

efficiency bulletin

Dec. 2, 2016

Efficiency Bulletin: 16-27c Graded Approach for Executive Engagement in Performance Assessment

Optimize assessment activities performed by executive leadership above the site vice president level.

Addressees: Chief nuclear officers, NEI APCs and INPO APCs

Issue: OA-2C, Graded Approach for Executive Engagement in Performance Assessment

Summary of Efficiency Opportunity

- Desired end-state—The executive leadership team efficiently and effectively conducts graded site/fleet oversight and challenge to ensure:
 - a recognition of current performance, trajectory and required actions to turn adverse trends
 - a self-critical assessment process exists capable of identifying early signs of performance decline
 - prevention, detection and correction of performance gaps is evident through the use of continuous improvement processes
 - appropriate integrated risk awareness and mitigation
 - optimal leadership and team effectiveness
 - a strong nuclear safety culture and a healthy technical conscience.
- Value proposition (vision of excellence)—This efficiency bulletin will provide an optimized graded model of oversight and challenge activities that ensures executive leadership teams have a timely awareness of and input on site/fleet:
 - performance metrics

Color Code: GREEN

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The Nuclear Energy Institute is the nuclear energy industry's policy organization.

This bulletin and additional information about nuclear energy are available at nei.org.

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- significant issue action/recovery plan status and the effectiveness of project, operational and enterprise risk mitigation
 - optimal leadership and team effectiveness
 - strong nuclear safety culture and healthy technical conscience.
- Why is it important?—Efficient and effective executive leadership team oversight and challenge is essential to establish and maintain exemplary performance for the long run. This efficiency bulletin provides an optimal approach for executive engagement based on assessment of performance classification and/or performance trajectory. Appropriate forums and formats allow the executive leadership team to focus and target the executive oversight function and optimize the information transfer from the site/fleet to the executive leadership team. It is important that the information transfer include the appropriate:
- information level of detail commensurate with significance
 - format to transfer the information
 - forum to allow for understanding and effectiveness challenge
 - periodicity based on performance trend.

The performance assessment touch points referenced in this efficiency bulletin are recognized as an acceptable minimum to allow the executive leadership team to efficiently and effectively conduct oversight and challenge. These performance assessment touch points are also generically titled and may be conducted in combined or separate forums based on utility processes and utility responses to graded performance or trajectory assessments. For the purpose of this efficiency bulletin various types of review and oversight meetings have been referenced. It is up to the utility to determine the design of the executive leadership engagement meetings with the intent to focus more on the plants with declining performance.

Optimized Graded Executive Leadership Oversight and Challenge Model			
Performance Classification*	Management Review Meetings (see change management considerations)	Key Performance Indicator Review	Focused Subject Oversight
Normal	2 per year	not required	As determined**
Increased	4 per year	1 per 2 months	As determined**
Focused	4 per year	monthly	As determined**

*Overall assessment activities typically result in a classification of performance. For the purpose of this efficiency bulletin, these classifications have been generically titled: “normal” oversight for exemplary performing plants, “increased” oversight for strong performing plants that may have a few narrowly defined issues and/or identified adverse trajectories, and “focused” oversight for performance risk plants. Plants in recovery with significant performance issues should be addressed with more intrusive oversight and actions similar to INPO 12-011, “An Implementation Framework to Significantly Improve Nuclear Plant Performance.”

** The leadership team and/or the utility management model will determine the elements of additional and/or increased oversight touch points, i.e. Focused Subject Oversight, (more frequent MRMs, specific functional area MRM’s, specific PI meetings in place of MRMs, outage readiness meetings, inspection readiness meetings, etc.) as

determined during performance reviews or other applicable forums. Identified performance issues or a declining performance trajectory typically trigger additional actions including corrective action program causal analysis, issue elevation or similar process interventions that may also be included as Focused Subject Oversight.

- Maximum benefit is obtained when this efficiency opportunity is implemented in conjunction with efficiency bulletins EB 16-27a, "Consolidation of Oversight Meetings" and EB 16-27b, "Optimized Corporate Oversight and Assessment."

Relevant Standards

- Performance Objectives and Criteria (INPO) CO.1, The corporate organization provides leadership for the nuclear stations to continuously improve and sustain high levels of safe, reliable operation and emergency response.
- Performance Objectives and Criteria (INPO) CO.2, Corporate governance provides the needed organizational structures, policies, processes and programs to establish high standards for the operation, maintenance and organizational support of the nuclear stations.
- Performance Objectives and Criteria (INPO) CO.3, Corporate management oversight and monitoring are used to strengthen safety and improve performance. Plant safety and reliability are under constant scrutiny through techniques such as assessments, performance indicators and periodic management meetings.
- Performance Objectives and Criteria (INPO) OR.1 (14), Systematic methods of monitoring performance are established, such as diverse performance indicators and periodic management meetings, to review the aggregate results of performance improvement activities and to verify the organization is aligned around the appropriate priorities.
- INPO 15-011 Principles for Excellence in Integrated Risk Management.

Guidance

- INPO 11-007, "Principles for Strong Governance and Oversight of Nuclear Power Organizations"
- INPO 15-005, "Leadership and Team Effectiveness Attributes"
- INPO 14-004, "Conduct of Performance Improvement"
- INPO 12-011, "An Implementation Framework to Significantly Improve Nuclear Plant Performance"

Recommended Industry Actions

- Implement a graded approach for executive engagement in performance assessment.

Change Management Considerations

Industry Activities

- Webinars will be conducted to provide background on the initiative, discussion, and an open forum to clarify expectations and ask questions. Webinar information can be found at <https://web.inpo.org/Pages/Nuclear-Promise-Issues.aspx>

Company Actions

- Review performance assessment processes to ensure adequate guidance exists for:
 - Management review meetings (i.e., OE, ER, TR MRM's)
 - Functional area performance reviews
 - Trajectory of performance and metrics
 - Relevant independent assessments of performance
 - Project, operational, enterprise risk reviews
 - Organizational effectiveness reviews
 - Nuclear safety culture reviews
 - Key performance indicator review meetings
 - Functional area tiered indicator reviews
 - Focused Subject Oversight (examples)
 - Performance improvement plans as applicable
 - Recovery plans as applicable
 - Leadership and team effectiveness assessments as applicable
 - Targeted assessments as applicable
 - Outage readiness reviews
 - Inspection readiness reviews

Report Your Site's Results

Please report your company's implementation of this improvement opportunity, including the date of completion. Send this information along with your company point of contact to EfficiencyBulletin@NEI.org.

Industry Contacts

- Industry champion for this issue: Mike Perito, 225-381-4374, mperito@entergy.com
- INPO contact: Gary Waldrep 770-644-8626, waldrepg@inpo.org
- NEI contact: Chris Earls, 202-739-8078, cee@nei.org
- On the web: www.nei.org/bulletin1627c

Industry Approval:

Mano Nazar, CNO Lead



Key to Color Codes:

Red: NSIAC initiative – full participation required for viability

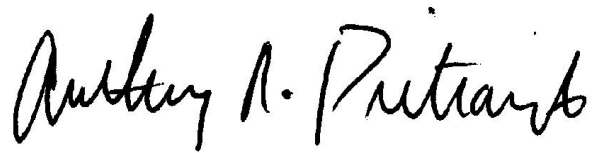
Blue: Action expected at all sites, but is not needed for broad industry viability

Green: Utility discretion to implement, consistent with its business environment

David P. Igyarto, Institute of Nuclear Power Operations

A handwritten signature in black ink that reads "David P. Igyarto". The signature is written in a cursive style with a large initial 'D' and a prominent horizontal stroke at the end.

Anthony R. Pietrangelo, Nuclear Energy Institute

A handwritten signature in black ink that reads "Anthony R. Pietrangelo". The signature is written in a cursive style with a large initial 'A' and a prominent horizontal stroke at the end.