide announcement. The milestone does not relate to how or how often the tool or resource is used, which are or will be addressed by other KRs.

The actions driven by KR1 were those necessary to complete the development, such as by ensuring that Transformation Initiative Teams were properly staffed, that they were provided sufficient resources, and that they were given support by management to try new approaches. Using the OKR framework for the Transformation Roadmap was successful in 2020 and

therefore the development of each of these tools and resources was completed.  This means that the milestone KR score is 1.0.

| Table 1 – Transformation-Enabling Tools and Resources Developed as Part of the Transformation Roadmap in 2020 | |
|---|---|
| **Transformation Focus Area** | **Tool or Resource** |
| Be riskSMART | Be riskSMART framework, diagnostic tools, and case studies [Be riskSMART Initiative Team] |
| | Revised guidance on alignment of SECY papers [Process Simplification Initiative Team] |
| | Revised communications plan guidance [Process Simplification Initiative Team |
| Innovation | IdeaScale innovation platform [Innovate NRC 2.0 Initiative Team] |
| | Signposts and Markers dashboard [Signposts and Markers Initiative Team] |
| Focus on our People | Career Enhancement tool [Career Enhancement Initiative Team] |
| | Career Journey tool [Career Journey Initiative Team] |
| Use Technology | Office 365 training [Technology Adoption Initiative Team] |
| | Tech Connect network [Technology Adoption Initiative Team] |

Accomplishments in the Use Technology Focus Area were particularly critical in 2020 as the agency confronted the challenge of nearly agencywide remote work during the COVID-19 public health emergency.  The staff was required to rapidly shift to remote work platforms and adopt virtual collaboration and communication tools, such as those in Office 365.  Working in concert with the Office of the Chief Information Officer, the Technology Adoption Initiative redirected what had been planned as in-person Office 365 training to on-line training in response to the emergent need.  The Tech Connect network, which provides peer support and a community of practice for technology users, will continue to benefit the agency.  These technology resources allowed the staff to successfully perform its critical work in an unprecedented environment.

In addition to the Transformation Roadmap, KR1 also refers to solutions in the Office Transformation Plans.  By their nature, these plans are different than the Transformation Roadmap.  The Office Transformation Plans generally have three elements: (1) innovative solutions for specific office projects or activities, (2) improvements to office work processes, and (3) strategies to improve the office culture.  Elements (2) and (3) correlate with agency KR2 and KR3, respectively, and are discussed in the evaluation of those KRs.  Progress in implementing innovative solutions for specific office projects or activities is thus the only element of the Office Transformation Plans evaluated as part of agency KR1.  Though they were not coordinated by the EDO as part of the centralized transformation activities, they still support the vision of becoming a modern, risk-informed regulator.  Moreover, these were, in many cases, accomplished without taking full advantage of the transformation-enabling tools and resources developed by the Transformation Initiative Teams because these were not available until later in the year.  Note that this does not diminish the importance of these tools and resources moving forward, because it is likely that office-level solutions will be developed more efficiently and effectively as they are widely adopted.  Enclosure 2 provides further context for how OKRs in 2021 will drive further adoption and use of the tools and resources developed by the Initiative Teams throughout the agency.

Representative examples of office-initiated solutions for specific projects or activities are listed in Table 2.[2]  These were designated by offices as milestone KRs where, again, the actions driven by the KR were those necessary to ensure that those responsible for developing the solutions had the necessary resources and other support.  Most office KRs of this type had a score of 0.7 or greater at the end of calendar year 2020, indicating that they were already completed or were approaching completion.  This is a notable achievement given that the KRs represent aspirational and forward-looking activities.  Some activities have not yet been brought to closure because, among other reasons, the activities were challenged or reprioritized due to the COVID-19 public health emergency, or there was the need for additional stakeholder input.

| Table 2 – Representative Examples of Office-Initiated Solutions Supporting Agency KR1 in 2020 | |
| --- | --- |
| Office | Solution |
| Office of Nuclear Material Safety and Safeguards | Issuance of SECY-20-0020, "Results of Exploratory Process for Developing a Generic Environmental Impact Statement for the Construction and Operation of Advanced Nuclear Reactors" – Completed |
| Office of Nuclear Reactor Regulation | Application of Be riskSMART framework to accelerate closeout of Open Phase Condition – Completed |
| Office of the Chief Human Capital Officer | Enhanced replacement for the Human Capital Dashboard – Completed |
| Region 1 | Revision of materials inspection procedures to provide better direction for making risk-informed decisions – In progress |
| Office of Nuclear Regulatory Research | Leveraged Department of Energy programs to enhance staff expertise in such areas as modeling, simulation, and advanced manufacturing – In progress |

Analysis of Agency KR2 – Free staff time to support better quality and more timely decision-making by each office improving at least three processes, either programmatic or corporate.

Agency KR2 concerned the implementation of process improvements by offices.  Two types process improvements were envisioned by this KR.  The first were process improvements brought about by the adoption of tools and resources developed as part of Transformation Initiatives (i.e., the near-term solutions on the Transformation Roadmap referenced in KR1).  The distinction between KR1 and KR2 is that the former measures progress in developing tools and resources up to the point that they are available to staff, whereas the latter measures the progress in building awareness and staff familiarity with them.  The levels of awareness and familiarity are used as the criteria for defining a successful process improvement in the case of KR2 because these are prerequisites to the widespread adoption that will be necessary, in 2021 and beyond, to accrue meaningful and measurable gains in efficiency.  The second type of process improvements were those initiated by offices, as set forth in Office Transformation Plans, that applied strategies other than those developed by Transformation Imitative Teams.  This, again, recognizes that some of these tools and resources were not yet launched until well into 2020, but going forward, will help offices in implementing process improvements.  Like process improvements originating from Transformation Initiatives, staff awareness and familiarity can be used as criteria for defining successful office-driven process improvements.

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[2] This paper is one means by which staff brings Commission attention to the types of solutions listed in the table and through which additional information is provided.  Among the others are periodic meetings with the Commissioners and Commissioners' Assistants and SECY Papers

For the purpose of assessing the progress for agency KR2, awareness and familiarity with solutions that represent process improvements is measured in either of two ways. In some cases, when a new tool or resource was developed, the Transformation Initiative Team or office established an output KR to indicate a goal for the number of staff who would use it. The KR score would thus be the ratio of the actual number of users to the goal number. A score of 1.0 means that the goal number has been accomplished. This type of measure is best when the numbers can be readily tracked through system-generated data. Actions driven by this type of KR are those which will inform staff of the solution availability and encourage them to use it, such as would be executed as part of a communications strategy. When this is not possible or practical to directly measure process users, the other way that awareness is measured is by establishing a milestone KR for the release of process guidance that can be shared with staff. The KR score is a measure of the fraction expended of the effort required to complete that guidance. Actions driven by this type of KR are similar to those for the milestones within the scope of agency KR1, such as allocation of staff and resources.

Process improvements associated with the tools and resources developed as part of Transformation Initiatives are listed in Table 3. Each of these was successful in 2020, as indicated by a score of 1.0 for the KR given in the third column.

| Table 3 – Process Improvements Associated with Tools and Resources Developed as Part of Transformation Roadmap in 2020 | | |
|---|---|---|
| **Transformation Focus Area** | **Process Improvement** | **Key Result and Score** |
| Be riskSMART | Reduce concurrence time on SECY papers by improving process to document upfront alignment on key messages. | Milestone – Revision to OEDO Procedure 0380, "SECY Paper Development Process," Revision 4 (ADAMS Accession No. ML20217L393) – Issued August 4, 2020 – Score 1.0 |
| | Improve clarity and focus of Communications Plans by improving process for upfront alignment with Office of Public Affairs. | Milestone – Revision to OEDO Procedure 0215, Communications Plans," Revision 4 (ADAMS Accession No. ML20217L447) – Issued August 6, 2020 – Score 1.0 |

| Transformation Focus Area | Process Improvement | Key Result and Score |
|---|---|---|
| Innovation | Streamline process for innovative idea collection, review, and documentation by transitioning from individual office innovation hubs to agencywide IdeaScale innovation platform. | Output – At least 30% of staff log onto IdeaScale within 30 days of launch event on June 18, 2020 – Accomplished – Score 1.0 |
| | Streamline process for soliciting staff ideas to address specific agency challenges by crowdsourcing solutions through IdeaScale Challenge Campaigns. | Output – Conduct at least five Challenge Campaigns in calendar year 2020 – Accomplished – Score 1.0 |
| | Structure and systematize process for assessing internal and external factors affecting agency workload to provide better insights for the agency Environmental Scan. | Milestone – Issuance of Signposts and Markers Transformation Team Report (ADAMS Accession No. ML20127H840) – Issued April 17, 2020 – Score 1.0 |
| Focus on our People | Structure and centralize location of disparate information on career development strategies to make access easier for staff. | Output – At least 30% of staff visit Career Enhancement portal between its launch on March 31 and October 31, 2020 – Accomplished – Score 1.0 |
| Use Technology | Improve process for document sharing and collaboration by utilizing Office 365, SharePoint, and OneDrive rather than email attachments to transmit files. | Output – Increase by at least 10% the number of files shared by SharePoint and OneDrive during the calendar month of June 2020 compared to the calendar month of November 2019 – Accomplished – Score 1.0 |

Representative examples of office-initiated process improvements that were completed or for which significant progress was made (i.e., KR score greater than 0.7) during 2020 are listed in Table 4.

| Table 4 – Representative Examples of Office-Initiated Process Improvements in 2020 | |
|---|---|
| **Office** | **Process Improvement** |
| Office of Administration | Streamlining process for reviewing high-dollar value procurements by implementing electronic concurrence for the Strategic Sourcing Group – completed. |
| Office of Nuclear Security and Incident Response | Improving efficiency of the power reactor cyber security oversight and inspection procedure by revising Inspection Procedure 71130.10P, "Cyber Security" – in progress. |
| Office of the Chief Information Officer | Increasing accessibility of legacy agency information by digitizing and making searchable Nuclear Documents System (NUDOCS) microfiche – in progress. |
| Office of Small Business and Civil Rights | Improving efficiency of civil rights case processing by using Equal Opportunity Employment Commission portal to facilitate management and sharing of case files – completed. |

In 2020, the agency did not have in place the means to track the amount of time savings accrued by the process improvement activities. As such, the agency did not establish KRs related to these measures. Moving forward, the agency will explore additional approaches to evaluate process improvements which could allow for such measures.

<u>Analysis of Agency KR3 – Improve employee engagement and demonstrate it by improving our overall FEVS employee engagement score to 80 percent, the highest score ever achieved by the NRC (multiyear stretch goal).</u>

Agency KR3 concerned improving the FEVS employee engagement score to greater than 80. The FEVS Employee Engagement Index (EEI) considers the responses to 15 FEVS questions on perceptions of organizational leadership, supervision, and the employee's work experience. The EEI is made up of three subfactors: Leaders Lead, Supervisors, and Intrinsic Work Experience. The NRC EEI scores since 2010 are shown in Table 5. Because employee engagement reflects staff's perceptions of the agency culture and priorities, it directly relates to the capacity for NRC to achieve its goal of becoming a modern, risk informed regulator. Namely, staff's openness to change is contingent upon managers and supervisors setting clear expectations, leading by example, and positively recognizing desired behaviors. Moreover, innovation will require the extension of trust as staff are empowered to work in new and different ways.

| Table 5 – NRC Yearly EEI Score | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| 80 | 79 | 76 | 75 | 75 | 75 | 74 | 75 | 77 | 74 |

The agency recently received the results of the FEVS administered in 2020, which will be communicated in full to the Commission in a separate correspondence. The agency's EEI score increased compared to the FEVS administered in 2019 and was consistent with achieving the multi-year stretch goal of 80%. Insights from the FEVS will be used to guide and refine what staff have designated as its Culture Improvement Plan.

The Culture Improvement Plan refers to agencywide and office-level actions that will be taken in 2021 and beyond to improve employee engagement, the coordination of which is through the Agency Desired Culture Transformation Initiative Team. Before putting in place the Culture Improvement Plan, the team did a significant amount of assessment and information gathering in 2020. The team determined that, prior to formulation of this plan, it would be necessary to establish a baseline measure of the agency's current culture, to define the desired culture (i.e., what the agency should aspire to), and to identify the gaps between these. A milestone KR was put in place to conduct a staff survey using an outside contractor. Actions driven by the KR included conducting market research to identify a contractor, putting the contract in place with that contractor, coordinating survey logistics, and communicating the survey to staff. The contractor, Human Synergistics, administered its Organizational Culture Inventory (OCI), OCI-Ideal, and Organizational Effectiveness Inventory surveys to a representative cross-section of staff in Quarter 2 of 2020. The KR contributed to a successful survey administration as the survey was administered on the desired schedule and the goal response rate was accomplished.

A second milestone KR was for the Agency Desired Culture Transformation Initiative Team to use the Human Synergistics survey data, in concert with those from prior FEVS and Safety and Culture and Climate Surveys, to formulate the list of the highest priority behavior and process improvements that should be addressed by the Culture Improvement Plan. Actions driven by the KR included a statistical analysis of the data, discussion of insights with staff and senior management through a series of webinars, and consultation with organizational culture subject matter experts from Human Synergistics. The Team accomplished this milestone and shared desired behavior changes, summarized in Table 6, with the Commission at the September 17, 2021 meeting, "Transformation at the NRC – Milestones and Results."

| Table 6 – Listing of Current Behaviors and the Corresponding Aspirational Behaviors to be Addressed in Culture Improvement Plan | |
|---|---|
| **Current Behaviors** | **Aspirational Behaviors** |
| We focus on making perfect decisions and push upwards even when unnecessary. | We focus on coaching and empowering individuals and teams to make good decisions at the lowest reasonable level. |
| We recognize individuals who have the same viewpoint as ours and we are hesitant to bring different ideas forward. | We recognize individuals for sharing different viewpoints in a constructive manner and we actively bring different ideas forward. |
| We take conventional approaches that avoid difficult discussions or decisions. | We proactively seek innovative approaches while openly discussing risks. |
| We focus on advocating for our own position in teams and avoid responsibility for the team's decisions. | We show mutual support in working toward the goals of the team and share responsibility for the team's decisions. |
| We change the way we think and behave at work to fit in and not rock the boat. | We encourage each other to bring our whole selves to work. |

At that meeting, the staff also shared proposed process improvements to realize the desired behaviors, including: (1) incorporating NRC Leadership Model behaviors into staff performance plans, (2) conducting quarterly townhall meetings with agency senior management up to the EDO, (3) using informal recognition and consistent implementation of formal awards for demonstrating desired behaviors, (4) aligning employee development programs and development plans around a coherent theme, emphasizing skills needs to bring about desired

behaviors, and (5) establishing clear strategic objectives across the agency that are used to align on priorities with employees.

Reflecting a multi-year effort starting in 2021, the Culture Improvement Plan focuses on these behavior and process changes. Actions with agencywide applicability are the responsibility of the Agency Desired Culture Transformation Initiative Team reporting to the EDO. The team requested that offices also put in place complementary office-specific plans for 2021. Coordination between the Agency Desired Culture Transformation Initiative Team and offices is done through office Culture Champions and the Change Agent Network. The former are the formal liaisons who relay key messages and strategies, while the latter is a more informal network of staff who will advocate for and model desired behaviors among their peers. The agency's progress in effecting culture change will be indicated by the results of the FEVS administered in 2021 and beyond. Additionally, staff plans on administering a limited-scope Human Synergistics pulse survey in mid-2021, and a full resurvey in 2022.

Effective communication between management and staff will be a critical element of implementing the Culture Improvement Plan and is necessary to improve employee engagement. Improved communications afford opportunities to discuss strategic priorities, transformation objectives, workload drivers, and other matters of concern to staff. The agency faced unique challenges this year as most staff have been working remotely during the COVID-19 public health emergency. Nevertheless, the agency and offices successfully used virtual meeting platforms to hold regular townhalls and other formal or informal check-ins. The first EDO virtual townhall meeting was held on May 19, 2020, and another is planned for February 24, 2021.

A recurring theme in management engagement with staff is the desire for agency employees to have more information on developing their skills so that they are better equipped for their current jobs and prepared for lateral and advancement opportunities. As part of the Transformation Roadmap, the Career Enhancement Initiative synthesized and organized information in a one-stop web-based tool for guidance on career planning and skill building, which is one of the milestone KRs referenced in the discussion of agency KR1.[3] Building upon that, the Employee Journey Initiative released a web-based tool with more specific guidance for those career paths that the agency, through Strategic Workforce Planning, has determined to be high-priority in coming years.[4] As these are new resources in 2020, focus in 2021 will be to encourage their use by staff and to get feedback on whether staff find these to be helpful. These goals are addressed in the 2021 OKRs. Complementing these agency level approaches, which also include Open Opportunities and Competency Modeling, offices are making greater use of developmental assignments, cross-training, and cross-qualification to ensure that critical roles are filled.

*Was the methodology employed within the agency an effective program to implement the use of OKRs?*

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[3] Available on the NRC's internal website at: https://usnrc.sharepoint.com/teams/NRC-Guide-to-Career-Enhancement.

[4] Available on the NRC's internal website at: https://apps.gov.powerapps.us/play/0c0bb8b6-0e6d-4db9-96d1-e808db018496?tenantId=e8d01475-c3b5-436a-a065-5def4c64f52e&source=portal&screenColor=rgba(0%2C%20176%2C%20240%2C%201)&hidenavbar=true.

Analysis Approach

Fundamental to the use of OKRs as a meaningful transformation performance measure is the establishment of an implementation framework that clearly prescribes the roles and responsibilities of involved parties, as well as defines the expectations and norms for actions within that framework. This analysis focuses on three key elements of OKR implementation. First is the decision-making structure, particularly as it relates to the development of OKRs. Second is the consistency in the formulation of OKRs across the agency. Third are processes for the tracking and reporting of OKRs. The reference for this evaluation is a comparison of the agency's implementation approaches to those recommended as best practices by an OKR subject matter expert[5] who provided training to staff in 2020, with additional consideration given to lessons learned by agency staff involved with OKR implementation.

Analysis of Decision-making Approach

In the agency OKR framework, the agencywide OKRs are established by the EDO. This approach invests in the EDO the primary responsibility for aligning the OKRs with the transformation vision and ensures consistency with the agency's broader strategic goals, such as those in the Agency Strategic Plan. The agencywide OKRs are communicated to EDO staff offices[6] and Transformation Initiative Teams, the leadership of which then develops the supporting OKRs for their organizations. These do not require the formal approval of the EDO, however, OEDO staff tracked the progress. Throughout the year, offices and Transformation Initiative Teams may modify or update their OKRs. They make OEDO staff aware of such changes, but approval is not required. OKRs are discussed, collectively, with the EDO and senior management at the Quarterly Performance Review (QPR) meeting.

This decision-making framework was successful in 2020. From tracking the office, region, and Transformation Initiative Team OKRs, OEDO staff confirmed that that these were aligned with the agencywide OKRs the offices, regions, and Transformation Initiative Teams had the latitude to construct their OKRs in a manner that suits the mission and model of that organization. This contributed to the successful execution of their own OKRs in 2020, and is also consistent with the aspirational behavior, referenced in KR3, where decisions are made at the lowest reasonable level.

Analysis of Consistency in Formulation of OKR

Consistency in the formulation of OKRs refers to whether Objective statements and KRs written by the various offices and Transformation Initiative Teams have enough similarity to allow for meaningful comparisons of progress towards the accomplishment of the agency OKRs. Organizational consistency is generally brought about through guidance which, in the case of NRC, originates from OEDO. In part because OKRs were new to the agency, the guidance from OEDO in 2020 was relatively general with respect to such factors as establishing the time period for activities and providing details of what will be tracked or measured. The need for greater consistency became apparent as staff received training during the year and based on feedback from those involved with the formulation of OKRs. The OKR subject matter expert recommended that the agency follow a more prescriptive formula for writing OKRs in 2021, following best practices from other organizations. The OEDO enhanced the guidance for

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[5] Kevin Baum – Global OKR Coach – OKRsTraining.com.
[6] Chairman- and Commission-reporting offices were also encouraged to submit OKRs.

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formulation of 2021 OKRs which were provided to offices in January 2021,[7] and is anticipating that this will achieve the desired outcome.

Analysis of Reporting and Tracking Approach

The tracking and reporting are integral to OKR execution, as these support the foundational OKR principles of transparency and accountability.  The tracking and reporting approach refer to the frequency with which progress is assessed, as well as the means by which that progress is documented and disseminated.  As implemented by NRC, OEDO requires that offices and Transformation Initiative Teams provide progress updates for their OKRs on a quarterly basis.  The OKR status is documented on a web-based dashboard maintained by OEDO which is available to all staff.[8]  For each OKR, the dashboard provides a brief narrative description of the associated activity status, as well as the score.

The agency's quarterly OKR reporting structure is suitable, and in line with the recommendation of the OKR subject matter expert.  The 3-month interval provides enough time to accrue meaningful progress in between reports, but also allows for regular adjustments to activities based on execution challenges or priority changes.  Also, this frequency also permits discussion of OKRs at other routine quarterly meetings such as QPR or the Quarterly Strategic Alignment Meeting.  The OKR status dashboard provides the necessary information to facilitate effective quarterly reporting.

SUMMARY

In summary, the OKR methodology has moved the agency towards the achievement of transformation-related goals 2020.  OKRs provided clarity in defining expectations, offered a standardized approach to measure progress, and facilitated alignment across different levels of the organization.  OKRs are suitably adaptable to the unique context of the agency's transformation, notably the four transformation focus areas and the respective roles of Transformation Initiative Teams and offices.  The agency's implementation of the OKR framework is in accordance with the best practices of other modern, successful organizations, and will continue to serve the agency well through 2021.

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[7] Guidance for 2021 OKRs is internally available at: https://usnrc.sharepoint.com/teams/EDO-OKR/SitePages/2021-Agency-OKRs.aspx.

[8] The dashboard is internally available at: https://app.powerbigov.us/groups/b3658de3-1bd5-46a8-a961-b02565097184/reports/3d70a4ad-f222-40a9-9ed1-5caf80f906fe/ReportSection?openReportSource=ReportInvitation&ctid=e8d01475-c3b5-436a-a065-5def4c64f52e.