

TOSAN CASE STUDY:

*Vertical Communications as a key lever for
successful change.*

CLIENT PROFILE:

Industry:	Energy - Nuclear Power Generation
Organization:	Spanish Nuclear Operating Facility Two plants, three reactors = 3300 MW
Employees:	2300 (800 FTE / 1500 Contractor)

CHALLENGE:

The Spanish Nuclear Operating Company (SNOC) was experiencing a significant lack of organizational alignment in the workforce and in supporting strategic efforts. Additionally, less than acceptable levels of commitment to industrial and nuclear safety were the norm across both plants in operation. New leadership, understanding that these two aspects of the company's culture were paramount to sustaining business success and employee and community safety, reached out to Tosan for help in shifting the company's overall culture from one of passive and avoiding behaviors, to one that was constructive, proactive and strategically focused in nature.

SNOC has been engaged with Tosan since the fall of 2009 to implement a number of change initiatives meant to increase operational effectiveness and most importantly, to maximize the

Nuclear Safety Culture within the company. These efforts are part of a larger organizational improvement effort. However, SNOC leadership realized that strategic alignment and culture change would be critical factors for success. Thus, Tosan was brought in to leverage their years of successful nuclear safety culture improvement with North American nuclear operators.

Tosan collaborated with SNOC's leadership team to design strategies for leadership and employee development and develop their approach to culture change management. This process led to the identification of four key levers for change within the organization, which were determined to be crucial to organizational effectiveness. These included were:

1. Aligning leadership behavior
2. Improving Work Management
3. Implementing Goal Setting across the organization down to the frontline
4. Enhancing Vertical Communications

As part of this process, Tosan conducted an audit of the cultural norms within the organization. These assessments identified a lack of vertical communications as being one of the key contributing factors to a passive/defensive culture.

Communications were limited, not free-flowing, and most often untimely. A lack of clear communications ultimately promotes conventional behaviors, having employees adhere to the established rules, procedures and traditions. Communications from leadership is sporadic and mis-trusted while feedback to leadership is often times censored, misinterpreted and problem-focused.

As a result, strengthening the process of vertical communication or how information is passed from management down became a high priority within the culture change initiative. SNOC lacked the staffing resources and expertise to quickly develop a comprehensive "future state" for vertical communication and a change plan to guide its implementation and therefore asked Tosan to provide this service.

Risks of a Passive/Defensive Culture:

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- Low accountability
- Shifting the blame
- Low interdepartmental teamwork
- Initially avoiding conflict followed by explosive confrontation
- High bureaucracy
- Little innovation, and difficulty in sustaining excellence.

Predominantly Passive Cultures are typically associated with difficulties in making and sustaining performance and higher than average human performance errors and industrial safety accidents. In a predominantly Passive culture you will find people are unwilling to make decisions or take action. In a passive culture it is typical to find decisions always being pushed upward, and managers are therefore managing too low in the organization. Members tend toward avoiding conflict and risks. In a passive culture members blindly accept the status quo, and try to please those in authority positions. Members may also shift responsibility to others, and tend to put things off. There is a lack of innovation and over the long term a

Passive culture is likely to become stagnant, and have difficulty adjusting to any changes in the industry or marketplace.

Constructive behaviors. This behavioral pattern is associated with an emphasis on pursuing excellence, quality over quantity, developing people, teamwork, continuous improvement and superior customer service.

SOLUTION:

Tosan worked with SNOC communicators to understand the communications channels and resources being used in the organization and their role in transferring information to drive strategic alignment and nuclear safety behaviors. The discoveries from this research, combined with the insights gained from the cultural assessments, field interviews and industry benchmarking, helped to expose a significant absence of information being passed from leadership, to employees.

This finding identified communications to be a key area of improvement for achieving organizational alignment and promoting a stronger nuclear safety culture. Furthermore, the deeper understanding of how communications were currently executed in the plants, identified the need for stronger vertical, or “Top-down” communications that would carry the desired information and messaging to help drive strategic support in operations, safety, maintenance, chemical and other key functional areas of the plants.

To support the larger performance improvement and culture change effort with this key channel of communications, Tosan dedicated staff members to assist and guide SNOC communication specialists in the development of an internal vertical communication plan, including a strategy, structures, processes and channels, and staffing levels that would achieve the desired goals of communications to support strategy and safety.

As with all significant change initiatives, Tosan worked with SNOC leadership to draft a vertical communications project charter and objectives for the program. The desired outcome of strong vertical communications identified in the SNOC communications team charter incorporated the INPO suggestions for strong communications and were as follows:

1. Strategic alignment of all employees resulting in increased engagement and performance
2. Increased operational efficiencies resulting in operating and financial margin increase

INPO – The Institute of Nuclear Power Operations – The INPO mission is promote the highest levels of safety and reliability – to promote excellence – in the operation of commercial nuclear power plants.

INPO works to achieve this mission by: Establishing performance objectives, criteria and guidelines for the nuclear power industry. Conducting regular detailed evaluations of nuclear power plants. Providing assistance to help nuclear power plants continually improve their performance. INPO employees work to help the nuclear power industry achieve the highest levels of safety and reliability – excellence – through:

- Plant evaluations
- Training and accreditation
- Events analysis and information exchange
- Assistance

(sourced from www.inpo.info)

3. Increased engagement of employees resulting in higher retention and knowledge transfer
4. Organizational pride that transcends into community perceptions
5. Safety
6. Sustainable success

To achieve these objectives, Tosan and SNOC identified the following deliverables:

1. A detailed “Desired State” for Vertical Communications which included:
 - A statement of strategy and purpose for internal communications and internal branding requirements.
 - Primary content needs and sources, as well as frequency requirements.
 - Required processes, channels and communication vehicles, including templates for all communication tools.
 - Organizational structure, roles and staffing requirements.
 - Skill requirements for each role.

2. A change management and implementation plan, including:
 - Current Internal Communications Assessment
 - Desired-state of internal communications
 - Vertical communications plan
 - Content Generation Process
 - Vertical Communications Process
 - Measurement Process
 - Continuous Improvement Process
 - Vertical Communications Infrastructure Strategy
 - Management of Vertical Communications Implementation Actions

Tosan worked closely with the SNOC communications manager to perform a comprehensive gap analysis. Numerous plant employees, ranging from the CEO to front line employees, were interviewed for the purpose of identifying the problems they saw with the current state of vertical communication and to gather their ideas of what the “ideal state” would look like. Tosan leveraged a strong history in the North American nuclear sector to benchmark the plants known as top communicators. All of this internal data was analyzed to establish a “current state” understanding of SNOC internal communications and the internal needs, plus benchmark data were used to define a “desired state” for exemplary vertical communications. The analysis also provided the ability to identify the key resources and processes that needed to be activated, and the audiences that would need to be engaged within SNOC to drive world-class communications.

Once a clear current and desired state was identified, Tosan collaborated with SNOC’s communication specialist in the development a plan to improve Vertical Communication. The improvement plan fully incorporated and built upon the organization’s current Communication Plan, including the vehicles and tools already available. In addition, the plan provided a realistic implementation schedule that fully accommodated SNOC’s short- and long-term needs, as well as resource and workload constraints. Finally, Tosan worked in close collaboration with the SNOC communications team to maximize knowledge transfer.

For an organization to change and sustain a new way of working, the entire organization must be aware of the change at hand, understand why the change is crucial to the success of the organization, and all employees must understand how they individually play a role in that success. This state is attainable only through strong, ongoing communications between leadership and employees. The understanding and performance improvement across internal and vertical communications in SNOC would provide the needed information and structure to open this crucial channel between leaders and employees.

RESULTS AND OUTPUTS:

When an effort to do things differently within an organization is implemented, resistance to change is often a natural reaction to the effort. To address this aspect of performance and process improvement, Tosan performs the implementation in ways that help employees meet their need to understand, align-to, and support the change. To this end, many of the results below are targeted levers for successful change implementation to support the new way of working.

To help implement the desired state of Vertical Communications tangible and actionable results were produced through partnership between Tosan and SNOC communications and leadership. These actions and results fell into three steps:

- Step One: Pre Implementation
- Step Two: Implementation and Process Improvement
- Step Three: Sustainability

Step One: Pre Implementation Results

Constituent Buy-in

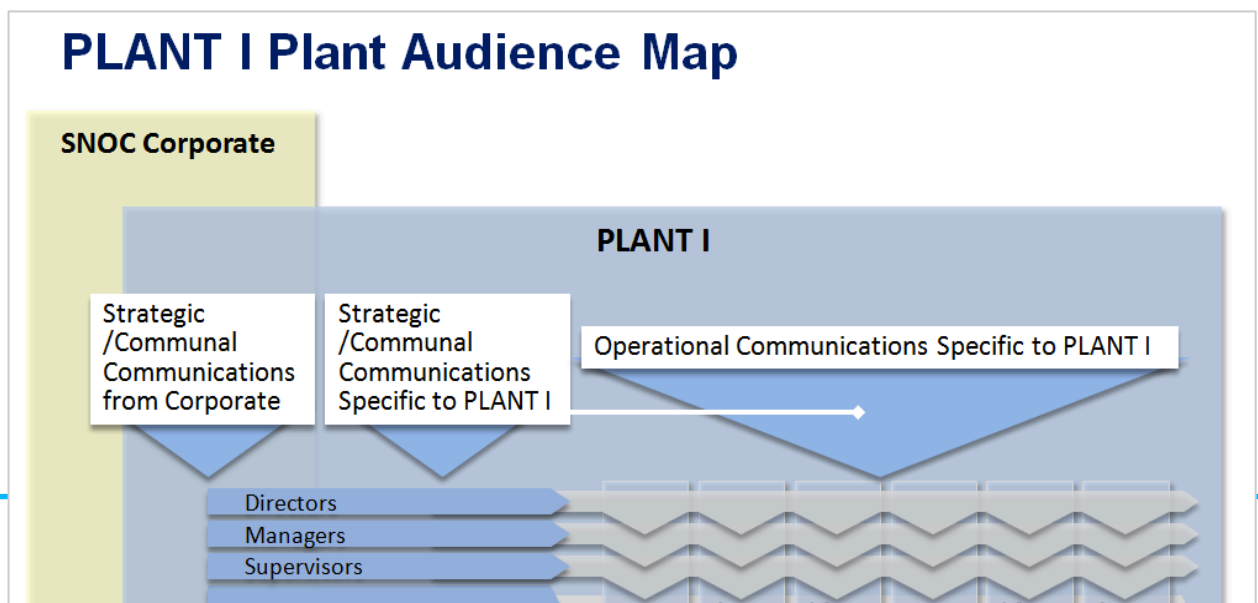
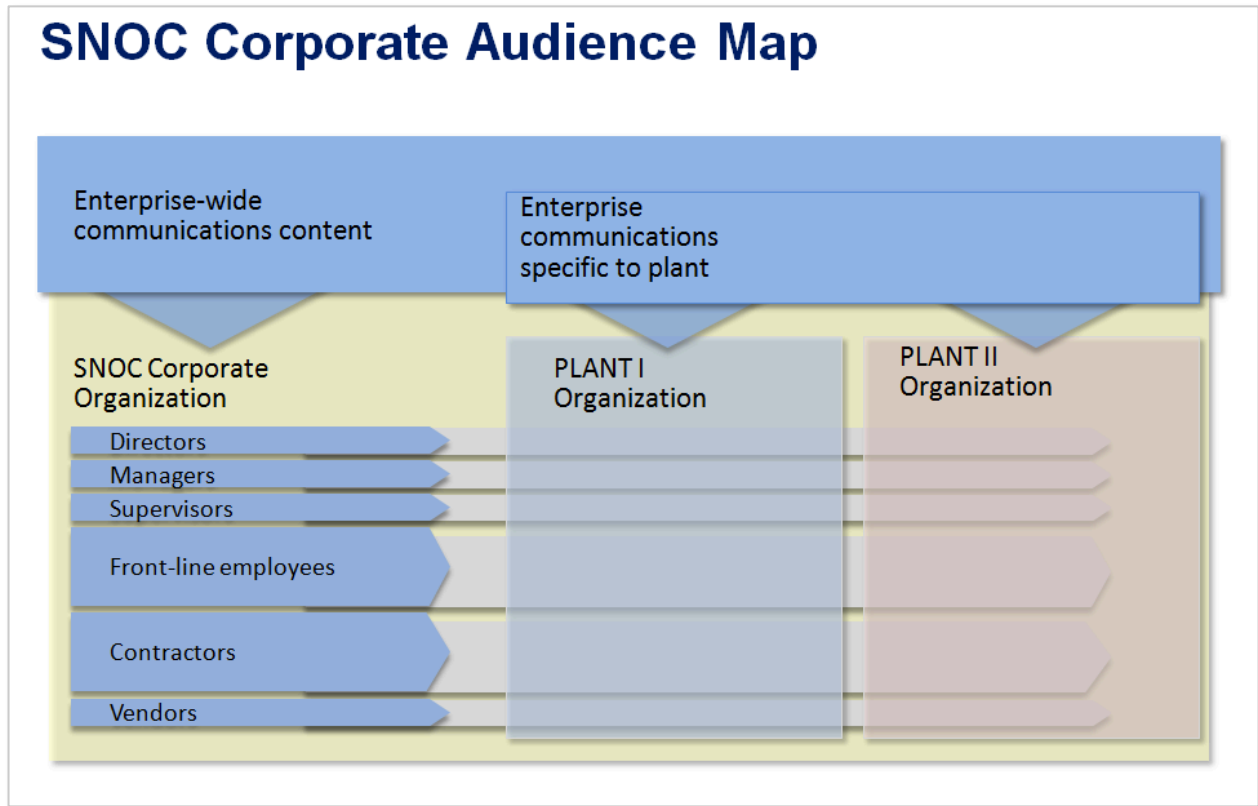
A significant aspect of successfully implementing change in a company is support from all parts of the organization. Tosan and the SNOC communications team built and revised the internal communications plan with input from senior leaders, management, supervisors and frontline employees. This approach resulted in significant buy-in for the change effort before implementation began and helped catalyze the implementation of the new ways of communicating.

Leaders As Communicators

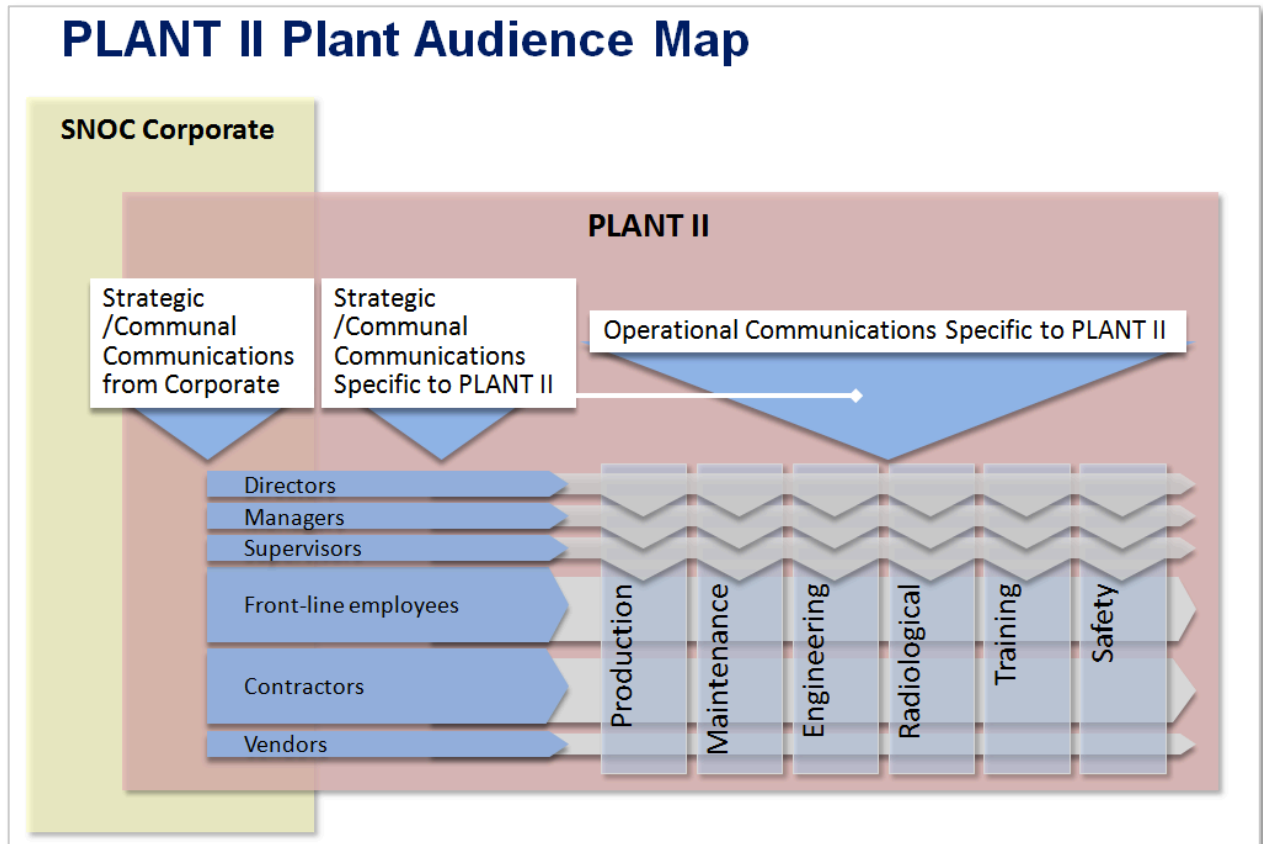
Tosan and the SNOC vertical communications team collaborated with various operational groups in the company that will hold crucial roles in the new ways of generating and communicating information. Through use of tools such as audience maps, leaders were able to see their systemic impact on different parts of the organization and this in turn led to an increased understanding of and willingness to help drive new ways of communicating. As a result of this effort, leaders more clearly understand their role in communications and are communicating more frequently with the workforce.

Internal Audience Mapping

During the assessment, Tosan assisted the internal communications team in mapping the organization’s internal audiences for the purpose of identifying the segments that may need varied messaging or require a different mix of channels (intranet, newsletter, email, etc.) These maps help the communications team plan the best flow of communications based on audience needs. These maps also serve as a strong visual aid in helping internal clients understand communications standards and processes.



PLANT II Plant Audience Map



Step Two: Implementation and Process Improvement

Phased Work Plan

The primary deliverables to SNOC were a detailed vertical communication plan, processes and tools and a detailed change management plan that the communications team could follow in implementing world-class communications. Incorporating the new vertical operations channel, and a number of campaign planning templates, Tosan provided a week-by-week project plan that would support the SNOC team to achieve more consistent and effective communications with a minimal increase in team resources.

Vertical Communications Channel

As part of Tosan's engagement with SNOC, a significant amount of nuclear plant communications benchmarking research was performed. One practice of SNOC that found to be consistent with the best practices of the American plants in the benchmarking studies was that they held daily operations meetings multiple times each day within their plants. In addition to the operations aspect of these meetings, this existing operational architecture is used by American plants to drive key messaging in a vertical fashion from senior plant management, to middle managers, and on to supervisors. These meetings, led by Operations, provide a very structured and established channel in which to deliver key messages.

To leverage this strong and existing channel, Tosan worked with the communications group to re-design the front page of the daily operations and maintenance reports to include key messages and data to be shared vertically. The existing daily reports included some safety and corrective action messages and statistics. Also, in-depth project status data of all the operational efforts taking place in the plant was included. Our approach was to provide a front page daily brief; including memorable pieces of information concerning daily plant status, safety focus and examples, operating experience scenarios, radiological data and disciplines, and strategic messaging. Tosan worked with the leaders of these key operational areas to build libraries of key messages that support their strategic objectives. Some messages are updated on a weekly, or bi-monthly basis. However, should a message need to be updated daily the process supports placing crucial new information into the key delivery channels.

Once produced, the front page of the daily report is immediately sent to all leaders for use in their daily or shift start-up meetings. This provides them with fresh, timely content that drives consistency and strategic alignment. Finally, to accomplish a top-down, and bottom-up effect, the front page only of the daily report is converted to PDF and sent to all employees. This effort provides the platform for workers to ask their supervisor and manager questions should the leaders fail to share specific data with them.

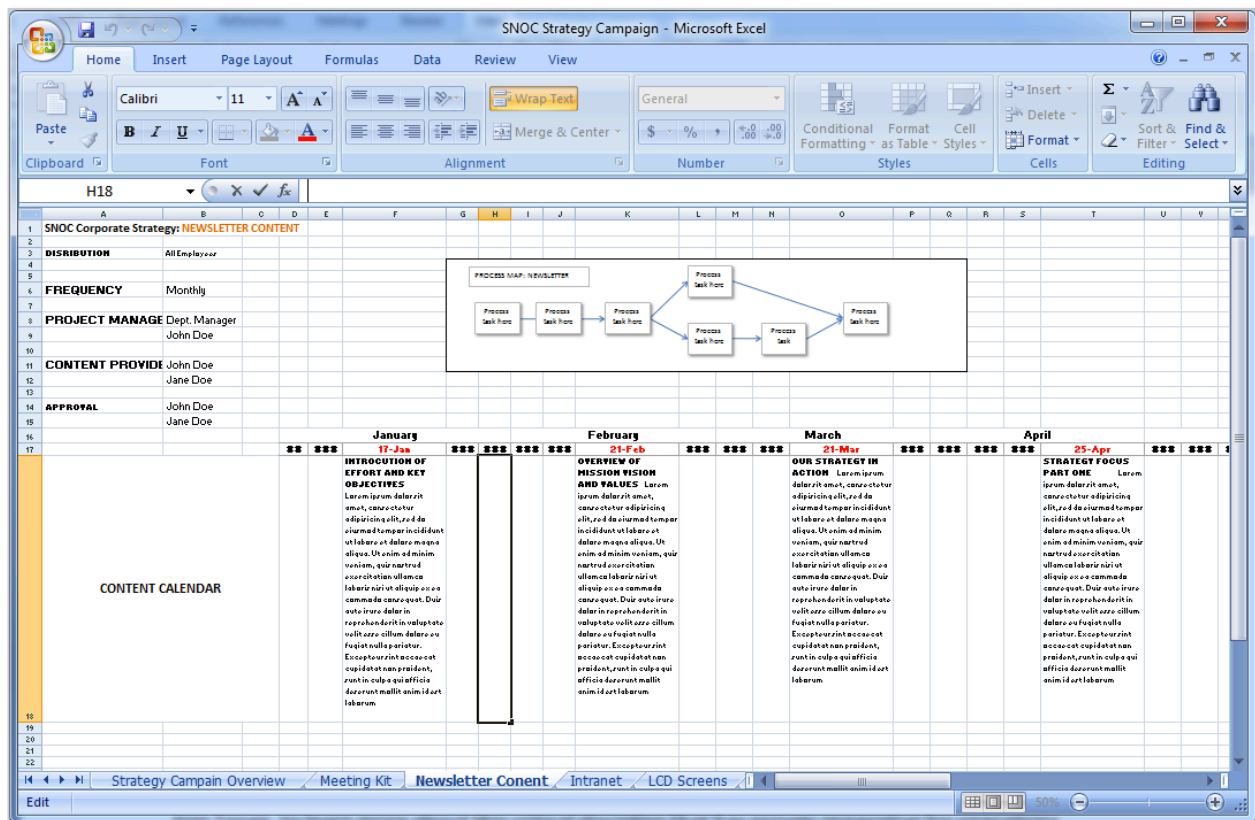
Step 3: Sustainability

Communications Planning

In addition to leveraging the existing operations channel, Tosan worked with SNOC's communications group to increase their skill set in enterprise-wide internal communications planning. While the client organization had traditional channels such as intranet, newsletters, and email already in place, planning for the integrated use of these channels was lacking. Tosan trained the SNOC communicators in how to approach key messaging campaigns and equipped them with customized planning templates for a number of their key initiatives. (Appendix B) This has allowed the organization to now have a planned, instead of reactive, approach to internal communications.

Campaign Execution Templates

To help the SNOC team increase their skill set in efficient execution of communications efforts, Tosan developed a comprehensive set of campaign execution templates. These forms helped the SNOC team see how their various channels could be executed in an integrated and sequenced manner over the course of the year. Use of these templates ensures strong communications by providing multiple channels of delivery to targeted audiences, with very specific content. Additionally, these templates provided the necessary process to be followed in order to drive execution while managing resources against other efforts.



SUMMARY:

As organizations grow, learn and change, leaders and employees alike do their best to advance the organization and achieve success. Strategic development, process improvement, culture change, and organizational effectiveness are big ticket items that many companies pursue, but with varied levels of success. The most common challenge those companies encounter when working to implement these disciplines of successful business is the actual execution of the ideas and planning efforts needed.

The key factor in successful implementation of any strategy is communications.

Well structured and resourced communications in high-tolerance, complicated organizations are often times difficult to achieve. Even with the best intentions, establishing and maintaining a strong communications discipline can be arduous.

This was the situation SNOC found itself in - wanting to drive organizational effectiveness, but battling a lack in strategic alignment and the safety behaviors needed to achieve their organizational goals due in part, to poor communications.

Without leadership alignment and workforce understanding and support, new ways of working will not take hold as the new norm. This alignment and understanding is achieved is through successful and targeted communications.

With the help of Tosan's research, SNOC understood that strong vertical communications would be a key factor in sharing the information that was needed to drive operational safety and excellence and what was missing from their current communications structure. To this end, SNOC worked with Tosan staff to understand, plan for, and implement a solution to achieve the desired levels of effectiveness and efficiency of their vertical communications. While core aspects of the program's success were seemingly small, it was a significant change effort and needed to be treated as such. By approaching implementation of organizational efforts with a strong and supported communications plan, the outcomes of that implementation will be aligned with strategic efforts, achieve desired levels of success, and remain sustainable over time, contributing to long-term success.