



Memorandum from the Office of the Inspector General

April 25, 2018

Daniel L. Hughes, NAB 1A-BFN

**REQUEST FOR FINAL ACTION – EVALUATION 2017-15503 – BROWNS FERRY
NUCLEAR PLANT SITE SECURITY'S ORGANIZATIONAL EFFECTIVENESS**

Attached is the subject final report for your review and final action. Your written comments, which addressed your management decision and actions planned or taken, have been included in the report. Please notify us when final action is complete. In accordance with the Inspector General Act of 1978, as amended, the Office of the Inspector General is required to report to Congress semiannually regarding evaluations that remain unresolved after 6 months from the date of report issuance.

If you have any questions or wish to discuss our findings, please contact Amy R. Rush, Evaluations Manager, at (865) 633-7361 or Lisa H. Hammer, Director, Evaluations – Organizational Effectiveness, at (865) 633-7342. We appreciate the courtesy and cooperation received from your staff during the evaluation.

David P. Wheeler
Assistant Inspector General
(Audits and Evaluations)
ET 3C-K

ARR:BSC

Attachment

cc (Attachment):

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OIG File No. 2017-15503



Office of the Inspector General

Evaluation Report

To the Vice President,
Browns Ferry Nuclear Plant

BROWNS FERRY NUCLEAR PLANT SITE SECURITY'S ORGANIZATIONAL EFFECTIVENESS

Auditor
Amy R. Rush

Evaluation 2017-15503
April 25, 2018

ABBREVIATIONS

BFN	Browns Ferry Nuclear Plant
BFN SS	Browns Ferry Nuclear Plant Site Security
CFR	Code of Federal Regulations
FY	Fiscal Year
IDS	Intrusion Detection System
NPG	Nuclear Power Group
NRC	Nuclear Regulatory Commission
NSDP	Nuclear Power Group Standard Department Procedures
SPP	Standard Programs and Processes
TVA	Tennessee Valley Authority

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Evaluation 2017-15503 – Browns Ferry Nuclear Plant Site Security's Organizational Effectiveness

EXECUTIVE SUMMARY

Why the OIG Did This Evaluation

Organizational effectiveness, as defined in this evaluation, is the ability of an organization to achieve its mission and goals. To achieve and sustain organizational effectiveness, there should be alignment between strategy, team engagement, and operational performance. Specifically, values and behaviors that drive good performance should be embedded throughout the organization's business processes and exemplified by the individuals that manage and work in the organization. The Tennessee Valley Authority's (TVA) 2017 3-year Enterprise Risk Profile recognized that ongoing workforce refinementⁱ might negatively affect the performance environment. Therefore, employee engagement is critical.

Due to the importance of alignment between strategy, team engagement, and operational performance, the Office of the Inspector General is conducting organizational effectiveness evaluations of business units across TVA. This evaluation focused on Browns Ferry Nuclear Plant's Site Security (BFN SS) organization.

BFN SS is responsible for maintaining physical security at Browns Ferry Nuclear Plant (BFN) through its workforce and execution of its security plans. In addition, BFN SS also serves as the primary interface with federal, state, and local agencies on security-related issues and regulations. As of June 22, 2017, BFN SS had 199 employees, including management. The objective of this evaluation was to identify strengths and risks that could impact BFN SS's organizational effectiveness.

What the OIG Found

We identified strengths related to (1) organizational alignment, (2) teamwork within departments, and (3) direct management support of employees. However, we also identified risks that could impact the effectiveness of BFN SS to achieve its responsibilities in support of the BFN mission. These risks included (1) ineffective leadership above first-line leaders due to inadequate communication, lack of individual accountability, insufficient management support, and noninclusive behaviors; (2) lack of collaboration between departments within BFN SS; (3) ineffective work management processes; and (4) perceptions of unethical behaviors.ⁱⁱ

ⁱ Refinement of the workforce includes activities such as reduction in force.

ⁱⁱ While we did not determine the validity of each concern, we noted a personnel action was taken to address abuse of sick leave policies.



Evaluation 2017-15503 – Browns Ferry Nuclear Plant Site Security’s Organizational Effectiveness

EXECUTIVE SUMMARY

Based on our findings and using TVA’s Business Operating Model, we assessed BFN SS’s level of risk in the areas of alignment, engagement, and execution. As summarized in the following table:

- Alignment risk was rated low based on the alignment of management and employee goals, which supported BFN SS’s goals, priorities, and expected behaviors. In addition, BFN SS’s priorities aligned to the TVA and Nuclear missions.
- Engagement risk was rated high. While teamwork and support from direct management, which included security shift managers and supervisors, was cited as a strength by management and employees in one department, the majority of employees indicated the existence of inadequate communication, lack of individual accountability, insufficient management support, and noninclusive behaviors. Furthermore, employees stated there was a lack of collaboration between departments within BFN SS and the perception of unethical behaviors.
- Execution risk was rated high based on ineffective work management practices. Despite the significant amount of overtime worked within the organization to mitigate the risks posed by current staffing levels and because of poor collaboration between the plant and BFN SS personnel, there were BFN SS responsibilities that were not met timely. In addition, required training was canceled or delayed, which could further exacerbate the work management issues.

	Low Risk	Medium Risk	High Risk
Alignment	X		
Engagement			X
Execution			X

What the OIG Recommends

We recommend the Vice President, BFN:

1. Identify management and employee communication expectations and establish and consistently follow a communication plan where employees are (a) notified timely of necessary information and (b) asked for feedback and input into processes.
2. Address accountability concerns by (a) providing honest and timely feedback to individuals about actions and behaviors that do not align with expectations; (b) assisting individuals, where applicable, with



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development of individual development plans and allow individuals to identify personal goals and metrics; and (c) revising policies and procedures to require consistent expectations for all members of the organization.

3. Identify ways to increase collaboration between BFN SS departments and the plant and address behaviors not in accordance with expectations and uncondusive to building trust.
4. Evaluate staffing and overtime usage to determine whether (a) it is cost beneficial to hire additional employees and lessen the use of overtime, and (b) overtime is contributing to increased call offs.
5. Collaborate with plant personnel to implement work management practices that allow for proper scheduling of necessary support in addition to required security responsibilities.

TVA Management's Comments

TVA management agreed with our recommendations and stated that actions have been taken or are being taken to improve organizational effectiveness in the organization. Please see Appendix B for management's complete response.

Auditor's Response

We agree with TVA management's planned and completed actions. (Note: We revised wording as appropriate in this report based on discussions with TVA management.)

BACKGROUND

Organizational effectiveness, as defined in this evaluation, is the ability of an organization to achieve its mission and goals. To achieve and sustain organizational effectiveness, there should be alignment between strategy, team engagement, and operational performance. Specifically, values and behaviors that drive good performance should be embedded throughout the organization's business processes and exemplified by the individuals that manage and work in the organization.

In recent years, the Tennessee Valley Authority (TVA) has faced internal and external economic pressures and implemented cost-cutting measures in an attempt to keep rates low and reliability high while continuing to fulfill its broader mission of environmental stewardship and economic development. In addition to recognizing operational risks related to those pressures, TVA's 2017 3-year Enterprise Risk Profile recognized that ongoing workforce refinement¹ might negatively affect the performance environment. Therefore, employee engagement is critical.

Due to the importance of alignment between strategy, team engagement, and operational performance, the Office of the Inspector General is conducting organizational effectiveness evaluations of business units across TVA. Browns Ferry Nuclear Plant Site Security's (BFN SS) primary responsibility is to maintain physical security at BFN through its workforce and execution of its security plans. Through this obligation, the organization supports TVA's core safety² value as well as Nuclear Power Group's (NPG) and Browns Ferry Nuclear Plant's (BFN) mission of generating safe, reliable, and affordable electricity. In addition, BFN SS also serves as the primary interface with federal, state, and local agencies on security-related issues and regulations.

Nuclear security functions are regulated by the Nuclear Regulatory Commission (NRC), whose primary responsibility is to regulate commercial nuclear power plants through licensing, inspection, and enforcement of its requirements. TVA's overall Nuclear Security Program is driven by the regulatory requirements laid out in 10 Code of Federal Regulations (CFR) 73, Physical Protection of Plants and Materials, and 10 CFR 26, Fitness for Duty Programs.

In general, 10 CFR 73 sets forth obligations for establishing and maintaining a physical protection system for the purpose of protecting, among other things, special nuclear material and the nuclear power plants where those special nuclear materials are used. Specific relevant requirements included in 10 CFR 73 and its appendices relate to:

- Physical protection systems, subsystems, components, and procedures.

¹ Refinement of the workforce includes activities such as reduction in force.

² The safety value is described as "a professional and personal commitment to protect the safety of our employees, our contractors, our customers, and those in the communities that we serve."

- Access of persons, vehicles, and materials into material access areas and vital areas.³
- Activities and conditions within protected areas,⁴ material access areas, and vital areas.
- Implementation of a physical security plan for establishing, maintaining, and executing NRC security requirements.
- Implementation of the security Training and Qualification Plan.
- Reporting of events that represent an attempted, threatened, or actual breach of the security system or a reduction of operational effectiveness of that system.
- Minimum qualifications and training requirements for security personnel.

The NRC also requires a Fitness For Duty program in 10 CFR 26 and sets forth certain obligations to provide reasonable assurance that individuals are able to safely and competently perform duties commensurate with maintaining public health and safety. TVA plant Site Security along with TVA's Nuclear Corporate Security (who provides oversight and technical advice to plant Site Security) are responsible for compliance with applicable requirements in 10 CFR 73 and 10 CFR 26. TVA's method for addressing these NRC requirements is proceduralized through TVA, NPG, and/or BFN policies and procedures.

BFN SS tracks behavioral and operational performance factors to assist with achieving and maintaining regulatory compliance. Behaviors are observed periodically and tracked as to whether desired expectations are met as part of TVA Nuclear's Electronic Performance Observation Program. BFN SS also tracks performance indicators as required by the NRC. For calendar year 2017, key performance indicators that were tracked include the following: (1) cumulative and actual calendar year-to-date 24-hour security-related loggable events, (2) closed-circuit television compensatory hours,⁵ and (3) intrusion detection system (IDS) compensatory hours.⁶

As of the date of this evaluation, BFN SS includes three departments—Site Security, Protective Strategy, and Security Support:

- Site Security is primarily responsible for the protection of BFN and its personnel by carrying out duties consistent with NRC requirements, BFN's physical security plan, and applicable security-related TVA and BFN policies

³ Vital areas, as defined by the NRC, is an area that contains "any equipment, system, device, or material, the failure, destruction, or release of which could directly or indirectly endanger the public health and safety."

⁴ The protected area, as defined by the NRC, is "an area encompassed by physical barriers and to which access is controlled."

⁵ Hours expended in posting a security officer as required compensation for camera unavailability because of degradation or defects.

⁶ Hours expended in posting a security officer as required compensation for IDS unavailability because of degradation or defects.

and procedures. Security workforce duties include (1) processing vehicles, cargo, and individuals at the security checkpoint; (2) monitoring all patrol routes and the vehicle barrier system to detect any indications of tampering, unauthorized persons, vehicles, materials, and/or activities; and (3) successfully completing required training and requalification tasks. Additionally, Site Security monitors and tests security equipment performance to verify such equipment is operating as expected.

- Protective Strategy is responsible for (1) completing technical evaluations to determine necessary changes to BFN's strategy for safeguarding the plant, (2) advising BFN management of potential impacts to the protective strategy, and (3) evaluating and recommending compensatory measures to ensure that robustness of the protective strategy is maintained.
- Security Support is tasked with (1) implementation of BFN's Security Training and Qualification Plan; (2) development, coordination, and supervision of security drills; and (3) tracking the BFN security workforce's compliance with Appendix B of 10 CFR 73 (General Criteria for Security Personnel), BFN's physical security plan, and other regulations.

As of June 22, 2017, BFN SS had 199 employees, including management. As of that date, BFN SS's management structure included 1 senior manager, 1 superintendent, 5 managers, and 1 program manager. Effective October 1, 2017, the senior manager left TVA through a voluntary reduction in force; until selection of a permanent replacement; the BFN SS superintendent is filling the position.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of this evaluation was to identify strengths and risks that could impact BFN SS's organizational effectiveness. We assessed BFN SS (1) operations as of September 2017 and (2) culture as of the date of our interviews and focus groups, which occurred July 2017 through September 2017. We did not assess compliance with nuclear security related CFRs in this evaluation. To achieve our objective, we:

- Reviewed NPG's fiscal years (FY) 2017 through 2019 business plan, BFN's FYs 2017 through 2021 business plan, BFN SS's vision, and established priorities to gain an understanding of goals and initiatives.
- Reviewed TVA values and competencies (see Appendix A) for understanding of cultural factors deemed important by TVA.
- Interviewed BFN SS's senior manager and 3⁷ direct reports to obtain their perceptions related to strengths and risks that could affect organizational effectiveness.

⁷ One direct report was on administrative leave and unavailable for an interview.

- Conducted focus groups and/or interviews with approximately 113⁸ employees, first-line supervisors, and managers and analyzed the results to identify themes related to strengths and risks that could affect organizational effectiveness.
- Reviewed performance management documentation for a nonstatistical selection of 58 managers and employees in BFN SS and analyzed the documentation for alignment with departmental and organizational goals.
- Examined nuclear security regulatory requirements as set forth in 10 CFR 26 and 10 CFR 73 and reviewed select NPG standard department procedures (NSDP), standard programs and processes (SPP), and BFN SS instructions to gain an understanding of processes and controls.
- Compared results of TVA's 2016 Pulse Survey to the 2015 Employee Engagement Survey to gain additional understanding of the BFN SS work environment.
- Reviewed behavioral and operational information, including (1) FY2017 performance observations for BFN SS personnel; (2) overtime hours occurring in FY2015 through September 18, 2017; (3) BFN SS condition reports⁹ included in TVA's asset management system for FYs 2015 through 2017; and (4) budgeted and actual spend for FYs 2015 through 2017 to gain additional understanding of risks within BFN SS.
- Assessed the overall effectiveness of BFN SS in the following areas, as included in TVA's Business Operating Model:
 - Alignment – How well the organization coordinates the activities of its many components for the purpose of achieving its long-term objectives—this is grounded in an understanding of what the organization wants to achieve, and why.
 - Engagement – How the organization achieves the highest level of performance from its employees.
 - Execution – How well the organization achieves its objectives and mission.

This evaluation was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

OBSERVATIONS

We identified strengths related to (1) organizational alignment, (2) teamwork within the departments, and (3) direct management support. However, we also identified risks that could impact the effectiveness of BFN SS to achieve its

⁸ Three individuals were not available for interview, and not all individuals invited to focus groups sessions chose to attend those sessions.

⁹ Condition reports document the evaluation and resolution of conditions identified. These conditions may include events that have the potential to result in personnel injury, significant financial impact, loss of power generation, or detriments to employee or public safety.

responsibilities in support of the BFN mission. These risks included (1) ineffective leadership above first-line leaders due to inadequate communication, lack of individual accountability, insufficient management support, and noninclusive behaviors; (2) lack of collaboration between departments within BFN SS; (3) ineffective work management processes; and (4) perceptions of unethical behaviors.

STRENGTHS

During the course of our focus groups, interviews, and data analyses, we identified strengths related to (1) organizational alignment, (2) teamwork within the departments, and (3) direct management support in one department.

Organizational Alignment

Our assessment of performance management documentation for a nonstatistical sample of BFN SS personnel revealed that performance goals cascaded from the senior manager to employees. These goals supported BFN SS goals, priorities, and expected behaviors. In addition, BFN SS priorities aligned to the Nuclear and TVA missions.

Teamwork

The majority of employees interviewed provided positive comments pertaining to teamwork within their departments or crews, which is a component of TVA's collaboration value. Specifically, employees stated they trust and support each other and rely on one another to get the job done. Some employees also noted there is a willingness to help each other.

Direct Management Support

Most BFN SS employees in one department, which consists of the majority of BFN SS employees, stated they feel supported by their security shift managers and/or supervisors. These employees expressed trust in their direct managers and supervisors and indicated that direct managers and supervisors listened to feedback and worked to find solutions. Most employees also indicated that direct managers and supervisors, when possible, communicated what they needed to know.

RISKS

Risks that could impact the effectiveness of BFN SS to achieve its responsibilities included (1) ineffective leadership above first-line leaders due to inadequate communication, lack of individual accountability, insufficient management support, and noninclusive behaviors; (2) lack of collaboration between departments within BFN SS; (3) ineffective work management processes; and (4) perceptions of unethical behaviors.

Ineffective Leadership

Effectively executing TVA's mission not only requires organizational alignment and employee engagement but also leadership that exhibits actions and behaviors consistent with TVA policies, procedures, and expectations. TVA's Leadership Competencies (included in Appendix A) define expected behaviors of leadership, such as communicating effectively, taking responsibility and being accountable for actions, and inspiring trust and engagement. While most employees in one department cited support from first-line leadership as a strength, the majority of employees indicated BFN SS management above first-line leadership does not display behaviors in alignment with TVA expectations. Specifically, employees expressed frustrations and decreased trust in management stemming from (1) inadequate communication, (2) lack of individual accountability, (3) insufficient management support, and (4) noninclusive behaviors. This has not only negatively affected trust and heightened inclusion risk but also impeded management's ability to influence appropriate behaviors and employee engagement within the workforce.

Inadequate Communication

TVA's leadership competency, effective communication, encourages managers to communicate honestly and effectively with individuals and groups in a manner that helps them understand the rationale behind decisions. To communicate effectively, leaders may provide periodic updates, as available and appropriate, of organizational status and impending changes and the potential impact on the respective employee. Most of our conversations with supervisors and employees indicated that BFN SS management does not share information or provide answers to their questions. For example, supervisors and employees indicated that BFN SS management frequently changes procedures without informing them timely. Specifically, individuals stated they only become aware of changes when they are informed and/or disciplined for failing to follow procedures. Some employees also cited instances where they did not have up-to-date requirements or correct documentation to use in executing daily BFN SS duties.

Most employees indicated that management does not seek input, listen to concerns, or receive employee feedback well. Employees stated even if they do voice concerns that limited action, if any, is taken by BFN SS management to address the issues, and there is no commitment from management to follow up or follow through for resolution. While there is a process for communicating concerns to management through the creation of condition reports for noted issues, management informed us that employees may not want to create condition reports. Reasons for this, as noted by management, include (1) the prioritization of generation-related work orders over security-related work orders and (2) inadequate communication as to work order status from a third-party contractor who addresses facility-related issues for BFN SS. Supervisors and employees described situations where they asked questions of BFN SS management who indicated they would address the questions but never provided responses. In addition, most employees indicated they do not have input into their performance goals; rather, management determines goals.

Lack of Individual Accountability

Many employees indicated BFN SS management has not adopted a culture where constructive, consistent, and fair accountability exists. Specifically, several employees expressed concerns that individuals are not accurately evaluated through the performance management process, and some employees indicated there was mass punishment for actions taken by a few individuals.

As stated previously, most employees indicated they did not have input into their goals. Several employees stated this was because management informed them evaluations could not be tailored to the individual; therefore, they all receive the same performance goals. These individuals also believe they receive the same performance ratings, and some questioned how management could adequately assess individuals who may have the desire to promote into other positions if their ratings are the same. With regard to the tailoring of goals, Human Resources personnel stated that Site Security personnel hold positions where there is little differentiation in job duties; therefore, performance management documentation should denote whether individuals are performing the job as described.¹⁰ Because of similarities in job duties, there is very little differentiation, if any, in goals for each individual. Several employees described instances where they believe management did not hold individuals accountable for their actions. While we cannot confirm whether performance assessments were adequate, we examined performance management documentation and confirmed individuals generally had the same goals and received the same performance ratings even though support for a few individuals was inconsistent with their respective performance rating. Furthermore, BFN SS management stated they attempt to hold individuals accountable but feel they are limited in their ability to do so.

Some employees indicated there was mass punishment for actions taken by a few individuals. These employees provided a few examples, including one related to the prohibition of pocketknives after someone in BFN SS cut themselves with a knife. Employees believed others within BFN were allowed to use knives, and because one individual incurred an injury, these tools were prohibited for all BFN SS employees. However, the TVA Safe Work Requirements Manual states that only knives approved by TVA, which does not include personal pocketknives, are allowed to be used as a tool within TVA. As stated previously, supervisors and employees described instances of inadequate communication with management, which could be the cause for the perception of mass punishment in this instance. Practicing mass accountability, rather than individual accountability, hinders employees from taking ownership of actions and modifying them in an effort to continuously improve.

¹⁰ Human Resources personnel also informed us that individual development plans allow employees to differentiate their development goals. Individual development plans are formal plans used to support the development and professional success of an individual employee. These plans should focus on an individual's strengths, development needs, and career objectives.

Insufficient Management Support

According to TVA's leadership competencies, managers are expected to build a positive environment that motivates others to achieve and exceed organizational goals and aspirations. This includes understanding and anticipating problems, ensuring teams and individuals have resources they need, and demonstrating self-awareness so that behaviors deemed as not motivational may be modified. Most employees we interviewed stated management does not provide the necessary resources, including staffing and support (such as recognition), to perform their jobs.

Insufficient Staffing Levels – Most employees stated that staffing levels are inadequate primarily because employees who are on medical leave are included as part of the headcount, which limits the potential for hiring new employees. Employees questioned the rationale behind including employees who have been on medical leave for a lengthy amount of time in the BFN SS headcount as this limits the number of persons available to work. As of October 3, 2017, BFN SS had 15 employees on medical leave and 10 serving in limited capacity. While headcount increased in FY2016, there was an overall decrease of 9 percent in headcount from March 2016 through June 2017. Because of the decreased headcount, many employees indicated they work a high number of overtime hours and noted individuals were forced to cancel or delay required training. According to FY2017¹¹ financial data, BFN SS personnel worked approximately 112,000 hours of overtime resulting in approximately \$4 million in expense, which is relatively consistent with the prior two FYs.

Many employees also expressed frustration related to becoming eligible for more overtime when they take leave as this lengthens the break between work periods. For example, if an employee took leave, he/she would be subject to working more overtime because of the break in workdays created by the leave taken as indicated by NPG-SPP-03.21, Fatigue Rule and Work Hour Limits. These employees indicated this results in a high number of call offs where individuals scheduled for work call in to report they will be absent. According to data provided by NPG Corporate Security, there were 579 call offs for March 2017 through July 2017. Some employees also stated it is sometimes necessary to work additional overtime to take required training. Staffing levels and overtime are contributing factors to ineffective work management as discussed later in this report.

While there is no evidence that NRC nuclear fatigue rules have not been followed, extended periods of overtime could lead to increased absenteeism, decreased productivity, and increased safety risk. Two of these factors, increased absenteeism and decreased productivity, have been or are being realized within the organization. In addition, the cancellation or postponement of training, large amounts of overtime worked, and high number of call offs has contributed to decreased employee engagement and morale and has increased

¹¹ This data covered October 1, 2016, through August 20, 2017.

the risk of not meeting required responsibilities necessary for supporting the BFN mission as discussed below.

Inadequate Support and Lack of Recognition – Several employees expressed frustrations regarding unmet needs, such as lighter weight uniforms for use in warmer weather. Employees were told by management the uniforms were not purchased because of budgetary constraints. Most employees interviewed also indicated there is a lack of recognition from BFN SS management. We examined budgetary information related to employee recognition and determined only 17 percent of FY2017 budgeted funds were used. We also examined budgetary information for FY2015 and FY2016 and determined that money in the uniform and employee recognition budgets went unspent in each FY.

Noninclusive Behaviors

According to TVA's Leader Guide supporting the 2015 Employee Engagement Survey, inclusion includes being "respected, supported, valued, and enabled to fully participate." Many employees expressed frustration regarding management actions of favoritism and double standard practices. For example, NSDP 4.0, Security Organization, Expectations, and Standards, describes roles, responsibilities, and expectations to ensure the security organization functions in an efficient manner to support effective security shift operations. This procedure also includes expectations and standards for uniforms and grooming. According to some employees, this procedure has changed several times; however, the original version stated that no one in BFN SS could have facial hair. According to the current revision, trainers and coordinators¹² are allowed to have facial hair because these individuals are not qualified to work operational posts and patrols. Employees questioned why the procedure was changed to allow for differing standards for one group of individuals versus another in the same organization. Allowing differing standards can create engagement concerns especially if employees do not understand (1) the reasons behind differing expectations or (2) why the expectations changed.

Many individuals also stated that management does not hold themselves to the same expectations as employees. Some individuals indicated there were instances where management had facial hair and verbalized during meetings that it was allowed for management, which some employees considered disrespectful. As stated previously, management is expected to demonstrate self-awareness so that behaviors deemed as not motivational may be modified. While NSDP 4.0 is silent on the grooming expectations of management, engagement may be increased if management holds themselves to the same expectations of employees.

While teamwork and support from a select group of management were cited as strengths, individuals indicated a lack of communication and not feeling respected, supported, valued, and enabled to provide input into work by

¹² Coordinators are responsible for providing technical support and oversight, evaluation of security events, and development and monitoring of security programs.

management, which heightens inclusion risk within the organization. In addition, inconsistencies in management behaviors as compared to expectations have negatively affected trust and morale of employees and increased the risk of not meeting BFN SS responsibilities. According to leadership theory, management can influence others through various methods. Influence through position includes holding individuals accountable for behaviors exhibited within the organization. Management could also influence appropriate behaviors and engage employees through rewards and affirmations. A third method of influence includes leading by example and inspiring others to follow that example. As previously stated, employees indicated that none of these influencing methods occurred consistently within the BFN SS organization.

Lack of Collaboration

Another risk identified by many employees was a lack of collaboration between departments within BFN SS. Some individuals indicated dissension existed between different crews and/or between security personnel and coordinators and/or trainers, which has negatively affected collaboration. For example, several individuals mentioned that coordinators make work-related suggestions to employees, and those suggestions are either not listened to or considered derogatory because these individuals are not in the employees' chain of command. However, based on the coordinator job description, they are responsible for providing oversight and monitoring of security programs. Some individuals also indicated that coordinators, whose responsibility includes revising procedures, do not consider input from others. A lack of collaboration within BFN SS threatens the ability to support the plant effectively and can diminish employee morale.

Ineffective Work Management

As stated previously, BFN SS is tasked with responsibilities including processing personnel and vehicles into the plant, monitoring and detection activities around the plant, and maintaining qualifications. In addition, there may be a need for BFN SS personnel to respond to security-related requests from BFN plant personnel. Effective work management is critical to the achievement of these responsibilities and support of plant needs.

As stated previously, most employees expressed concerns about insufficient staffing and overtime hours worked. In addition, many individuals also indicated they had concerns that BFN SS is disconnected from plant personnel. For example, some employees stated BFN SS management does not interact with plant personnel to plan for and understand security needs for ongoing projects within the plant or is not responsive to plant needs. Employees further indicated they do not feel valued or respected by plant personnel because of perceived unresponsiveness. Several employees indicated poor collaboration between BFN SS and the plant was the result of insufficient planning and understanding of security needs for project support within the plant. Furthermore, examination of condition reports indicated there has been an increase from FY2016 to FY2017 of instances where BFN SS personnel failed to provide timely security-related

support to the plant, which may be a reflection of the poor collaboration between plant and security personnel. While examination of these reports did not indicate these lapses left the plant vulnerable to security risks nor violated any NRC regulations, not providing appropriate support to operational personnel can alter project schedules and damage relationships with plant personnel.

Perception of Unethical Behaviors

Because integrity is one of TVA's values, employees and management are charged with conducting business according to the highest ethical standards and seeking to earn the trust of others through words and actions that are open, honest, and respectful. Ethics, in the general sense, is defined as the "moral principles that govern a person's behavior or the conducting of an activity."¹³ Within BFN SS, many employees described management behaviors that conflict with the integrity value and the definition of ethics. Specifically, these concerns were related to (1) not following policies and procedures associated with use of sick leave; (2) revising policies and procedures, such as those related to grooming, to suit their needs; or (3) directing others to circumvent policies and procedures. If BFN SS management is not, or is not perceived to be, adhering to the policies and procedures they help set forth, then employee trust can be eroded, thereby negatively affecting employee engagement and decreasing productivity. While we did not determine the validity of each of these concerns, we noted that a personnel action was taken to address a BFN SS individual who was abusing the sick leave policies and procedures.

CONCLUSION

BFN SS plays an important role in the generation of safe, reliable, and affordable electricity. Although the organization is not directly tasked with generation responsibilities, it is accountable for protecting the assets necessary for electricity generation, supporting plant personnel when needed, and protecting the general public. While the role of the organization is vital to the success of the plant, many BFN SS employees indicated not feeling valued by management or plant personnel.

Within the past 3 FYs, BFN SS personnel have worked overtime on a frequent basis to meet security-related responsibilities. Most of these individuals indicated there was little recognition for performance from BFN SS management. While we noted some instances of employee recognition within the organization, employees also indicated management did not provide them support, communicate necessary information, or ask for input. In addition, employees expressed ethical concerns related to management behaviors. This has resulted in decreased trust and low morale, which has negated any goodwill extended by management and negatively affected management's ability to influence positive behaviors.

¹³ Oxford Dictionaries – Dictionary, Thesaurus, & Grammar. (n.d). Retrieved June 14, 2017, from <https://en.oxforddictionaries.com>.

Furthermore, despite the frequency of overtime worked, there was an increase in the number of responsibilities not met by BFN SS. If this continues, employee perceptions related to value and respect from plant employees could intensify, further diminishing morale and increasing the likelihood that other responsibilities will not be met.

Based on TVA's Business Operating Model, we evaluated the risk of three critical areas that could impact BFN's SS effectiveness, including:

- Alignment risk was rated low based on the alignment of management and employee goals, which supported BFN SS goals, priorities, and expected behaviors. In addition, BFN SS priorities aligned to the Nuclear and TVA missions.
- Engagement risk was rated high. While teamwork and support from direct management in one department was cited as a strength by management and employees, the majority of employees indicated the existence of inadequate communication, lack of individual accountability, insufficient management support, and noninclusive behaviors. Furthermore, employees stated there was a lack of collaboration between departments within BFN SS and the perception of unethical behaviors.
- Execution risk was rated high based on ineffective work management practices. Despite the amount of overtime worked within the organization to mitigate the risks posed by current staffing levels, there were BFN SS responsibilities that were not met timely. In addition, required training was canceled or delayed, which could further exacerbate work management issues.

RECOMMENDATIONS

We recommend the Vice President, BFN:

1. Identify management and employee communication expectations and establish and consistently follow a communication plan where employees are (a) notified timely of necessary information and (b) asked for feedback and input into processes.

TVA Management's Comments – Management stated they have communicated the September 2017 Nuclear Safety Review Board results that specifically affect security areas with supervisors and officers. They also developed and implemented a communications plan to address the trust issue between officers and management, which includes establishing communication expectations, establishing periodic meetings with staff and the union, and implementing a top ten issues list for Security Operations.

2. Address accountability concerns by (a) providing honest and timely feedback to individuals about actions and behaviors that do not align with expectations; (b) assisting individuals, where applicable, with development of IDPs and

allow individuals to identify personal goals and metrics; and (c) revising policies and procedures to require consistent expectations for all members of the organization.

TVA Management's Comments – Management stated they have briefed the staff on adherence to standards and being an engaged worker and reinforced examples of positive behaviors. They also plan to revise the procedure revision process; communicate expectations and standards for procedure use, adherence, and accountability; and discuss individual development plans with individuals to ensure performance and development gaps are addressed.

3. Identify ways to increase collaboration between BFN SS departments and the plant and address behaviors not in accordance with expectations and uncondusive to building trust.

TVA Management Comments – Management plans to develop and implement an observation schedule with security and nonsecurity line management and develop a plan to address relationships with key site and fleet stakeholders.

4. Evaluate staffing and overtime usage to determine whether (a) it is cost-beneficial to hire additional employees and lessen the use of overtime, and (b) overtime is contributing to increased call offs.

TVA Management Comments – Management stated the security manager will evaluate the current overtime rate versus the option of hiring above the headcount. They also plan to address the overtime issue by hiring to the authorized headcount, use continuous improvement tools to reduce the number of personnel on duty restriction, and collaborating with the union and Human Resources to reduce unscheduled call offs.

5. Collaborate with plant personnel to implement work management practices that allow for proper scheduling of necessary support in addition to required security responsibilities.

TVA Management's Comments – Management stated they have ensured consistent attendance of security in specific plant meetings, and they plan to collaborate with other departments within the plant to reduce wasted overtime hours or canceled overtime.

Please see Appendix B for management's complete response.

Auditor's Response – We agree with management's planned and completed actions. (Note: We revised wording as appropriate in this report based on discussions with TVA management.)

TVA Values	
Safety	We share a professional and personal commitment to protect the safety of our employees, our contractors, our customers, and those in the communities that we serve.
Service	We are privileged to be able to make life better for the people of the Valley by creating value for our customers, employees, and other stakeholders. We do this by being a good steward of the resources that have been entrusted to us and a good neighbor in the communities in which we operate.
Integrity	We conduct our business according to the highest ethical standards and seek to earn the trust of others through words and actions that are open, honest, and respectful.
Accountability	We take personal responsibility for our actions, our decisions, and the effectiveness of our results, which must be achieved in alignment with our company values.
Collaboration	We are committed to fostering teamwork, developing effective partnerships, and valuing diversity as we work together to achieve results.

TVA Leadership Competencies

Accountability and Driving for Results
Continuous Improvement
Leveraging Diversity
Adaptability
Effective Communication
Leadership Courage
Vision, Innovation, and Strategic Execution
Business Acumen
Building Organizational Talent
Inspiring Trust and Engagement

**MEMORANDUM DATED APRIL 18, 2018, FROM DANIEL L. HUGHES
(VICE PRESIDENT, BROWNS FERRY NUCLEAR PLANT) TO
DAVID P. WHEELER**

Date: April 18, 2018

To: David P. Wheeler, ET 3C-K

Subject: Request for Comments- Draft Evaluation 2017-15503 - Browns Ferry Nuclear Plant Site Security Organizational Effectiveness

David,

Browns Ferry has had the opportunity to review the Office of the Inspector General (OIG) evaluation focused on Browns Ferry Nuclear Plant Site Security Organizational Effectiveness. Thank you for your review and feedback; we appreciate the OIG's insights.

In the report, the OIG made five recommendations to the General Manager, BFN Site Operations. We agree with the recommendations and have actions in progress or previously completed actions to improve organizational effectiveness in site security. Since the completion of the evaluation, we have added to our leadership team an experienced Site Security Manager and we are already seeing improved performance since his arrival.

Below are some additional comments/actions related to each recommendation:

1. Identify management and employee communications expectations and establish and consistently follow a communication plan where employees are (a) notified timely of necessary information and (b) asked for feedback and input into processes.
 - Communicated the September 2017 NSRB results that specifically affect Security area with supervisors and officers. Ensured the communications included engagement aspects that address security supervisors/officers being part of the solution. (Complete)
 - Developed and implemented a communications plan to address the trust issue between officers and management. This plan included a Leadership Integration/Transition 100-Day plan that specifically addresses Discussion Standards and Expectations. The actions related to communication include:
 - a. Meet with direct reports (group meeting),
 - b. Establish communication expectations to direct reports and security shift supervision
 - c. Establish bi-weekly staff meeting to maintain organizational alignment
 - d. Schedule one on one performance meetings with each direct report
 - e. Meet with security union leadership
 - f. Schedule monthly meetings with the union
 - g. Schedule face to face time during scheduled security training
 - h. Periodically attend shift briefings
 - i. Review CAP backlog, and Implement a Security Operations Top 10 Issues List process. (In progress-action due June 11, 2018)
2. Address accountability concerns by (a) providing honest and timely feedback to individuals about actions and behaviors that do not align with expectations; (b) assisting individuals, where applicable with development of individual development plans and allow individuals to identify personal goals

and metrics; and (c) revising policies and procedures to require consistent expectations for all members of the organization.

- Briefed the Security Staff on the Commitment to adhering to standards, using HU tools, and being an engaged worker. (Complete)
 - Implemented a Daily PU/A Reminder Briefing (2-3 minutes) with the oncoming Security shifts for a period of 30 days. Non shift Security personnel attended a briefing administered in the off shift working areas. The briefing included reinforcement of what good looks like for Security Procedure Use and Adherence and examples of positive behaviors. See attachment and roster. (Complete)
 - Revise the procedure revision process to ensure all layers of the organization have an opportunity to review and comment. Use SMEs to brief security operations of the changes and "why". (action due April 26, 2018)
 - Security Management will participate and cascade "Why Standards Matter" through the department on the expectations and standards for Procedure Use and Adherence, Attention to detail, and Supervisory Accountability. (In progress-action due June 11, 2018)
 - As part of the Leadership Integration/Transition 100-Day plan establish a security department sense of urgency for Professionalism, Standards, and Customer Service. (In progress-action due June 11, 2018)
 - Review Security Departments Individual Development Plans (IDP's) and meet with direct reports as needed to ensure performance and developmental gaps are appropriately addressed in the IDPs. (In progress-action due June 11, 2018)
3. Identify ways to increase collaboration between BFN SS departments and the plant and address behaviors not in accordance with expectations and uncondusive to building trust.
- Develop and Implement a paired observation schedule with Security and non security line managers. Specific focus should be placed on the review of procedures for areas to be observed prior to the observation. (action due May 25, 2018)
 - Develop and implement a plan to address relationships with key Site/Fleet stakeholders. This plan is part of a Leadership Integration/Transition 100-Day plan that includes meetings with key stakeholders in Licensing, Quality Assurance, Human Resources, Employee Assistance Program, Operations, Maintenance, Corporate Security, NRC (Resident), and Local Law Enforcement. These meetings also include the expectation to establish periodic interfaces to help maintain stakeholder relationships. (In progress-action due June 11, 2018)
4. Evaluate staffing and overtime usage to determine whether (a) it is cost-beneficial to hire additional employees and lessen the use of overtime, and (b) overtime is contributing to fatigue resulting in increased call offs and additional overtime.
- The Security Manager will evaluate BFN's current overtime rate verses the option of hiring above headcount. (Action due April 30th, 2018) BFN has also demonstrated sensitivity to excessive overtime potentially impacting morale and influencing unscheduled call offs. The overtime issue will be addressed using a three pronged approach including;

- a. Hire to the authorized head count. (In-progress- One training class starts in May 2018)- immediately followed by a second class)
 - b. Using continuous improvement tools to reduce the number of personnel on the Duty Restricted List (DRL). (Action Due September 28, 2018)
 - c. Collaborate with the Union and HR to Reduce unscheduled call offs (current average 4.5 Call offs each day) (Action Due May 25, 2018)
5. Collaborate with plant personnel to implement work management practices that allow for proper scheduling of necessary support in addition to required security responsibilities.
- Ensure Security is consistently attending/participating in various site meetings such as the daily 0615 (M-F) Production meeting, 0700 daily Ops Turnover, and the 1600 (M-F) Operational Excellence Meeting, and various T meetings. (Complete)
 - Security will collaborate with Work Management, Maintenance, and Operations to diagnose and implement actions to address station work activities, requiring security support, which are cancelled or rescheduled the day of the activity. The goal of the collaboration will be to reduce wasted overtime hours or canceled OT that cycles officers who have already arrived and challenges effective use of the fatigue rule. (Action due May 25, 2018)

We will conduct an assessment in July 2018 to determine the effectiveness of actions taken to address these recommendations.

Please contact me if you have any questions.



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