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May 6, 2014

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

MAY 6 - 2014

PUBLIC SERVICE
COMMISSION
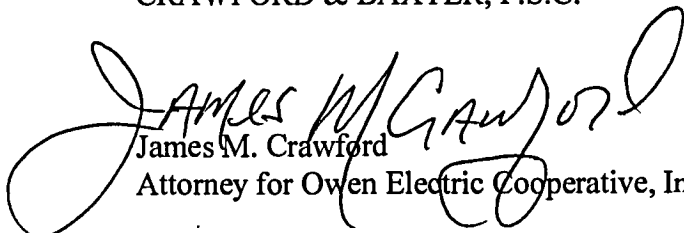
RE: PSC Case No. 2013-00230

Dear Mr. Derouen:

In accordance with paragraph 5 of the Commission's Order dated February 3, 2014, in the above-referenced case, please find enclosed for filing the first quarterly report detailing the continuous improvement teams' area of focus for the first quarter 2014 and changes instituted as a result of the teams' efforts.

Please contact me with any questions.

Respectfully yours,

CRAWFORD & BAXTER, P.S.C.

James M. Crawford
Attorney for Owen Electric Cooperative, Inc.

Enclosure

Owen Electric Cooperative, Inc.

First Quarter 2014 Report—Continuous Improvement Teams' Focus and Changes Implemented

May 6, 2014

In accordance with the Commission's Order dated February 3, 2014 in Case No. 2013-00230, this report details the continuous improvement teams' area of focus for the first quarter 2014 and changes instituted as a result of the teams' efforts. As indicated in the case record, Owen Electric Cooperative, Inc. ("Owen Electric") engaged the services of the National Consulting Group ("NCG") to assist with the initial continuous improvement ("CI") team.

On February 3-4, 2014, NCG held a Problem Solving Workshop in Owenton. Attending from Owen Electric were members of the Safety Steering Committee (Safety Team and Executive Staff) and other members of management who have played key roles on past process improvement teams. Note that this group of Owen Electric employees became the first CI team. This one and a half day workshop walked through the problem solving steps of: identifying, defining, assessing, analyzing, improving, and implementing. The training materials used in this workshop are provided as Exhibit 1 to this report.

On February 6-7, 2014, NCG and the Owen Electric CI team reviewed the results of the Caterpillar survey and selected potential topics for the current and future CI teams. These potential topics were ranked through a priority matrix based upon the level of importance and level of difficulty to implement. Through this ranking, the CI team identified the first topic to be addressed—Improving Field and Workplace Visits. The results of the Caterpillar survey identified a lack of management presence in the field. The CI team believed that this topic would yield a "quick win" and bring positive results. A summary of the work from this CI team is provided as Exhibit 2 to this report. The CI team developed an Action Improvement Matrix as part of the implementation plan; this matrix is provided as Exhibit 3 to this report.

Owen Electric Executive Staff met to address items in the Action Improvement Matrix and developed a safety visit frequency schedule, provided as Exhibit 4 to this report. One of the main topics reiterated was that these visits were to be relational-based versus audit-based. A focus group was also formed to develop a guide for conducting meaningful safety visits and to develop a form to be used during the safety visit. The guide, titled Effective Communication and Positive Recognition Attributes, and the Safety Visit Summary are provided as Exhibit 5 to this report.

Through May 2, members of the Executive Staff have conducted 21 safety visits. These safety visits have proven to be excellent learning opportunities for both Executive Staff and field employees.

On April 17, the first CI team met to discuss the progress made. The team also discussed the next CI teams' topics—near miss reporting and member threats. These teams will begin their work in May.

EXHIBIT 1

Owen Electric Cooperative
Safety Team Problem Solving Workshop

February 3-4, 2014

Bud Branham, NRECA – National Consulting Group
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 Phone: 561-670-3502

Henry Cano, NRECA – National Consulting Group
 E-mail: henry.cano@nreca.coop
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NATIONAL
consultinggroup >

Workshop Outline

Session Outcomes:

► Understand key principles for safety improvement;

► Learn continuous improvement cycle and team problem solving approach for safety;

► Gain knowledge on the application of tools, techniques and strategies to improve safety performance;

Day 1:

- Introductions, agenda review and warm-up

- Safety quiz

- Key concepts for effective safety system

- Working interface and risk to injuries

- Continuous improvement cycle for safety

- Applied team problem solving process and tools for safety

- Effective teams and summary

Day 2:

- Getting started and lessons learned

- Case study

- Strategies for success

- Wrap-up and session quiz

Safety Review Questions

Question	Answer

1. True or false, all accidents are preventable? Explain.

2. If your cooperative had no injuries last year, how do you know if your cooperative is safe or lucky?

3. True or false, we are less productive when we are safe? Explain.

4. Who is responsible for safety performance at your cooperative?

5. Do we naturally act safe or unsafe?

6. What does it mean for safety to be a core value at your cooperative?

Key Concepts for Effective Safety System

Linkage of Safety Performance to Organizational Success
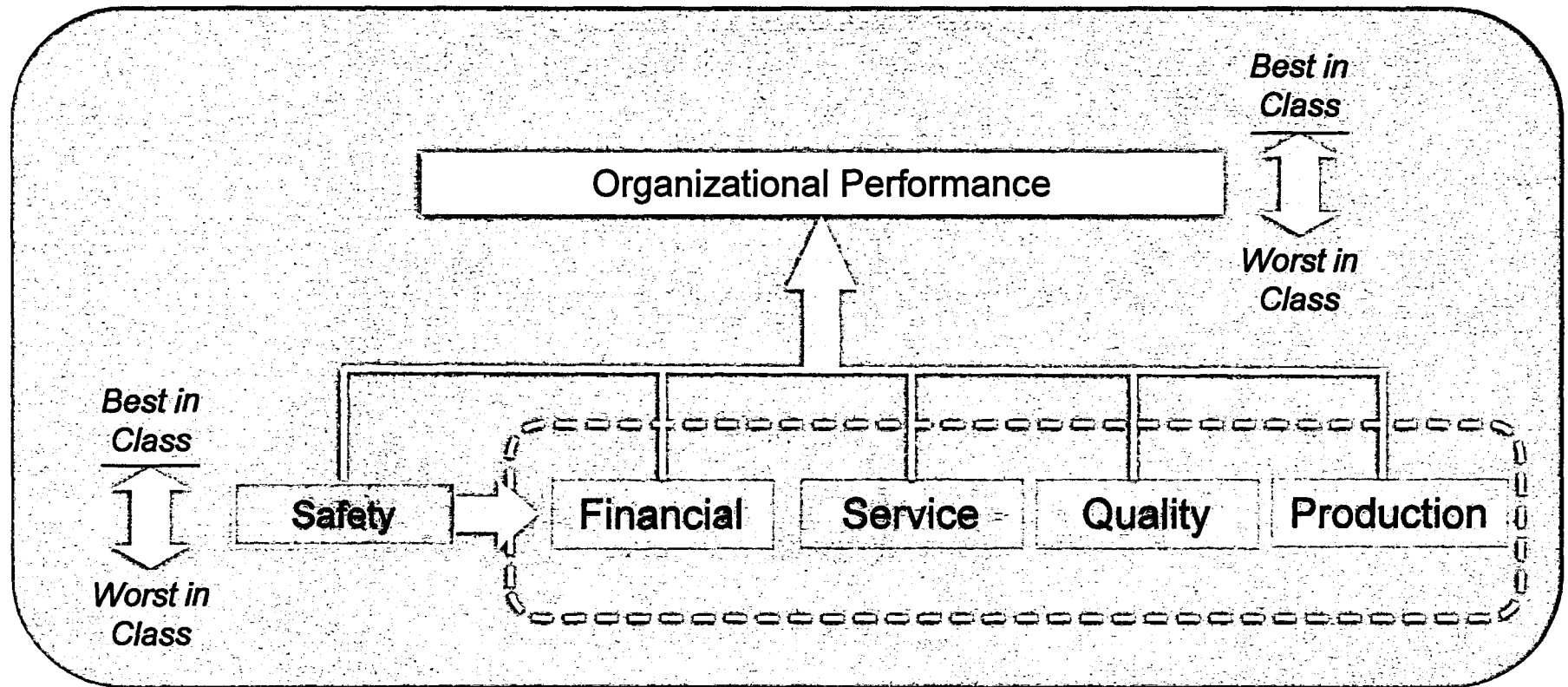
Building Blocks for Effective Safety System

Leadership Owned & Driven

- Administrative & Support Activities — *Rules, Policies, Procedures, Standards, etc.*
- Safety Systems & Plans — *Intervention Strategies & Processes to reduce at-risk exposure*
- Organizational Safety Culture — *The Foundation of Safety Performance*
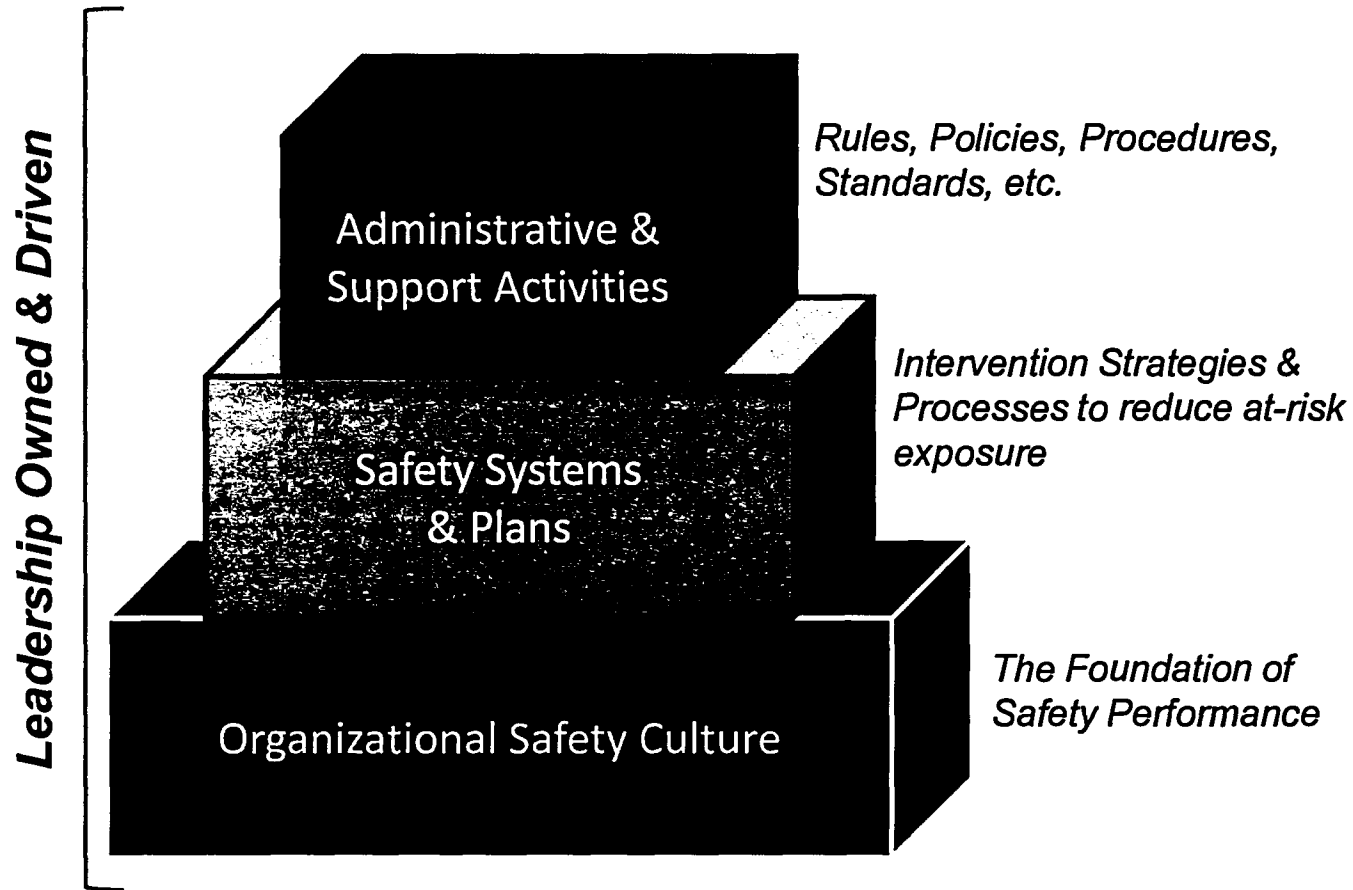
Achieving Safety Excellence Performance

Safety Performance - Trend Graph (Example)
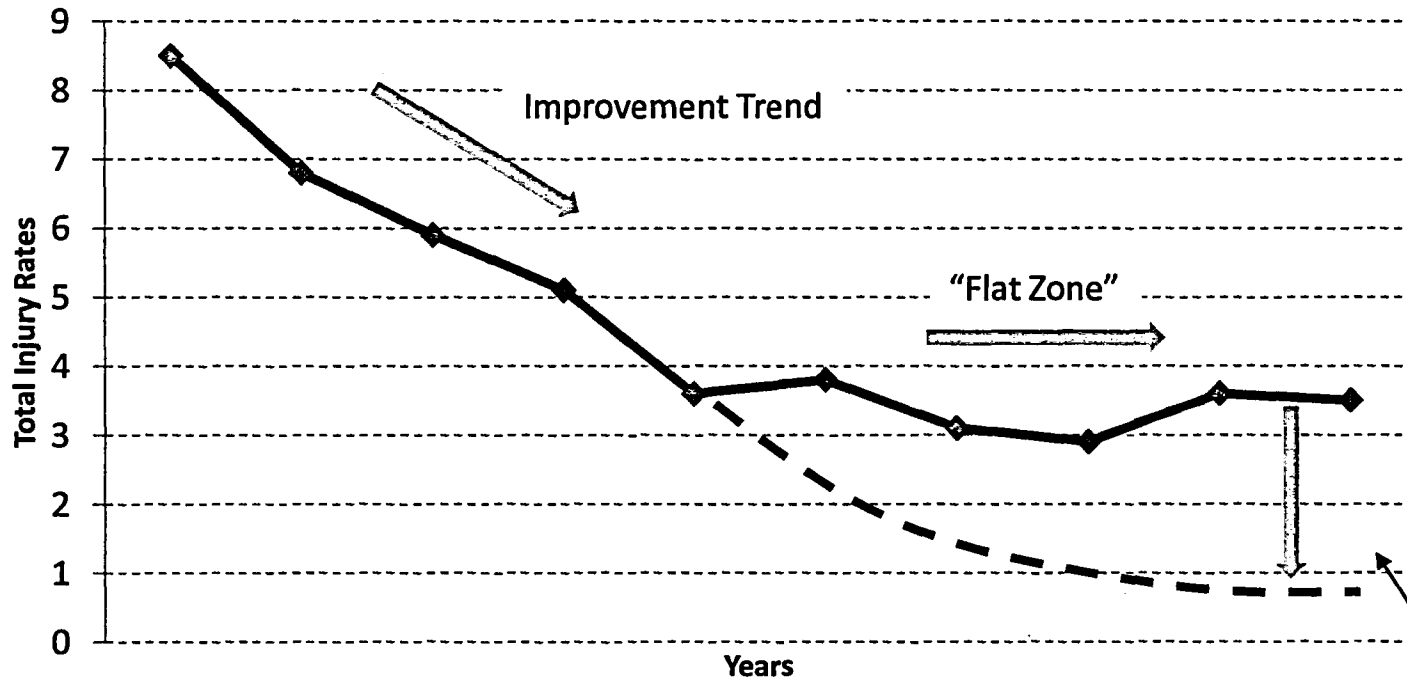
To achieve safety performance at the best-in-class level, requires <u>effective safety system</u> with <u>strong employee engagement</u> and <u>leadership culture</u>.

Focus on Safety System

Safety System Elements	Focus Areas	Examples

Technical Elements
- Rules & Procedures — Lock out / tag out, PPE, job briefings, etc.
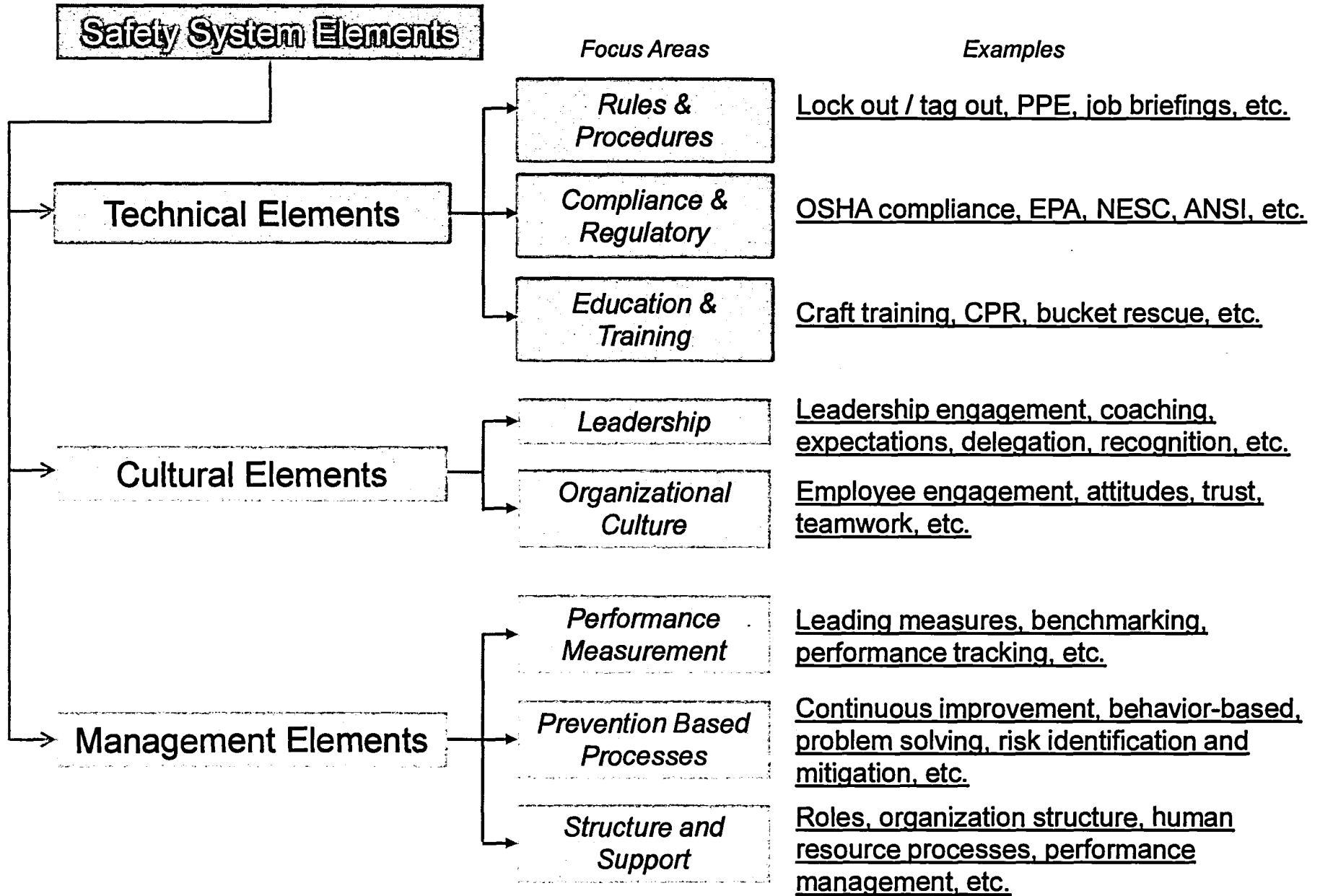- Compliance & Regulatory — OSHA compliance, EPA, NESC, ANSI, etc.
- Education & Training — Craft training, CPR, bucket rescue, etc.

Cultural Elements
- Leadership — Leadership engagement, coaching, expectations, delegation, recognition, etc.
- Organizational Culture — Employee engagement, attitudes, trust, teamwork, etc.

Management Elements
- Performance Measurement — Leading measures, benchmarking, performance tracking, etc.
- Prevention Based Processes — Continuous improvement, behavior-based, problem solving, risk identification and mitigation, etc.
- Structure and Support — Roles, organization structure, human resource processes, performance management, etc.

Elements of Strong Safety Culture and Employee Engagement
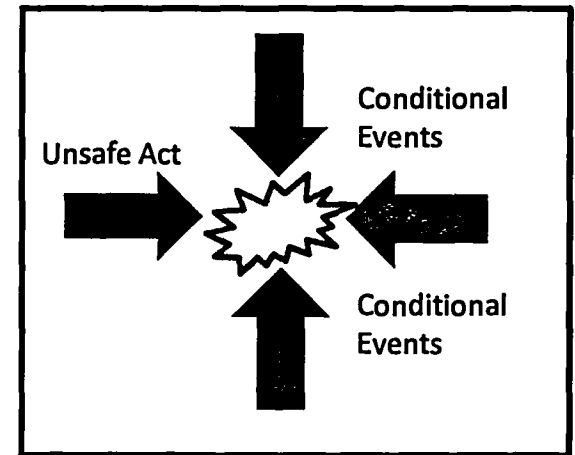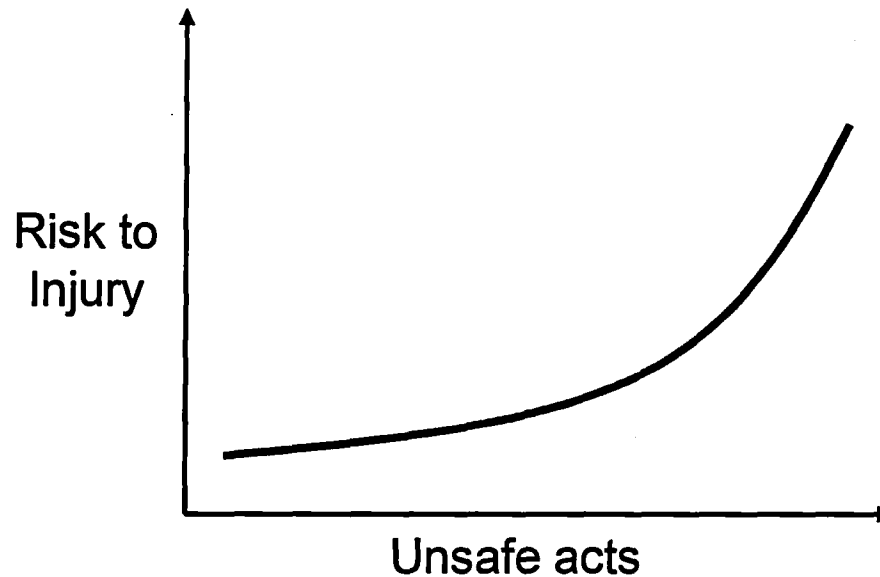
Activity

Elements of Strong Safety Culture	Elements of Effective Employee Engagement

Key Concept: Risk to Injuries

Risk to injury = Probability or likelihood that an injury occurs

Risk to
Injury

Unsafe acts

Unsafe Act

Conditional
Events

Conditional
Events

If we have no injuries over a given period of time, are we safe?

How do we reduce the risk to injuries?

Increase problem solving skills and critical thinking capabilities	1. Recognize the risks to injuries 2. Indentify and analyze the contributing factors to unsafe acts (risks) 3. Change behaviors and work practices to eliminate unsafe acts 4. Reinforce safe behaviors and practices for lasting results

To reduce injuries and accidents we must address the exposure to risk and behaviors (bottom of the iceberg)

Incident Iceberg

Fatalities, lost time injuries, medical injuries, first-aid, property damage, vehicle accidents, etc.

Exposure

Environment / Conditions

Systems & Procedures

At-risk Behaviors

Key Concept – Understanding the Working Interface

The source for accidents and injuries originate from the working interface

	Working Interface	
Work Methods, Procedures and Practices		Facilities, Tools & Equipment
	Knowledgeable and Trained Employees	

Safety Culture

Safety Performance

Behaviors

Conditions

Attitudes

Exposure to Risk
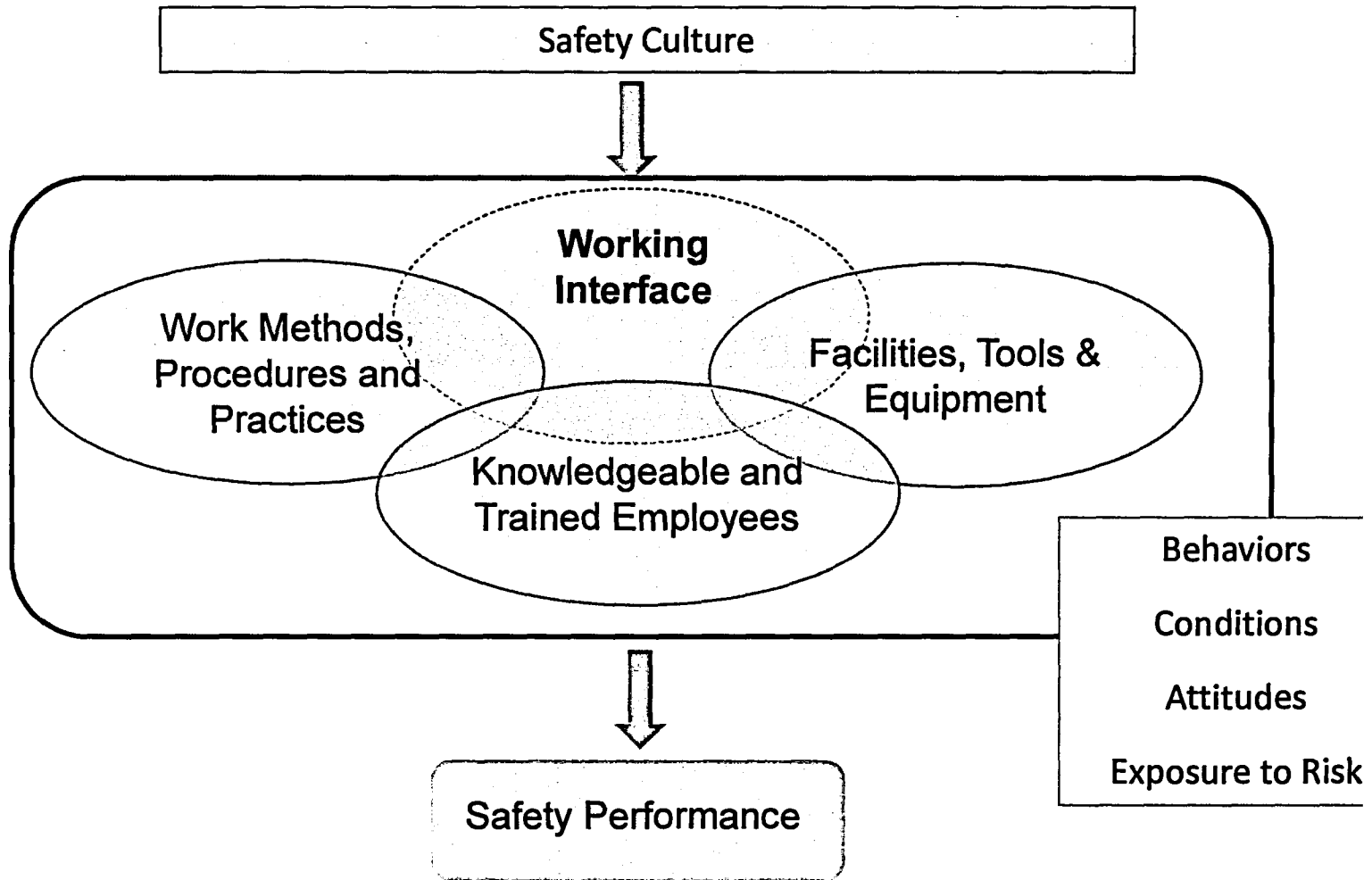
Owen Electric Cooperative - Safety Performance
Total Case Injury Rate - Trend Graph

A measures of frequency of injuries
(Total injuries per 100 employees)

Relative Risk to Injury
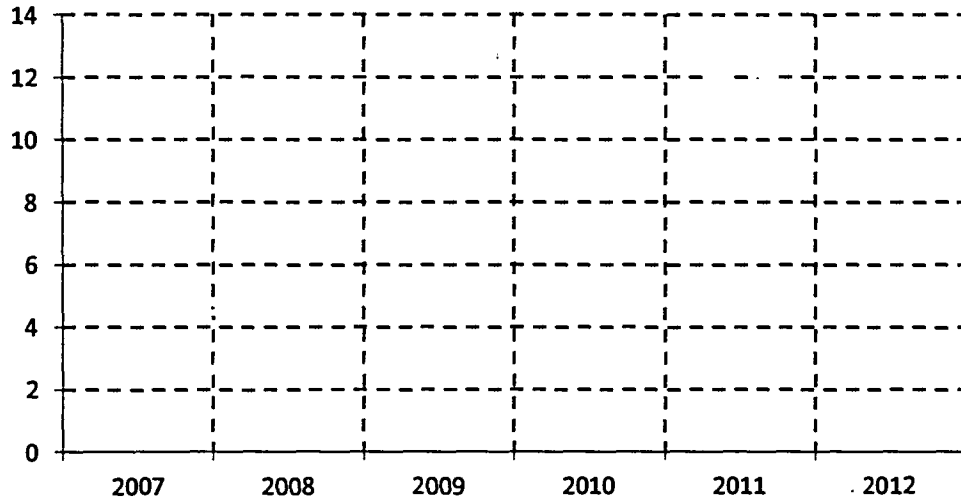
Owen Electric Cooperative - Safety Performance
DART Rate - Trend Graph

A measures of serious injuries
(Injuries per 100 employees)

"Reaction-based Model"

Incident Occurs

Management reacts to frequency / severity

Safety activity increase... Injuries go down

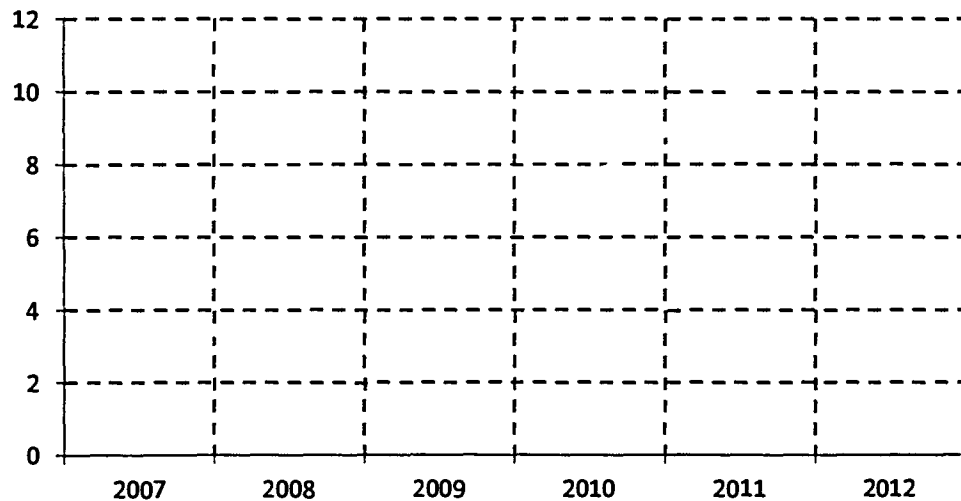Operations return to normal

"Proactive / Prevention-based Approach"

Daily expectations & activities to assess and mitigate risk

Proactive

Employees – Skills & Training

Working Interface

Work Methods, Rules & Procedures

Environment Facilities & Equipment

Analysis of incidences & improvement actions to prevent reoccurrence

Analyze and eliminate root causes

Activity

What are examples of unsafe acts in the workplace?	What are the drivers of unsafe acts (or why do unsafe acts occur)?	What are 2-3 ideas we can do to prevent unsafe acts?

Continuous improvement process to achieve safety excellence

- Engaged leadership
- Continuous improvement
- Employee involvement
- Strong safety culture

Engage

Leadership Commitment

Assess

Onsite Observations and Self Assessments

Plan

Safety Improvement Plan

Measure

Performance Measures

Implement

Team Problem Solving, Tools and Techniques

Safety Improvement Planning Roadmap

A Problem Solving Approach to Safety Improvement

1. Identify

Identify, prioritize and select a safety problem, issue or opportunity.

2. Define

Understand the current situation; develop a clear statement of the problem, issue, or opportunity.

3. Assess

Gather information and data about the problem and assess the extent of the problem (or opportunity): How often does the problem occur? What is the impact?

4. Analyze

Diagnose the working interface and analyze the contributing factors, behaviors or causes to the problem.

5. Improve

Identify improvement actions and formulate an improvement plan;

6. Implement

Communicate, train, measure, monitor and adjust;

Finding Opportunities

The Information Triangle
Expanding what we know

Available data
- ✓ Injury data
- ✓ Incident reporting
- ✓ Claims
- ✓ Observation data
- ✓ Inspection data

What others know
- ✓ Surveys
- ✓ Statewide Safety Professional input
- ✓ Employee input sessions and Interviews
- ✓ HR input (e.g. exit interviews)

What we Know
- ✓ Brainstorming

Data needed
- ✓ Field data and observations
- ✓ Checklists
- ✓ Random sampling
- ✓ On-site assessment results
- ✓ On-line assessment guides
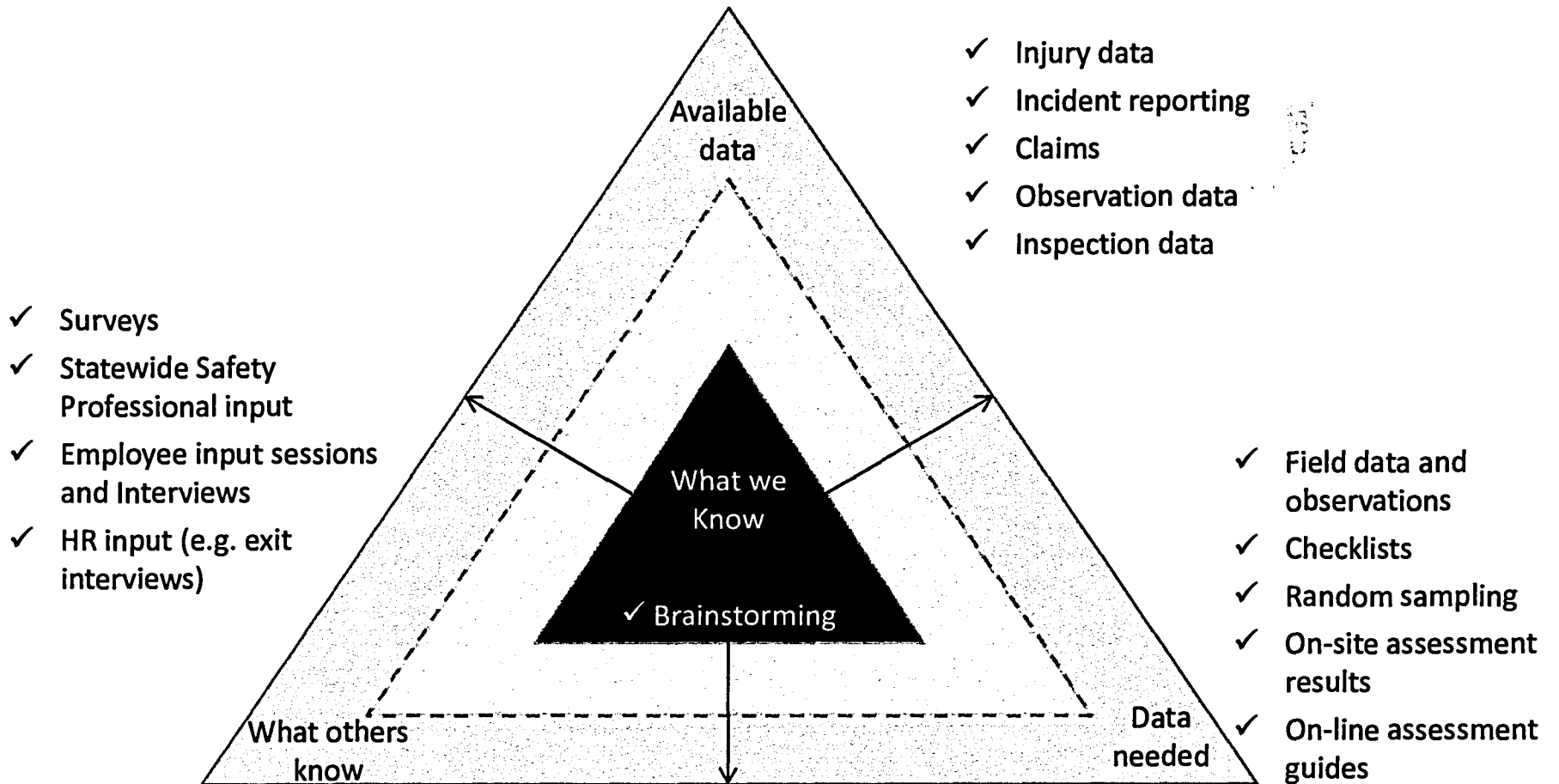
Identify Possible Safety Issues and/or Opportunities

Scanning for Safety Issues and/or Opportunities

Leadership & culture

- How effective are our leadership practices?
- What is the current state of our organization culture?
- How does our leadership and culture impact safety?

Current Safety Performance

Possible safety issues or opportunities

Safety Program and Practices

Increase safety knowledge and awareness

- What have we learned about the current state from the assessment results?
- What is our current safety performance and how do we compare?
- What does our data on injuries, accidents and incidents tells us about our risks?

- What are the critical knowledge gaps we need to address?

- What areas do our formal & self assessments show that need improvement?
- Are our current safety program and practices effective?
- What safety best practices can we apply? What are leading safety cooperatives doing that we are not doing?

What are the sources to identify possible safety problems, issues, or opportunities?

Tool: Multi-vote Rank Order

Possible List of Safety Issues

a. Not sharing incidents and near misses

b. Poor and inconsistent job briefings

c. Security lax at the district office

d. Short-cuts occurring during after hour outage restoration

e. Inconsistent work practices between districts

f. Too many vehicle accidents

g. Safety concerns at fleet maintenance area

h. Need more job specific safety training

i. Older workforce – more strains and sprains

j. No standard safety operating procedures for substations

k. Poor safety meetings

Multi-vote Rank Oder

To quickly narrow or rank order a large list of items

Steps:

1. List, clarify and understand the items for consideration. Combine items if necessary.

2. Allow participants to voice their preferences.

3. Each participants receives multiple votes (1/3 of the items) who can vote for multiple items but one vote per item.

4. Allow participants to mark their vote on the flipchart list.

5. Sort out the top vote getters
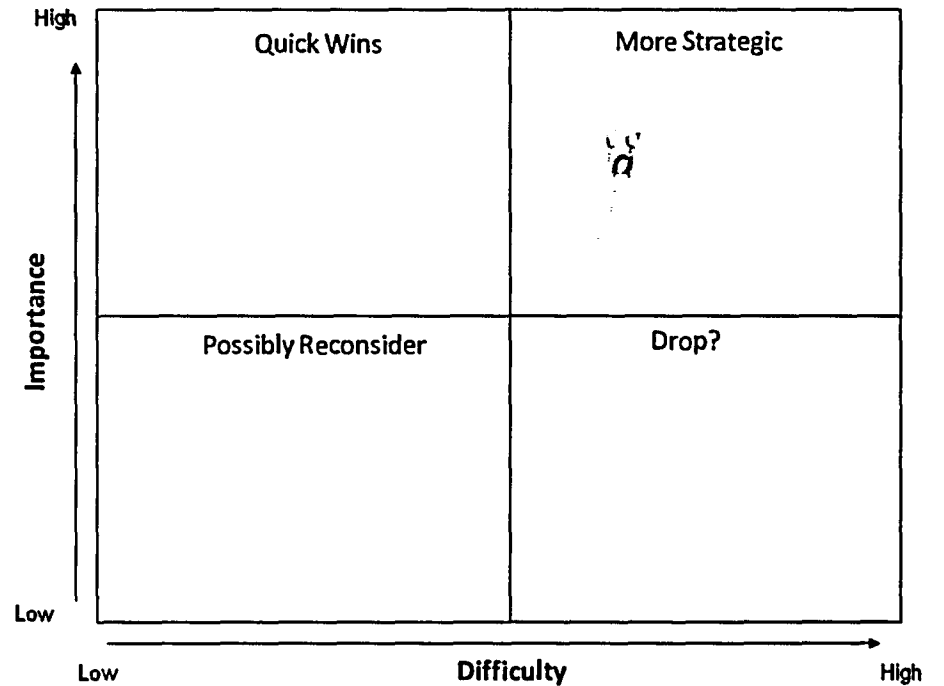
Tool: Priority Matrix

Priority Matrix

A simple diagram technique that helps to prioritize and select from a set of issues. For each issue "plot" the item against two scales such as difficulty and importance (or perceived likelihood – impact). Analyze the plotted matrix, prioritize, and select.

Risk priority matrix – assesses the perceived likelihood to the perceived impact of the problem

Manage	Critical
Monitor	"Looming"

High — Perceived Impact — Low

Low — Perceived Likelihood — High
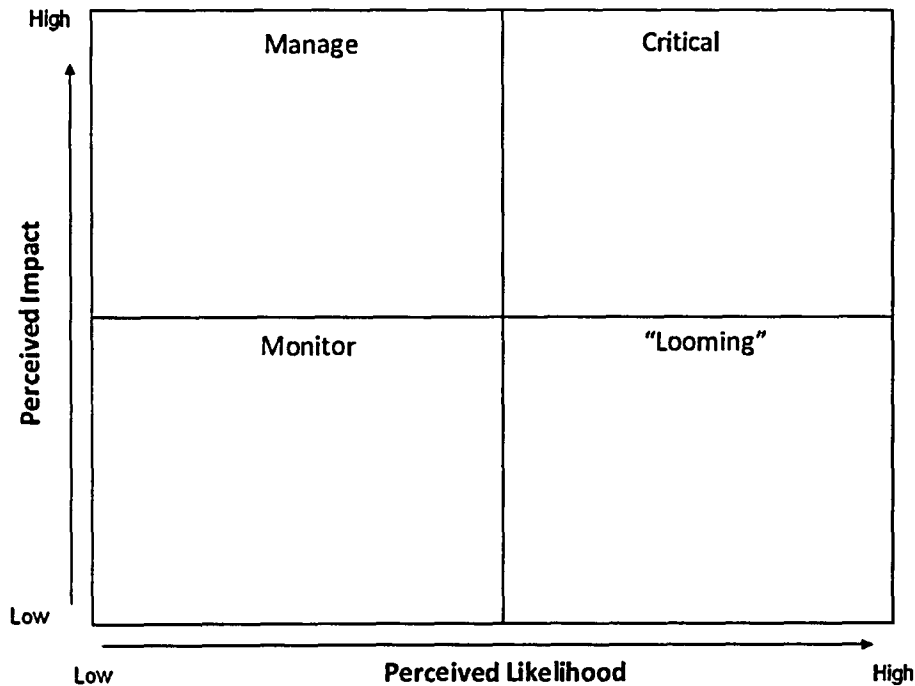
Issue priority matrix – assesses the difficulty of addressing the issue against the importance level.

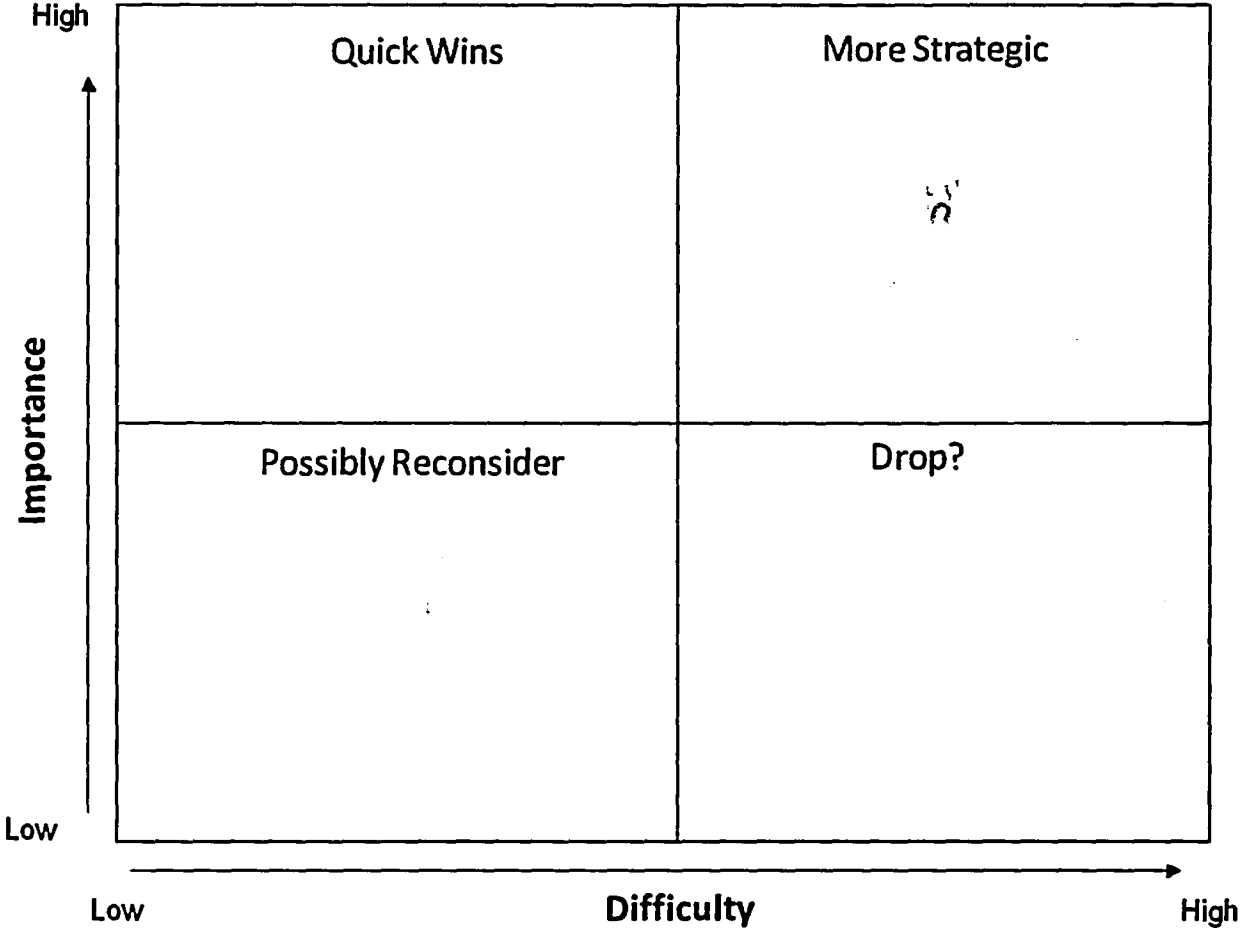|	
Quick Wins	More Strategic
Possibly Reconsider	Drop?

High — Importance — Low

Low — Difficulty — High

Activity – Brainstorm Possible Safety Issues

Activity

Possible Safety Issues
a.
b.
c.
d.
e.
f.
g.
h.
i.
j.

Issues & Priority Matrix

	Low Difficulty High
High Importance	Quick Wins More Strategic
	Possibly Reconsider Drop?
Low	

NRECA consultinggroup

Tool: Problem Statement

Problem Statement:

A clear and concise statement that describes what is wrong or undesirable about a situation without including opinions about causes or possible solutions.

Steps:
1. As a team, describe and understand the context of the problem.
   - What is the problem?
   - When does the problem occur?
   - Describe an example?
   - What is desirable if the problem goes away?
   - What is the consequence of the problem?
2. Formulate into a problem statement.
   - Be concise
   - Don't jump into conclusions - no solution or causes
   - Focus on what is not happening that needs to change

Examples of Good Problem Statements:

- Job briefings are not done for all jobs and the quality is inconsistent. This hinders safety and understanding by all crew members on what is expected to perform the job.

- Too many short-cuts occur during after-hour work which can lead to unsafe acts and increase risk to injuries.

- Safety incidents and near misses are not freely offered, captured, or analyzed to help improve safety.

Examples of Poor Problem Statements:

- More training is needed all areas to improve safety.

- Improve communication by departments.

Tool: Checksheets

Checksheets:

- Used to record data usually in the form of the number of times something has happened, helping to detect patterns in the occurrences. The exact design of the checksheet will be specific to the type of data gathered and the purpose for which it is being gathered.

- Checksheets are particularly useful when more than one person is involved in the collections of the data ensuring consistency on the data recorded and presented.

Example

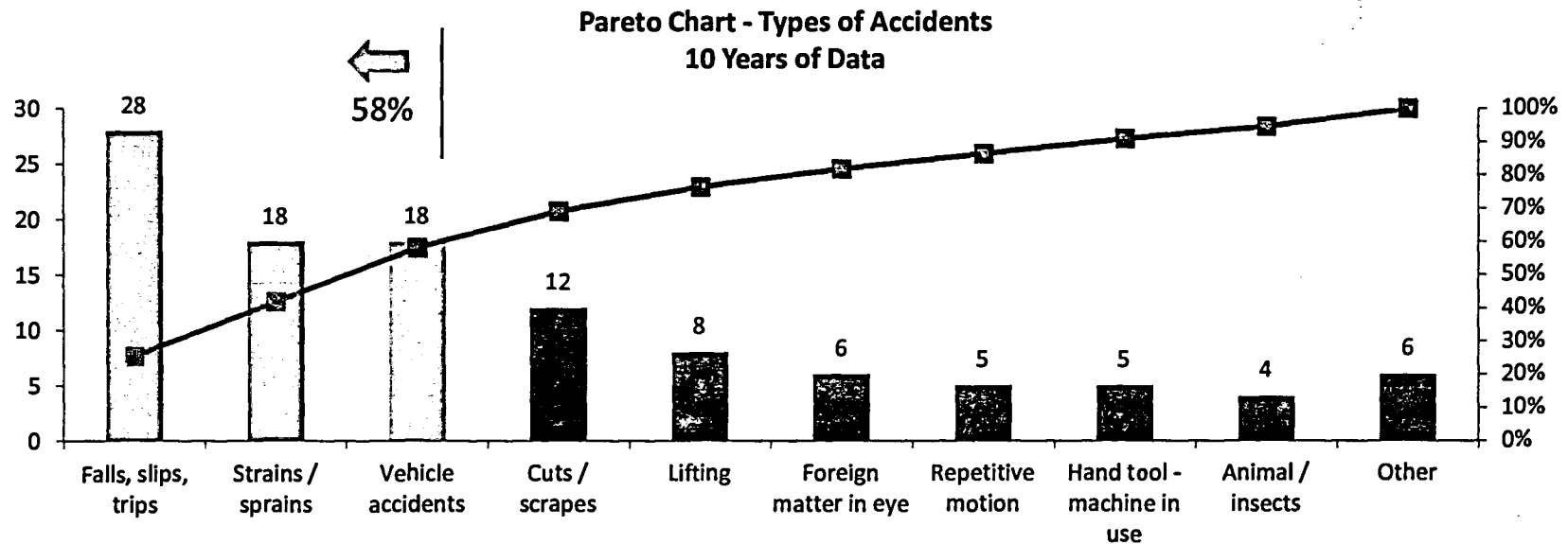|	Quality Job Briefings	Discrit 1
1	Job briefing attached to job	‖‖ ‖‖ |||
2	Clear description of the tasks	‖‖ ||
3	Potential safety hazards or precautions identified	‖‖
4	Designated person in charge identified	‖‖

Steps:

1. Decided what data needs to be gathered.

2. Design the checksheet form which will make the collection of the data easy and clear.

3. Test the sheet to check and modify if necessary.

4. Design a separate master tally to combine all the data from the other sheets.

5. Graph and present the data.

Tool: Pareto Chart

Pareto Chart

- Used to identify the most frequent or impactful problems or caused of problems. The chart is made up of bars representing these problems or causes arranged in descending order of height from left to right.

- The name of the chart derives from the "Pareto Principle" (80% of the trouble comes from 20% of the problem). The chart draws attention on the vital few with the greatest impact. This is important to teams to focus on the biggest part of the problem.

Pareto Chart - Types of Accidents
10 Years of Data

58%

Value	Category
28	Falls, slips, trips
18	Strains / sprains
18	Vehicle accidents
12	Cuts / scrapes
8	Lifting
6	Foreign matter in eye
5	Repetitive motion
5	Hand tool - machine in use
4	Animal / insects
6	Other

Key Concepts – Analysis Step

▶ To successfully solve problems we must identify, analyze, and remove the root causes to the problem so that it doesn't happen again.

▶ Analysis involves a questioning approach to understand why the problem occurs.

- Ask Why Not Who

- <u>Basic Question</u> - Keeping asking "What caused or allowed this condition/practice to occur?" until you get to root causes.

- The "five whys" is one of the simplest of the root cause analysis methods. It is a question-asking method used to explore the cause/effect relationships underlying a particular problem. Ultimately, the goal of applying the 5 Whys method is to determine a <u>root cause</u> of a defect or problem.

▶ Breakdown problems into subparts

▶ Analyze the contributing factors from the working interface model

▶ Validate opinions with facts

- Meaningful data for analysis helps us understand improvement

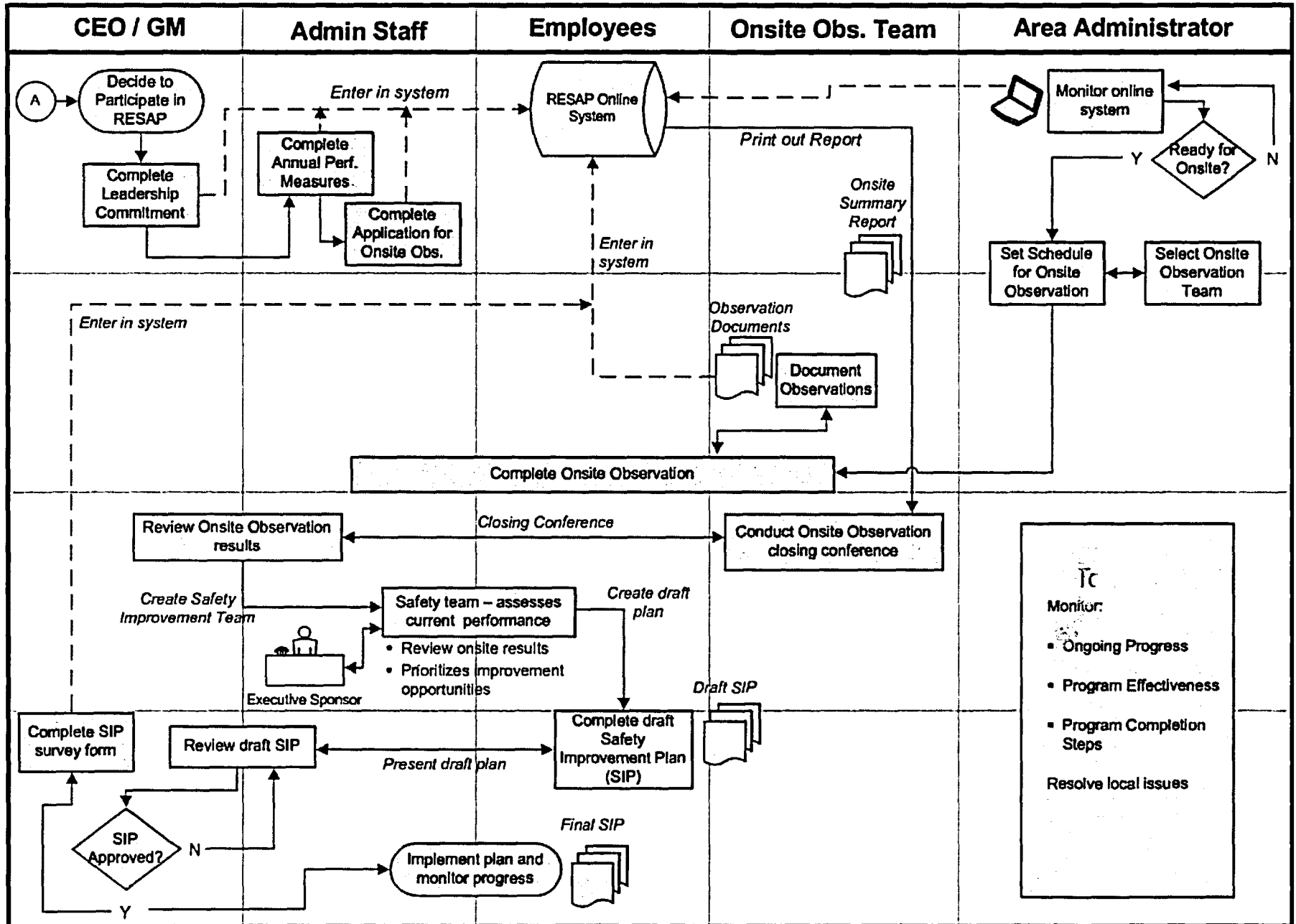▶ Focus on the major causes to the problem

Tool: Process Mapping

- ▶ Understand the context of the business process

  - Purpose

  - Starting and end points

  - Functional players

- ▶ Decide on the level of detail based on the objectives of the project

- ▶ Focus on the "as-is" rather than what should be occurring

- ▶ Start at the beginning and continually ask:

  - What gets done (activity)?

  - Who does it (player)?

  - What is the result (outcome)?

  - Why do it (purpose)?

- ▶ Map on a wall using post-it notes or tape sheets of paper for each activity

- ▶ "Bin" questions, issues, and possible opportunities

- ▶ Keep in mind the value of mapping current process is to create common understanding of the work process

> Types of Process Mapping
> - Top-down Flowchart
> - Workflow Map
> - Functional Process Map

RESAP Process Flow for Onsite Observation Year

CEO / GM	Admin Staff	Employees	Onsite Obs. Team	Area Administrator

A → Decide to Participate in RESAP

Enter in system

Complete Leadership Commitment

Complete Annual Perf. Measures

Complete Application for Onsite Obs.

RESAP Online System

Print out Report

Monitor online system

Y ◇ Ready for Onsite? N

Enter in system

Onsite Summary Report

Set Schedule for Onsite Observation ↔ Select Onsite Observation Team

Enter in system

Observation Documents

Document Observations

Complete Onsite Observation

Review Onsite Observation results ← *Closing Conference* → Conduct Onsite Observation closing conference

Create Safety Improvement Team

Safety team – assesses current performance
- Review onsite results
- Prioritizes improvement opportunities

Executive Sponsor

Create draft plan

Draft SIP

Complete SIP survey form

Review draft SIP ← *Present draft plan* → Complete draft Safety Improvement Plan (SIP)

◇ SIP Approved? N

Y

Final SIP

Implement plan and monitor progress

Monitor:
- Ongoing Progress
- Program Effectiveness
- Program Completion Steps

Resolve local issues

☐ RESAP Required Step   ☐ Normal RESAP Business Activity   *Timing may vary based on based on statewide plan & whether a new or existing system*
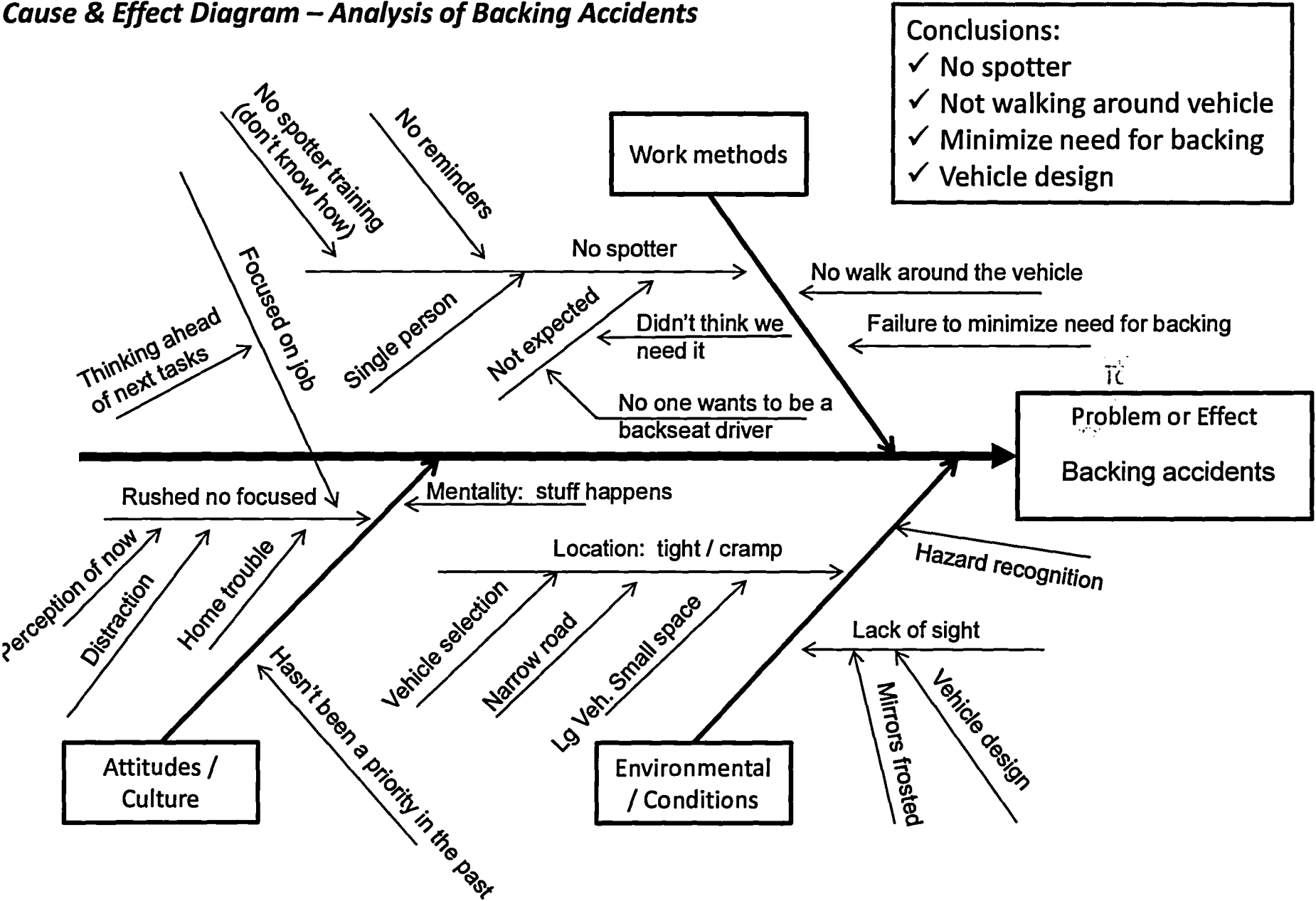
Cause and Effect Diagram

Is a tool for identifying and organizing possible causes of a problem in a structured format. The diagram maps the possible cause and effect relationships.

Possible Categories:
- ✓ Procedures, practices and methods
- ✓ Knowledge and awareness
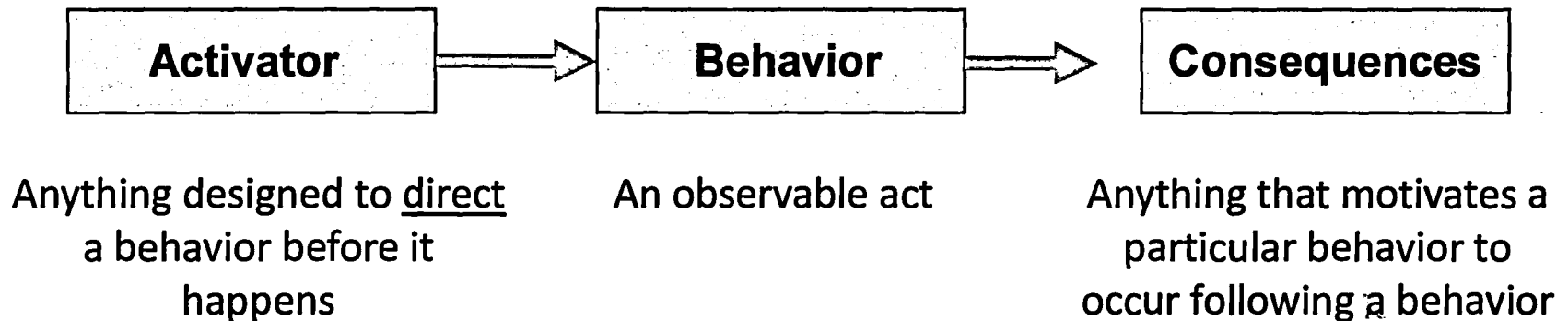- ✓ Facilities, Tools, and Equipment
- ✓ Location
- ✓ Culture
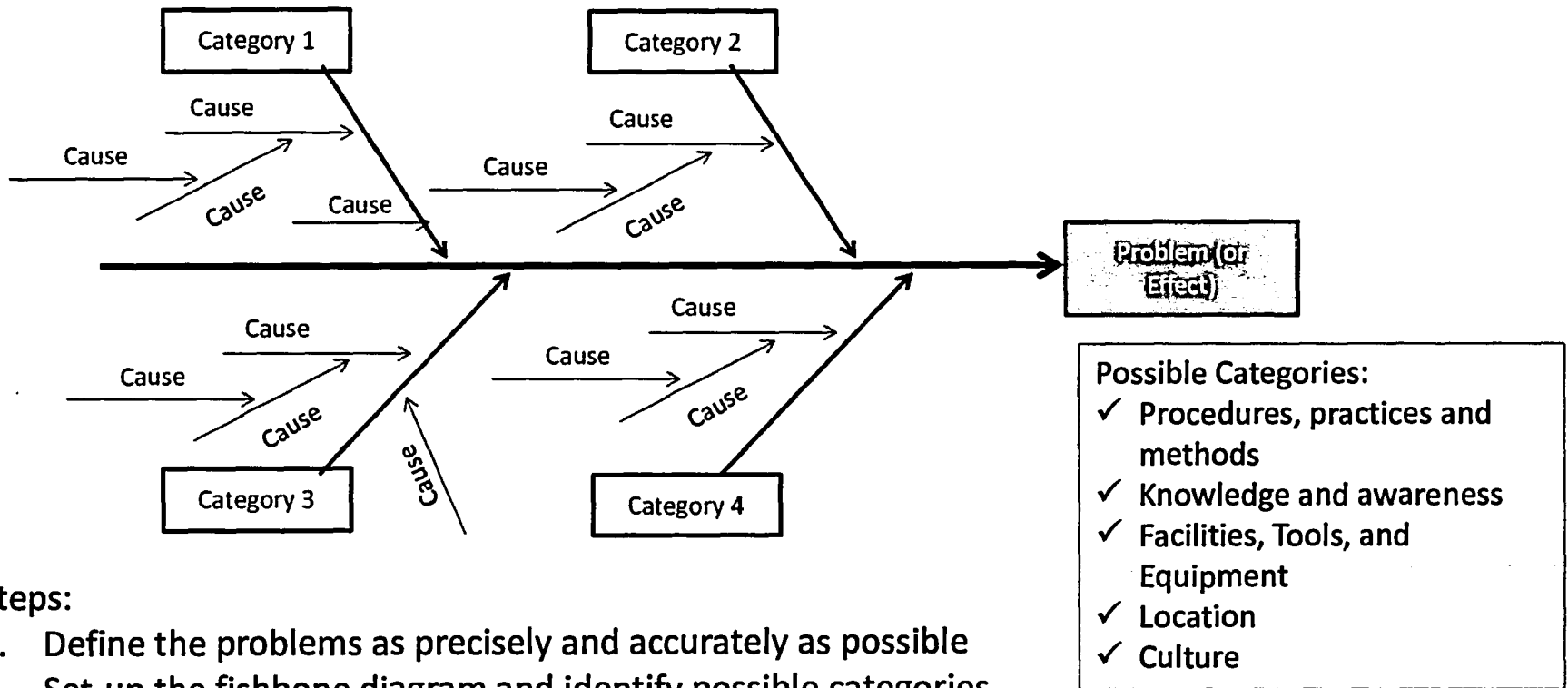
Steps:

1. Define the problems as precisely and accurately as possible
2. Set-up the fishbone diagram and identify possible categories
3. Brainstorm possible causes and root causes and map on the diagram
4. Understand the causes identified
5. Select the major causes to the problem

Cause & Effect Diagram – Analysis of Backing Accidents

Conclusions:
- ✓ No spotter
- ✓ Not walking around vehicle
- ✓ Minimize need for backing
- ✓ Vehicle design

No spotter training (don't know how)

No reminders

Work methods

No spotter

No walk around the vehicle

Failure to minimize need for backing

Thinking ahead of next tasks

Focused on job

Single person

Not expected

Didn't think we need it

No one wants to be a backseat driver

Problem or Effect

Backing accidents

Rushed no focused

Mentality: stuff happens

Perception of now

Distraction

Home trouble

Hasn't been a priority in the past

Vehicle selection

Narrow road

Lg Veh. Small space

Location: tight / cramp

Hazard recognition

Lack of sight

Mirrors frosted

Vehicle design

Attitudes / Culture

Environmental / Conditions

The "ABC" Model of Human Behavior

Activator	⟹	Behavior	⟹	Consequences

Anything designed to <u>direct</u> a behavior before it happens	An observable act	Anything that motivates a particular behavior to occur following a behavior

✓ There are positive and negative consequences that follow a behavior that motivates us to act the way we do

✓ When a negative consequence is highly uncertain it can motivate unsafe behavior

✓ Attitudes can serve as an activator. Our attitudes are driven from safety culture

Tool: Behavior Analysis

Three Types of Behaviors

Enabled – Easily within a person's control and also supported by conditions and systems

Difficult – Within a person's control but requiring extra effort, increased discomfort, or extra time

Non-enabled – Outside a person's real or perceived control

Unsafe Act	Behaviors to Unsafe Act	Type of Behavior

Activator	Desired Behavior	Consequence

Tool: Gap Analysis

Gap Analysis

A tool to quickly assess a current situation, activity or program.

Key Steps:

1. List out key elements or categories of the situation, program or performance
2. For each element or category, briefly describe the current state or "as-is" condition.
3. For each element or category, briefly describe the desired state, direction or expectation (what we want to achieve)
4. For each element or category, outline the contributing factors or reasons for gap.
5. Analyze results and select attention areas for improvement

Topic: Safety Culture

Category	Current	Desired	Gap Analysis (Factors for Gap)
Leadership	Not visible	Stronger field presence	No time; too much administration duties
Employee engagement	Limited opportunities	Actively involved to improve safety	Employees not sure how to participate
Accountability	Unclear expectations	Clear and aligned expectations	Not integrated in performance plans
Communication	Stays within departments	Cross-department	Limited interactions between work areas
Recognition	Finding fault	Recognize good safe practices	Emphasis on discipline to improve safety

Take Care to Avoid the "Analysis Traps"

- Place emphasis on blame

- Analysis stops too soon

- Opinions are not validated by facts

Tool: Solution Matrix

Solution Matrix

Is a selection tool for guiding the team to make choices on potential solutions.
The matrix works by comparing solutions (listed by row) against a number of clearly defined selection criteria (listed by column). The matrix is intended to guide the selection by forcing an exploration of the facets of each solution.

Solution Matrix

	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Total
Alternative A	3	3	3	3	12
Alternative B	3	2	4	3	12
Alternative C	4	3	4	4	15
Alternative D	2	4	2	2	10
Alternative E	4	3	3	3	13

Scoring: 1-5, with 5 being good

Steps:

1. List and understand alternative solutions

2. Write down the selection criteria. The most common:

   ✓ Impact of solution

   ✓ Ease of implementing the solutions

   ✓ Likelihood of success

   ✓ Cost-benefit

3. For each of the proposed solution alternatives, score on a scale, for example 1 to 5, with 5 being good, under each criteria

4. Add up the scores for each alternative and discuss results.

Key Concepts - Improve

▶ Identify improvement actions that addresses the contributing factors

▶ Emphasize reducing the exposure to risks

▶ Strengthen the working interface

▶ Identify improvement actions and formulate an improvement plan

Tool: Action Improvement Matrix (AIM)

Problem:			
Solution	**Improvement Action**	**Owner**	**Timeline**
A.	1.		
	2.		
B.	3.		
	4.		
C.	5.		
	6.		

Clearly define the improvement actions or recommendations

Be clear on who is responsible to carry out the action

Identify a timeline on when the action is to be completed

Tool: Force Field Analysis

Force Field Analysis

- This technique helps to identify the factors to address when making changes and to identify actions to improve the chances for success.

- The point of the analysis is to identify as many forces of each type as possible in order to understand the context of the proposed changes.

- The team identifies actions that would strengthen the driving forces or would remove or weaken the hindering forces. These actions become part of the implementation plan to ensure success.

Issue or change under study

Helping Forces ➡ | ⬅ Hindering Forces

| Helping Forces List | Hindering Forces List |

Actions:
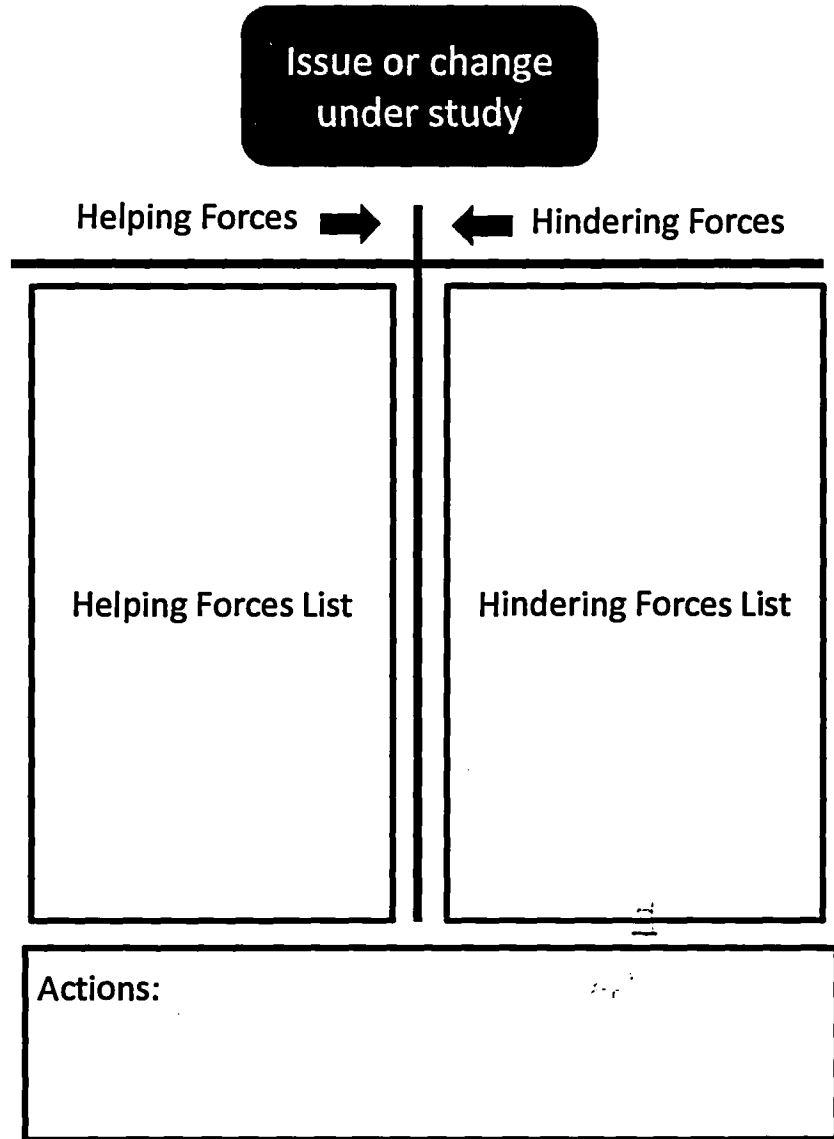
Tool: Consensus Decision Making

Consensus Decision Making

A process to objective analyze and reach a level of consensus , such that we have full support and commitment by all team members.

Consensus → We achieve support for the decision

1. Define the objective

2. Identify options / alternatives

3. Gather data and evaluate

4. Check consensus

Usually means we are missing information

Consensus? ——Yes——▶ Execute

No
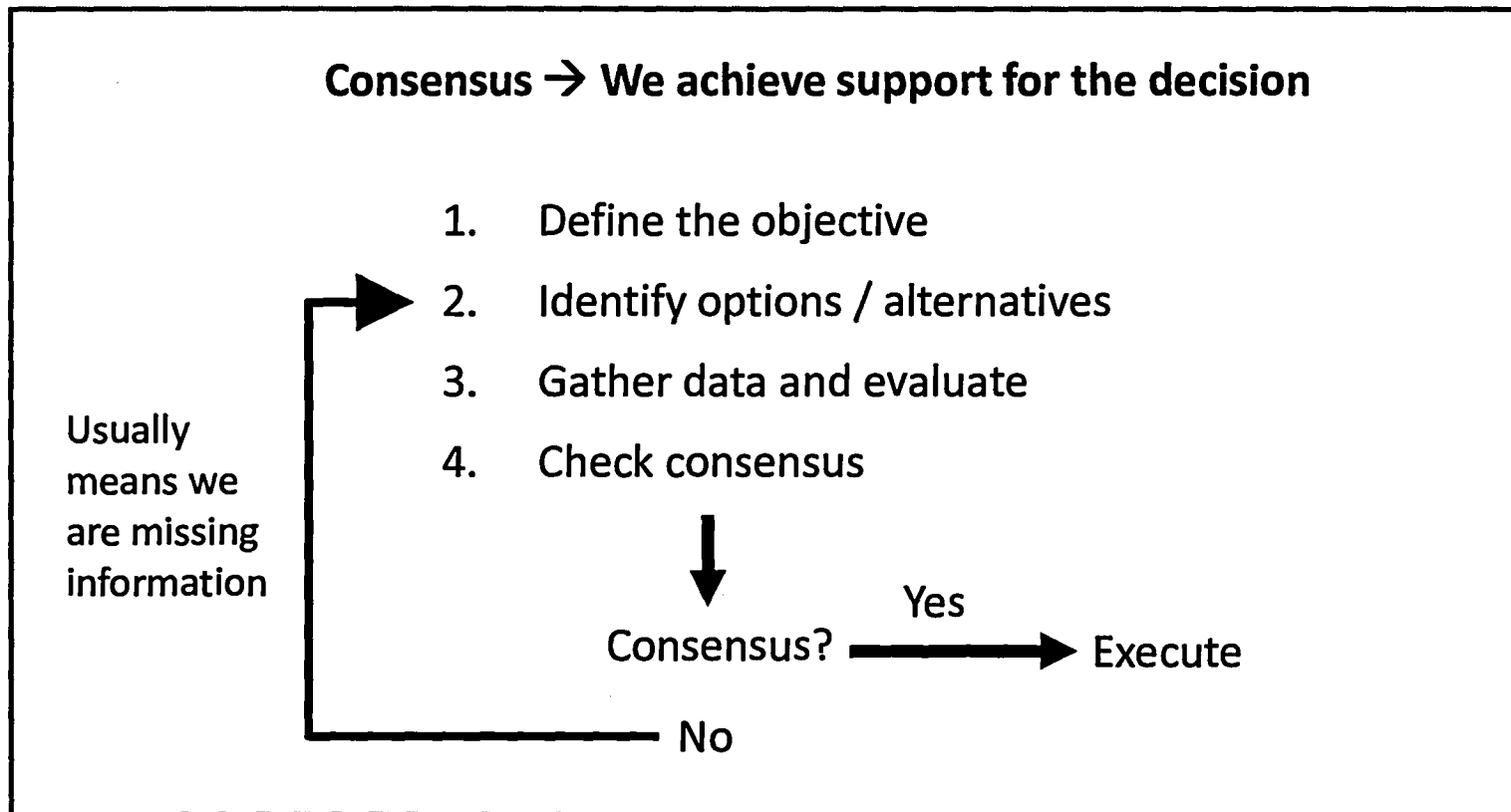
Tool: Plan-Do-Study-Act (PDSA) – A Model for Executing on Improvements

Act
We integrate the lessons learned from our study. We reformulate our theory. We adjust our methods. We identify what more we need to learn.

Plan
We identify our purpose and goals. We formulate our logic and rationale. We define how we will measure success. We plan our activities.

Study
We monitor the outcomes, testing the validity of our rationale and plan. We study the results for signs of progress or success or unexpected outcomes. We look for new lessons to learn and problems to solve.

Do
We execute our plan, undertaking the activities, introducing the interventions, applying our best knowledge to the pursuit of our desired purpose and goals

Source: Leadership Handbook (Scholtes)

Summary of Tools

Problem Solving Steps	Outcome	Tools & Techniques
1. Identify	Prioritize and identify problem, issue or opportunity	Brainstorming, gap analysis, rank order voting, priority matrix,
2. Define	Understand the current situation and define the problem	Problem statements
3. Assess	Understand the extent of the problem	Checksheets, pareto chart
4. Analyze	Analyze the root cause of the problem	Process mapping, cause and effect diagram, behavior analysis, gap analysis
5. Improve	Develop an improvement action plan	Solution matrix, action improvement matrix, force-field analysis
6. Implement	Implement, measure and monitor improvements	Plan-do-study-act;

Safety Team Problem Solving Case Study

1. Select a "team facilitator"

2. Read, discuss and understand the case study scenario

3. Write-out a problem statement

4. Identify conclusions from assessing the problem

5. Analyze: identify top causes and related root causes to the problem or issue.

6. Improve: outline an action improvement matrix

7. Identify 2-3 measures for success

8. Identify any barriers to success or change management issues

9. Report back results

Guidelines for Successful Teams, Change Perspectives and Take Aways

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Building Successful Teams

Successful teams need to:

- Be clear about their role and believe it is important

- Know their what is expected and how they will accomplish their purpose

- Have team members with the skills / knowledge and provide meaningful contributions to the overall team effort

- Challenge the status quo with fresh facts and information

- Have a sense of purpose and hold themselves accountable to achieving results

Using teams to solve problems enables meaningful engagement, encourages buy-in and builds critical thinking capabilities.
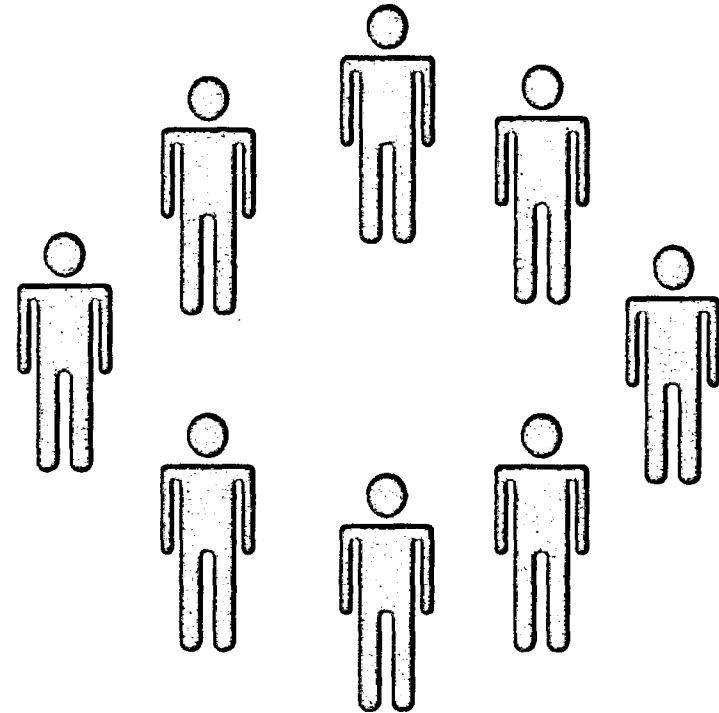
Perspectives About Change

Keep in mind these "laws" of organizational change.

► People don't resist change, they resist being changed.

- If you want the people's cooperation, you've got to engage them every step of the change.
- Be clear on how things will be better.

► Things are the way they are simply because they got that way.

- Take the time to understand the history behind the problem

► Unless things change, they are likely to remain the same.

- If you want improvement, people will need to change the way they work

► Change would be easy if it weren't for the all the people.

- Understand potential reasons for resistance
- Create buy-in and support

Summary – Take Aways

▶ Set ground rules for the problem solving teams to encourage desired behaviors

Examples:

- Seek first to understand before evaluating

- All should be heard including differing points of view

- Work towards consensus-based solution

▶ Focus on the most important improvement opportunities (greatest areas of exposure)

- Do not chase too many rabbits

- Effectiveness over quantity

▶ Apply a "go slow to go fast" approach to problem solving. Take the time to understand, define, and assess the problem.

- Avoid jumping to solutions

▶ Avoid trying to place blame

- It is not, who?, but why?

▶ Challenge current assumptions

- Challenge the attitude: "We've always done it this way."

▶ Validate opinions with facts throughout the problem solving process

▶ Remember the right solution is the one that prevents the problem from occurring

▶ Communicate ("7 times – 7 different ways")

Worksheets

Problem Definition Worksheet

Safety Issue:	

Describe the Problem:
 	
➢ As a team, describe and understand the context of the problem.
   — What is the problem?
   — When does the problem occur?
   — Describe an example?
   — What is desirable if the problem goes away?
   — What is the consequence or impact of the problem?
   — How often does the problem occur?
	Answers:

Draft problem statement:	
Next Steps to Address the Problem:	

Cause & Effect Diagram (Work Sheet)

Problem or Effect
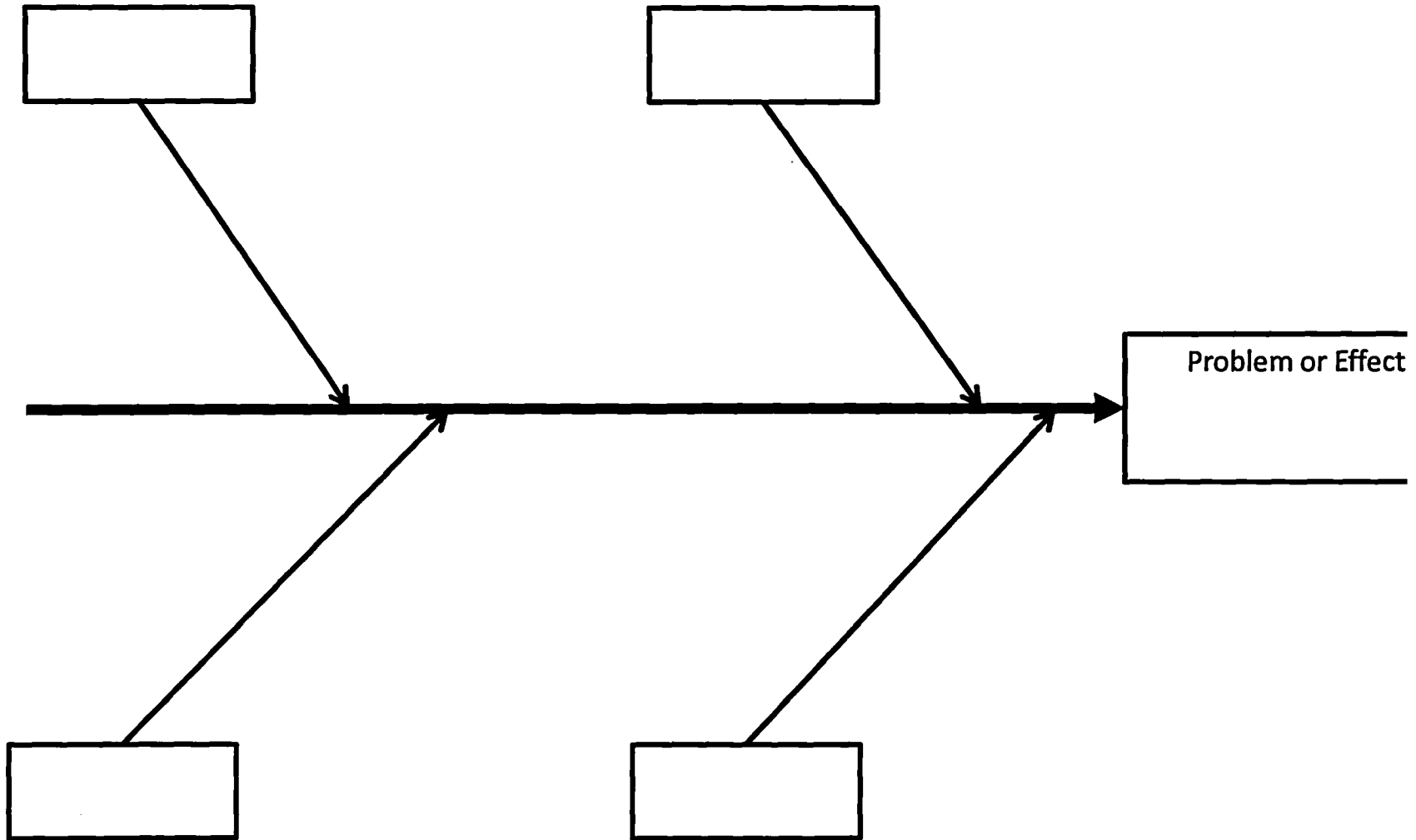
ABC Analysis – Analyzing contributing factors of behaviors

Behaviors to Unsafe Act	Type of Behavior

Three Types of Behaviors

Enabled – Easily within a person's control and also supported by conditions and systems

Difficult – Within a person's control but requiring extra effort, increased discomfort, or extra time

Non-enabled – Outside a person's real or perceived control

Activator	Desired Behavior	Consequence

Definitions:

Activator – Anything designed to direct a behavior before it happens.

Behavior – An observable act

Consequence – Anything that motivates a particular behavior to occur following a behavior

Gap Analysis Matrix

Topic:

Category	Current	Desired	Gap Analysis (Factors for Gap)

Action Improvement Matrix (AIM)

Problem:			
Solution	**Improvement Actions**	**Owner**	**Timeline**

Force Field Analysis

Issue or change under study:

Helping Forces ➡ | ⬅ Hindering Forces

Helping Forces List:	Hindering Forces List:

Actions:

Safety Improvement Action Form

Issue Topic:	
Problem Statement (or Purpose Statement):	
Problem Assessment	**Analysis (identify causes and barriers):**
Identify Improvement Actions (Steps):	

EXHIBIT 2

IMPROVING FIELD AND WORKPLACE VISITS
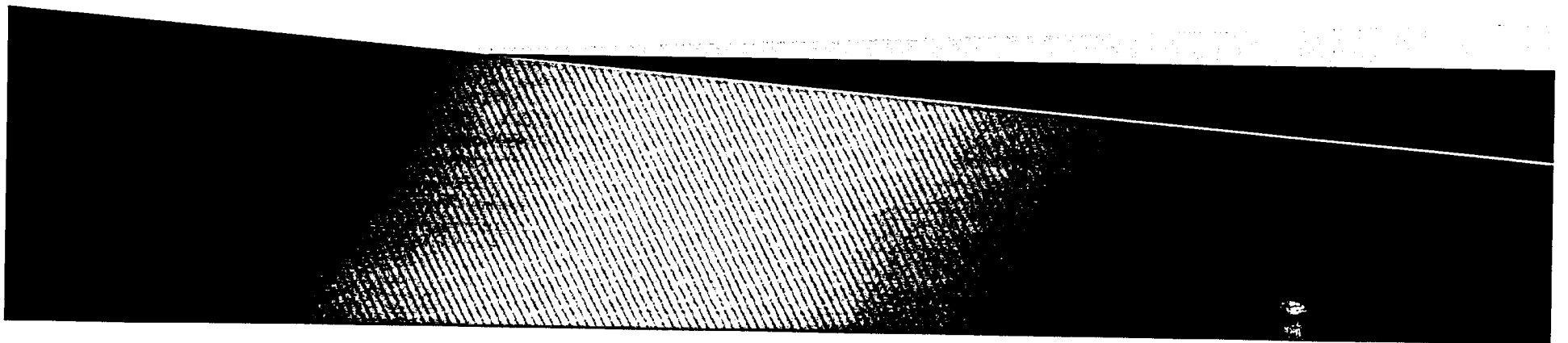
- Looked at areas for improvement
  - CAT Survey and Interviews
  - Incident/Injury History Data of past 10 yrs

Used Rank Order Voting

▸ Opportunities
  - Near Miss Reporting
  - Risks are often Overlooked to get the Job Done
  - Management Presence in the Field
  - Recognizing good safety performance
  - Unclear expectations for Safety Activities

- Risks
  - Driving
  - Slips, Trips, and Falls
  - Loading/Handling Materials
  - Distractions/Personal Issues
  - Cell Phone Use while Driving
  - Member Threats/Confrontation
  - Pushing/Pulling U/G Wire
  - Lockout/Tagout......Communication

Priority Matrix

A – Increase Management Presence
B– Near Miss Reporting
C – Driving
D – Member Threats
E – Risks Are Overlooked
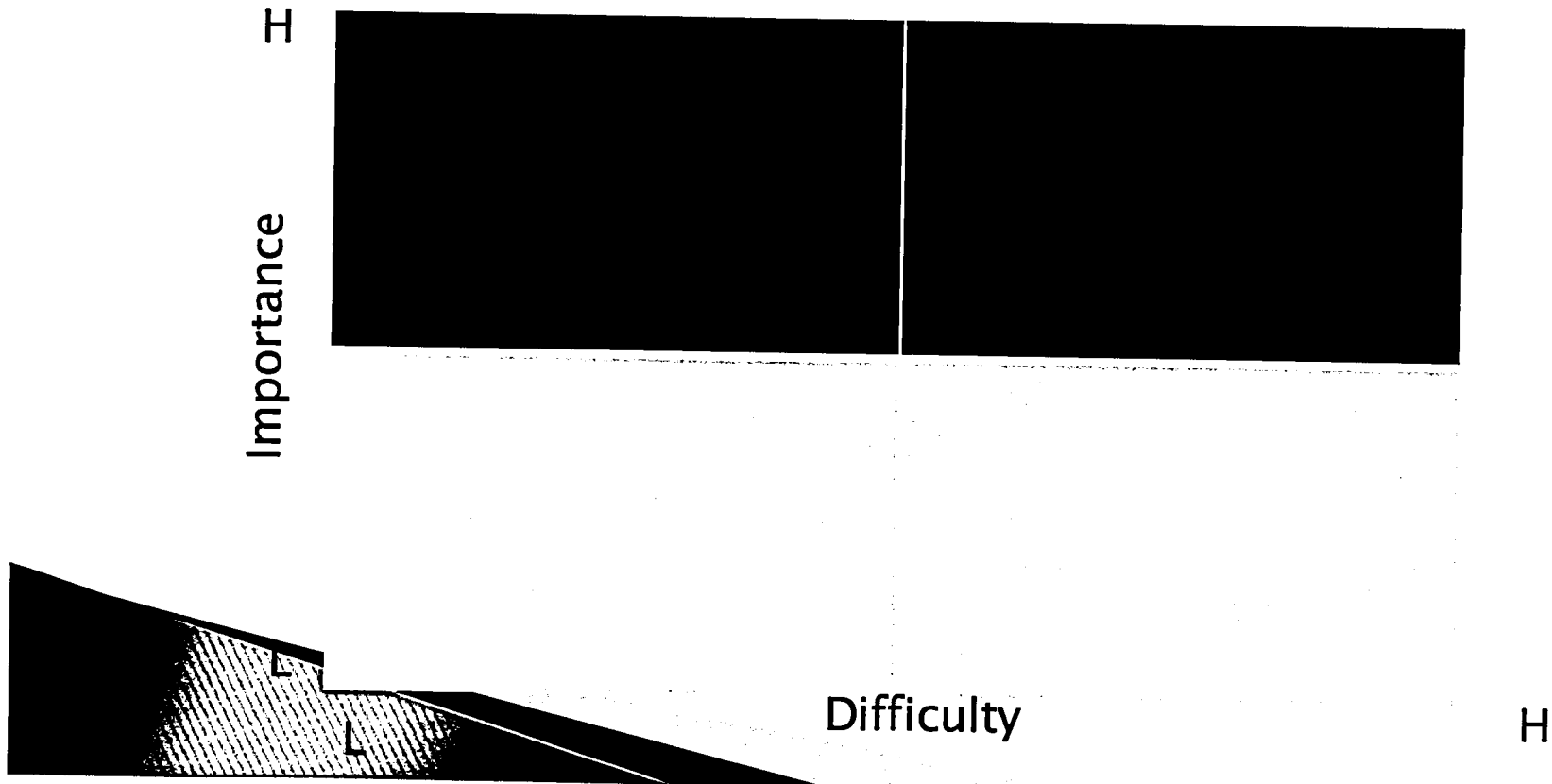
Decision

- Management Presence in the field and workplace wasn't weighed as high in importance or difficulty, but is a quick win and will directly affect and improve other areas for improvement.

Problem

‣ There is a lack of meaningful presence/interaction by management at all levels in the field and workplace which hinders the safety culture.

Why is there a Problem?

- Not enough Time
- Not a Priority
- Heavy Workload
- No Formal Leadership Expectations
- Lack of Two-Way Communication
- Fear of what they may see
- Don't know what to do or how
- Think they have already done enough
- Weather
- Not familiar with the work area or job

Determined Root Cause

- Unclear Expectations
- Don't Know What to do or How to Do It
- Not Managing Workload

Solution

1. Determine the overall expectations and goals of visits, "initial framework" for field/workplace visits;

Possible areas for initial framework:

- Frequency, approach and level of engagement regarding the visits;
- Relational-based not audit-based
    - Encourage workplace visit on days before monthly safety meeting and have one or two VPs report positive observations;
    - Consider some field/workplace visits during after-hours;
    - Encourage half-day blocks on calendar;
- Understand and address workload barriers.;
- Responsibility – CEO and VP's
    - When –– End of February 2014

Solution

2. Based on framework and with an Employee Focus Group Team, create a simple written guide for completing meaningful field and workplace visits

- Possible attention areas for the guide:
  - Effective communication
  - Positive recognition attributes
  - Hazard identification and risk mitigation training
  - Formalize a process to document safety improvement visits. (Manager of Safety)
- Responsibility --Corporate Services with Employee Focus Group Team
  - When -- First to mid-March (2014)

Solution

3. Communicate framework and guide to managers, supervisors and employees
    - Ensure clear understanding of the purpose and rationale for leadership field/workplace visits;
    - Communicate in small department meetings
- **Responsibility -- Vice Presidents**
    - When -- Mid-March (2014)

Solution

4. Integrate into performance plans.
   - As part of the performance plans and with two-way communication, clearly describe what is expected consistent with framework for field/workplace visits;

- Responsibility -- CEO, Vice Presidents, Managers and Supervisors
   - When -- End of March (2014)

Solution

5. VPs report progress at weekly staff meetings and describe what they have learned during the visits.

   ○ CEO should ask specific questions regarding the visits, including: describe a recent visit; what if any safety improvement opportunities were identified; positive recognition observed.

‣ Responsibility --CEO and Vice Presidents

   ○ When -- On-going

Solution

6. Initiate semi-annual frontline employee survey and focus groups.
   - Measure how we are doing with respect to the overall framework
   - Based on results, refine and strengthen the framework for field/workplace visits
   - ▸ Responsibility -- Corporate Services
     - When -- Late Fall 2014

▸ **PEOPLE DON'T CARE HOW MUCH YOU KNOW UNTIL THEY KNOW HOW MUCH YOU CARE**

EXHIBIT 3

Action Improvement Matrix: Improving Field and Workplace Visits

Solution Steps	Context	Ownership	Timeline
1. Determine the overall expectations and goals of visits, "initial framework" for field/workplace visits;	Possible areas for initial framework: — Frequency, approach and level of engagement regarding the visits; — Relational-based not audit-based — Encourage workplace visit on days before monthly safety meeting and have one or two VPs report positive observations; — Consider some field/workplace visits during after-hours; — Encourage half-day blocks on calendar; — Understand and address workload barriers.;	CEO and Vice Presidents	End of February (2014)
2. Based on framework and with an Employee Focus Group Team, create a simple written guide for completing meaningful field and workplace visits.	Possible attention areas for the guide: — Effective communication — Positive recognition attributes — Hazard identification and risk mitigation — Formalize a process to document safety improvement visits. (Manager of Safety)	Corporate Services with Employee Focus Group Team	First to mid-March (2014)
3. Communicate framework and guide to managers, supervisors and employees.	— Ensure clear understanding of the purpose and rationale for leadership field/workplace visits; — Communicate in small department meetings;	Vice Presidents	Mid-March (2014)
4. Integrate into performance plans.	As part of the performance plans and with two-way communication, clearly describe what is expected consistent with framework for field/workplace visits;	CEO, Vice Presidents, Managers and Supervisors	End of March (2014)
5. VPs report progress at weekly staff meetings and describe what they have learned during the visits.	CEO should ask specific questions regarding the visits, including: describe a recent visit; what if any safety improvement opportunities were identified; positive recognition observed.	CEO and Vice Presidents	On-going
6. Initiate semi-annual frontline employee survey and focus groups.	— Measure how we are doing with respect to the overall framework — Based on results, refine and strengthen the framework for field/workplace visits	Corporate Services	Late Fall 2014

Next Steps to Safety Improvement Process:

By Mid-April (2014) – Safety Steering Team and Employee Safety Team:

1. Evaluate progress to-date on the improvements for strengthening field/workplace visits.

2. Discuss and decide on the course of action for next safety issues;

EXHIBIT 4

Safety

Name:	Frequency of Safety Visits:
CEO	1/2 Day per month
Sr. VP Operations & Technology	2 days per month
Sr. VP Marketing and Member Services	1 day per month
Sr. VP Corporate Services	1 day per month
VP of Engineering	1 day per month
Operations Manager	Visit each crew/Service Tech 1 time per month
Distribution/Field Supervisors	Visit each crew 1 time per week
All other Managers/Supervisors	1 day per month

**10% of visits should be after hours **

Required Safety Equipment:
Hard Hat
Safety Glasses
Ear Plugs
Vest
Over the ankle boots

CEO/VP's to report positive observations and monthly Safety Meeting's.

Safety Meetings Schedule:

February	Rusty Williams
March	No Meeting
April	No Meeting
May	Mike Cobb
June	No Meeting
July	Ann Wood
August	Mark Stallons
September	Jim Bridges
October	Rusty Williams
November	Mike Cobb
December	Ann Wood

2015

January	Mark Stallons
February	Jim Bridges
March	Rusty Williams
April	Mike Cobb
May	Ann Wood
June	Mark Stallons
July	Jim Bridges
August	Rusty Williams
September	Mike Cobb
October	Ann Wood
November	Mark Stallons
December	Jim Bridges

All visits are relational, not an audit

EXHIBIT 5

Effective Communication and Positive Recognition Attributes

- First and foremost, make the visit focused on safety.

- When visiting the field or workplace, ask the employee questions and have general discussion about their job. Be sure to quiz the youngest guy about the work they're performing. If the visit takes place in the field, participate in the job briefing. If you're unclear about a process or procedure, ask the employee to explain.

- Practice the 7:1 ratio. Be sure to look for seven positives before mentioning an area that needs improvement. Be sincere in all positive recognition and coaching opportunities.

- Field Service Representatives never stay in one place for an extended period of time. It is more effective to ride along with them on the job instead of unannounced visits in the field.

- Scheduling half-day blocks for field visits is fine as long as the job is seen from start to finish. A job briefing will be conducted before leaving the office and will continue out into the field until the job is completed.

- Encourage open communication. Let everyone know that it's okay to speak up if there's a problem.

- The employee might suggest alternative ways of completing a task. Welcome change as long as it's safe. Show appreciation for any new ideas or suggestions.

- Be observant of any hazards in the work environment.

- Thank the employee for working safely and enabling a safe worksite. Be specific and give examples of the observations you have made.

- Questions to ask when making visits:
    - What type of PPE is required for this job and why?
    - Do you have any safety concerns or ideas for improvement?
    - What steps can be taken to make a process or procedure safer?

Following the above guidelines will result in more meaningful and productive safety visits.

OWEN Electric

A Touchstone Energy Cooperative

SAFETY VISIT SUMMARY

DATE _____   TIME _____

LOCATION   _____

WORK TYPE   _____

EMPLOYEES PRESENT: _____

_____

_____

_____

Summarize Areas of Positive Safety Recognition

_____

_____

_____

_____

_____

_____

Summarize Areas of Safety Coaching Opportunities

_____

_____

_____

Other Comments

_____

_____

_____

SIGNATURE: _____

(Person conducting visit)