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Southern California Edison
WORKPLACE CULTURE AND CLIMATE ASSESSMENT
Report Of Findings and Recommendations

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Submitted By:



Marilyn Knight, MSW
Ken Wolf, PhD
Kathy Bolmer, PhD

EXECUTIVE SUMMARY

On Friday afternoon, December 16, 2011 in the workplace at Southern California Edison's (SCE) Rivergrade location, an employee fatally shot two supervisors, and wounded two others before taking his own life.

In the aftermath of this tragic event, SCE engaged Incident Management Team (IMT), an independent consulting and training company with internationally renowned expertise in crisis response, threat assessment and violence prevention programs, organizational change and leadership development, represented by Marilyn Knight MSW, Ken Wolf PhD, and Kathy Bolmer PhD. The purpose and scope of the initial sixty (60) day phase of engagement was to conduct a comprehensive assessment of the workplace climate and culture within the Information Technology & Business Integration (IT&BI) organization, and to make recommendations to build upon strengths and diminish risks in the workplace.

This report does not address what happened on December 16 or why it happened. Nor should this report be read as referring to the actions or inactions of any specific individual. We focused on going forward recommendations based on what IT&BI employees told us. IT&BI has 1,831 employees, which include 3 executive officers, 9 directors and 251 managers. Additionally, there are approximately 1,500 contingent workers/contractors working in the organization. IMT's assessment of IT&BI included a series of group and individual meetings with 725 employees, contractors and contingent workers, managers, directors and executives at locations including Rivergrade, Irvine Operations Center (IOC), Irwindale Business Center (IBC), General Offices (GO) GO1, GO2, GO4, GO5 and San Onofre Nuclear Generating Station (SONGS), as well as numerous telephone, email and written contacts; review of materials such as policies and procedures, employee appraisal documents, supervisor notes and files, forensic data, personal effects, training materials, statistical data, survey results, complaints & concerns, Ethics and Compliance helpline trends, HR Focus on Resolution cases, and other relevant documents and data. Weekly briefings were held with a Steering Committee comprised of senior leaders from Southern California Edison's Human Resources, Law and Corporate Security departments and Edison International's Ethics and Compliance department to facilitate shared understanding and focus.

An analysis of the information identified key issues which include workplace climate and culture concerns and stressors related primarily to a fundamental lack of leadership in many areas, and resulting in loss of trust, lack of respect, fear of retaliation, inefficient decision-making processes, poor communication, lack of work/life balance, abusive management styles, lack of management accountability, perceived absence of fairness and a shortage of recognition.

A set of recommendations were developed for consideration. These recommendations focus on central themes, which include adoption of a management and leadership philosophy consistent with the Company's values, ensuring confidentiality and responsiveness to employee concerns, opening lines of communication, uniform enforcement of HR policies, revision of the employee appraisal process, improving information flow, reduction of management layers, streamlining decision-making, focusing

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goals, enhancing workplace violence prevention and crisis response programs, and ensuring management accountability.

While this report focuses on the cultural and climatic themes contributing to an unhealthy workplace, it should be mentioned that there were many positive themes expressed by the employees interviewed; particularly a high degree of satisfaction with their essential job duties and the Company generally. They generally view themselves and their team members as highly skilled and competent, and feel challenged and engaged in their daily work. They genuinely like their co-workers which is another significant source of workplace satisfaction. Overall, employees believe they are well compensated and appreciate what they characterize as excellent benefits. These positive factors, along with job security and longevity are deeply compelling, and deter employees from leaving the organization, despite their negative perception of workplace culture and climate. Employees as individuals and in groups profoundly believe in the company's core values – Integrity, Excellence, Respect, Continuous Improvement and Teamwork - and are proud to work for SCE.

This positive foundation leads to an intrinsic trust that the senior leaders of the organization will initiate significant change. This is poignantly demonstrated in the overwhelming expression of hope invested in the outcome of this engagement by the majority of employees who attended group and individual sessions.

Without significant and visible change, the potential for negative consequences increases. Prompt steps should include communication to employees, followed by a copy of the report, announcing a proposed time-line when those prioritized recommendations will be implemented; and acting quickly to facilitate implementation. Strategies involving management and leadership, violence prevention and threat management should be considered as early priorities.

KEY CULTURAL THEMES

A number of key themes were identified which appear to contribute significantly to the unhealthy climate and culture within the IT&BI organization.

It must be noted that the themes are derived mainly from highly prevalent verbal reports by those employees who participated in meetings and secondarily from forensic information, survey results and other materials.

When issues and/or concerns were raised repeatedly by a significant number of employees across varying locations and levels, which were often times supported by additional information that was sought out to validate these issues and/or concerns, these perceptions were identified as themes affecting culture and climate.

Absence of Leadership

Underlying all of the themes, and perhaps a major causal factor for each theme, is what appears to be the failure of some leaders to identify and/or acknowledge the dysfunction within the organization(s)

they serve, and to act swiftly and accountably to force change where needed. Some employees have lost faith in the ability of those leaders to lead.

Management

Employees perceive managers to be more concerned about how they “look” from above, and less concerned about how they are viewed by their subordinates. This fosters an unhealthy culture and climate by sending a message to employees that it is more important to focus on how things look from the top than how they actually are down below.

The workplace environment and employee experience is determined largely by the style of the manager. There are managers and executives within IT&BI who appear to be autocratic, overly authoritarian and draconian in their approach. Employees share experiences of humiliation in front of other employees, verbal abuse, reprisals and favoritism. Other managers and supervisors are absent, and provide little direction, support or mentoring. Since managers in the same environment have widely diverse and disparate styles, employees are keenly aware of the contrasts. This creates dissension, tension between work groups and competition between managers.

While management styles should be flexible in order to accommodate situational and interpersonal needs, organizations whose managers understand their role as coaches and facilitators and incorporate the company’s core values into their daily interactions with subordinates foster a healthier culture and climate, and higher level of satisfaction and productivity.

When there are problems or failures, managers reportedly blame downward and are not held accountable nor do they take responsibility. Employees reported a pattern of managers punishing and scapegoating subordinates instead of working together to ameliorate the problem. This creates an ever-widening chasm between managers and subordinates, and sends issues “underground” to avoid detection.

Employees shared the general concern that there are too many managers, citing managers without subordinates and the consequences of top-heavy management such as slow and circuitous decision-making, inefficiency, conflicting communication, lack of focus and leadership. In the rate challenge environment, rank and file employees are also concerned that with a potential reduction in workforce they will be laid off in an effort to ensure a budget for managers to maintain their place in the organization at the expense of those employees who get the work done. In the employees’ views, excess managers drive costs up without adding value, yet supervisors and managers seem to be a protected, invincible group in what some employees term the “caste” system.

Decision-Making

Individual decision-making responsibility is routinely circumvented by reliance on a "decision by consensus" process, and/or elevating to higher management. Employees relate that, since no one is

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taking ultimate responsibility for the decision, if things should go wrong, they are blamed for the failure. Without accountability, decisions are delayed, changed, or sometimes not made at all.

Competing priorities and lack of authority also prevent decisions from being made. Often, an employee working in one area will be accountable for a goal or project that relies on decisions made in another “silo”. Some employees are powerless to achieve the goals or projects within an established deadline or at all because they have no control over the decisions made in another “silo.” Success depends on the specific management culture, whether the employee feels “safe” to express the need to his/her manager and whether the manager will act to meet the need.

Highly technically skilled individuals are particularly distressed about the cumbersome decision-making process. They feel capable and competent to make decisions within their area of responsibility, and devalued by the organization’s reliance on decisions requiring multiple levels of “weigh-in”. They feel that decisions are made exclusive of educated input, seriously compromising quality and efficiency. They believe that the company has, due to poor decision-making, incurred additional costs due to “mistakes” that could have been avoided by including in the process those who are impacted by the decision. Last, they cannot find the logic in having layers of managers consider and approve decisions about which they have little or no technical understanding or expertise. This is a tremendous source of frustration and contributes to a loss of faith in leadership.

Work-Life Balance

Workload is complicated by a lack of prioritization. Employees report that there are too many projects and/or assignments, and all of them are equally urgent. They spend an inordinate amount of time responding to “fire drills.”

Executive requests “pile-on”, since these are typically treated as emergent and the employees are forced to set aside their deadline-sensitive work, to complete such requests. There is no gate-keeping function or effective system for ensuring balanced workloads, and employees feel that they may never say no, or ask for extensions in time, because this would be considered “failing” the client, and would assuredly set themselves up to be viewed as trouble makers by their supervisors and managers.

Unrealistic demands and no flexibility to accommodate unforeseen obstacles combine to create an environment of overwork, increased stress and, ultimately, a pressure cooker.

There are far too many goals. There are achievement goals, personal development and performance goals and project goals. All of these goals lack prioritization and preclude vision and focus as well as accountability. Employees at all levels expressed a lack of understanding about what their units/areas were working to achieve and their own part to play. They express frustration and feel overwhelmed by the sheer volume of goals, the majority of which they find meaningless and irrelevant to their work. Further, they experience goals as definitive management directives and expectations rather than targets to aspire toward.

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In order to meet the goals and unrealistic demands, teams may hide failures to meet deadlines, misrepresent what has been accomplished, or take shortcuts to declare “success”, adding an additional burden to their already stretched workload of filling those gaps to complete the task fully, after the fact. Employees stay focused on “tactical” versus “strategic” goals as a result.

In many cases, full-time salaried employees are reported to be working excessive hours per year, including weekends and holidays. They receive emails and phone calls at all hours of the night, and feel they must be unreasonably available and respond 24/7/365, even though they have no formal obligation to do so, because the culture of their workplace creates such an expectation.

These difficult and exhausting conditions are reportedly having adverse consequences on employees’ health including increased stress and irritability. In addition, employees report they are experiencing difficulties in interpersonal relationships. While the company promotes work-life balance, for many employees this is an unattainable concept rather than a reality.

Work-life balance is critical to maintaining healthy, productive, creative and energetic employees who remain engaged.

Communication

Communication is often delayed, lacking details, filtered, and felt to be disingenuous. There is limited sharing of information. Mechanisms that are intended for communicating and resolving concerns such as the Ethics & Compliance Hotline, Human Resources/Employee Relations, Focus on Resolution, and surveys such as the Work Environment Survey (WES), may lack needed confidentiality and/or follow-up. Employees are left feeling as though communication isn’t heard at the top, and nothing changes. Moreover, the perceived lack of confidentiality leads to subtle reprisals that may be worse than the circumstances originally reported.

Employees report their distrust of these processes to varying degrees contribute to a larger environment in which they feel trapped, distrustful, “punished” for reporting, and fearful of further consequences.

Employees describe experiences of managers publicly dressing-down their subordinates, “screaming” and cursing at them, humiliating them in meetings, and sending them demeaning written communications with copy to others. They state that despite reporting abusive communication, and despite the company policy against retaliation, this behavior goes unchecked and gives the impression that leaders sanction it. The victims of such communications feel trapped and stripped of their dignity.

There appears to be an over-reliance on extensive email, texting, and written forms of communication between managers and rank and file employees. This reliance on impersonal interaction may be creating an atmosphere where managers fail to develop a personal relationship with their subordinates. This absence of a relationship can lead to misunderstandings, incorrect perceptions of one another and inaccurate intentions. Therefore, while technology may be extremely useful in effecting rapid communication, managers still need to develop relationships with their subordinates in order to achieve the most positive results.

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At times, communication is withheld either due to fear of exposure and risk of reprisal, or because the information is perceived to give a “leg-up” in competition with others.

Instead of raising issues and concerns openly and freely, collaborating with others and gaining assistance from managers towards prompt resolution, there is a culture of communication that promulgates a rule understood by most in which “bad” news may not be expressed or carried upward. Consequently, such information is hidden and in-place resolution is attempted. Unable to adequately resolve bad news alone, employees form underground alliances with others, adding to the veil of silence, stress and fear of discovery and creating resentment.

Effective two-way communication at work is critical to the success of an organization. Active listening, asking for and providing feedback, giving timely and complete information, and communicating face-to-face whenever possible, are hallmarks of effective, high-performing organizations with a healthy culture and climate.

Often managers and leaders fail to clearly convey their ideas, organizational goals, and vision. When the organization is unable to create an environment which promotes open and clear communication, it can have negative repercussions on the work culture and employee productivity.

Safety and Security

Employees noted that security efforts before and after the tragedy of December 16, 2011, were “lax” at the Rivergrade facility. They stated that after the shootings there were a few security guards in evidence in the front of the building, but these guards quickly disappeared. They also pointed out the disparity between Rivergrade’s lack of security measures and the fact that employees are issued ID cards that must be swiped to enter and exit the general office buildings in Rosemead, at IOC and at IBC, and to move between sections within those buildings.

It is upsetting to Rivergrade employees and those who spend time there that so little has been done to secure their workplace. While they acknowledge that a secured building would not have stopped the shootings, they believe a more visible security team may be a deterrent now and in the future.

It is often the case that after a horrific incident, employees will be concerned for their own safety and worry that they lack the skills and training to identify possible signs and symptoms that may signal threats of potential violence.

Employee Recognition

Employees describe that managers take all of the credit, and when things go wrong, the employees are blamed. Employee recognition is dependent on management culture. Therefore, recognition is perceived to be unequal across groups and this feels unfair to employees who see peers in other groups being recognized when they are not.

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Many employees mentioned that an occasional “pat on the back” or “Atta boy” goes a long way toward helping them feel engaged, confident, dedicated and deepens loyalty.

Employees need recognition for the work they do that is ordinary, and not just extraordinary, in order to feel valued. In the absence of this recognition, they begin to feel marginalized, unappreciated and taken for granted. They resent working as hard as they do without acknowledgement, and become less productive.

Employee Appraisal Process

The employee appraisal process is unwieldy, confusing for employees and laden with goals and measures that are not always relevant to the employees’ job requirements. Comments are sometimes pejorative and critical without being constructive, and don’t offer actionable expectations for the employee’s development.

The scoring system does not differentiate between an employee who is expected to need improvement as a matter of learning in a new role, and one who should have progressed/performed at a higher level but has not. In either case, employees interpret a “needs improvement” score as complete mission failure. They feel defeated, anxious, devalued and deeply disturbed by what they believe are undeserved entries in the appraisal, and they are personally affronted.

The guidance for determining scoring is highly subjective and in some cases the appraisal scoring and comments appear to be used for punishment or reprisal. Employees who identify their appraisal as unfair, inaccurate, and/or inappropriate feel they have no “safe” means of appeal. Requests for reconsideration, or wiping the slate clean of certain comments pose a risk to themselves for even worse reprisals from their supervisors and managers who are placed in a defensive role by such appeals.

Inconsistent Application of Human Resources Policies and Practices

Human Resources policies and procedures are perceived to be inconsistently applied and appear to be enforced at the discretion of the manager. Employees complain that they are not able to rely on the company policies for direction or as a stable foundation because the manager can revise or rigidly enforce the rule to serve their own purposes. It is confusing to employees when the same policies are implemented differently depending on the manager. Policies have a fundamental purpose of ensuring a uniform understanding and consistency in application for all, and this purpose may be defeated by the will of the manager.

Hiring and promotion practices are seen as similarly discretionary. “Problem” employees are reportedly transferred without disciplinary actions, and sometimes promoted. Employees allege that relationships drive the decisions about hiring, transfers, and particularly promotions – it’s who, and not what, you know. This is also viewed as unfair and creates resentments and a sense of defeat in those employees who view themselves as better qualified, but not as well connected as the selected candidate.

Some guidelines may be mistaken for policies. Typically, there is little differentiation by employees, and they tend to view all as “rules” in the workplace which reinforces their perception of unfairness when managerial discretion is applied.

WORKPLACE CLIMATE CONCERNS

The cultural themes identified impact the climate in ways that are distinct although not necessarily separate, and when combined, create an environment that can increase tensions and stress to very unhealthy levels.

Fear

The climate of fear manifests in numerous ways, such as silence during meetings, but widespread talk outside of meetings; competitiveness among employees and management; increased absences and tardiness; strained co-worker and/or supervisory relationships; reluctance to admit mistakes; tendency to blame the environment or others for a host of issues; indecisiveness or reluctance to take risks; denial of tensions and conflicts which are at or near the surface; important issues are rendered “undiscussable”; and numerous instances of reprisals, or what look like subtle reprisals, against those who speak up.

Eliminating fear begins with leaders acknowledging their own responsibility for creating and/or participating in a fear-driven organizational culture. By examining their assumptions and behaviors which have either triggered or perpetuated defensive, fearful responses in others, and consciously choosing to communicate in a more positive, proactive manner, they can interrupt the fear and the associated defensive routines in the organization.

Lack of Respect

Respect is closely associated with integrity, dignity, cultural sensitivity, and self-worth in the workplace. While some employees alleged racial or cultural bias, it should be noted that in light of the preponderance of employees who shared the belief that one must have personal relationships to get work done, get promoted, etc., this factor may explain why minority employees perceived cultural insensitivity because they do NOT have the long standing relationships that might provide advantages. Another factor to be considered is simply a genuine lack of awareness and understanding of cultural differences by managers.

Employees feel as though the values associated with respect have been compromised, that respect isn't evident, and it touches them in an intensely personal as well as professional way, creating very strong and often negative emotions. They feel that their work, value, dignity, ideas and competence are not respected or at times are disrespected, particularly by their managers. When respect is not present, surely conflict, anger and resentment will be.

In an organization where employees' feelings, thoughts, desires and ideas are taken into consideration, they feel valued, taken seriously and believe they have intrinsic worth.

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Active listening, equal recognition, empathy and thoughtfulness convey a feeling of respect in the workplace.

Lack of Fairness

Employees have an expectation of and sense of entitlement for equality and fairness in the workplace. When the culture allows circumstances and practices that fail to meet this expectation, it is often interpreted as a grave injustice, and employees feel “righteously” wronged.

Absence of Humanity

Employees working in areas where the management culture is experienced as punitive and unyielding, and where the workload is impossibly heavy, have characterized the climate as “absent of humanity”. They feel trapped.

Those employees express feelings of despair, sense of dehumanization, being “treated like a robot”, and having nowhere to turn for empathy or assistance because such channels are believed to be non-confidential and therefore not safe. Productivity and the quality of work decreases, employees take medical or stress leaves and file worker’s compensation or labor claims.

Distrust

Most of the cultural themes create a climate of distrust. Many employees don’t trust their managers and leadership to be honest, accountable or provide leadership. They don’t trust in the systems arranged for their benefit to help them, and instead expect negative consequences for utilizing them. They don’t trust in policies, practices, information or communication.

Lack of trust often leads to feelings of hopelessness. Employees eventually surrender, going through the motions at work, without engagement or motivation. They protect themselves by avoiding any circumstances that might require them to trust, and productivity and creativity are impeded.

Intensified Stress/Pressure with No Outlet

The climate was most often described by employees as one of intense stress and pressure. The outlets that might ordinarily provide relief instead create additional pressure. The proverbial “pot” is boiling, and the lid appears to be permanent. There is a high potential for “boiling over” in such a climate without stress management and pressure release in forms of cultural change. Immediate relief is helpful, but won’t be trusted and therefore won’t significantly change the climate until it is embedded.

RECOMMENDATIONS

We believe the following recommendations may be helpful and could prove effective to address the problems and issues employees raised. We recognize that not all of the recommendations may be implemented.

Implement a Management and Leadership Philosophy

Inconsistency of style, territorialism, unhealthy competition, and other negative attributes among management and leadership often stem from uncertainty about the expectations of their roles. The culture and climate of the organization are determined by these individuals and in the absence of a standardized approach or set of expectations, individuals are left to design their own. Some are successful and others detrimental to the workplace. From the top down, a very consistent and clear set of rules and expectations should be set in order to achieve a highly effective leadership and management team, and in turn, a highly performing workforce.

To that end, we strongly recommend that SCE adopt a Management and Leadership Philosophy that will impart a shared understanding, universal nomenclature, and concrete approach to unite and strengthen the employee/management relationship, improve trust, and eradicate fear.

1. Based on our experience in many other organizations, the Servant Leadership philosophy or a similar philosophy is easily assimilated, integrated and embedded; shifting and promoting positive organizational culture and climate, with the greatest success and sustainability. Organizations that adopt and embrace servant leader practices often see significant climate improvements in terms of trust, respect, open communication, decision making, morale and work accountability.
 - a. Information about Servant Leadership is provided in Appendix A
2. Whether or not the organization chooses to adopt a particular philosophy, a concerted effort should be made to ensure that leaders, managers and supervisors possess a set of skills, knowledge and abilities, as well as personalities that are appropriately suited for their roles in coaching, facilitating, serving and motivating their subordinates.

Ensure that All Employees, including Managers, are Accountable for “Living” the Company Values

Employees are apt to pay particular attention to those issues that their leaders express as priorities. Therefore, executive leaders should promote a focused priority on “living” the company values.

1. Leaders and managers at each level should be held accountable for their own conduct and for monitoring their subordinates’ conduct, to ensure that they are leading by example and their behavior is commensurate with the company values.
 - a. Periodic skip level meetings should be held in order to gauge the culture and climate in a specific group and/or unit, and to obtain feedback from employees about their experience and interactions with management.
 - b. A significant percentage of compensation for supervisors, managers and leaders should be tied to their conduct being aligned with Company values.

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2. Mandatory initial and ongoing training, with return demonstration of competency, should be instituted in order to ensure that Supervisors, Managers and Leaders have the skills, knowledge and abilities to be effective, conduct themselves in accordance with Company values and as Servant Leaders should SCE decide to implement this philosophy.

Enhance and Implement the Workplace Violence Prevention Program

Workplace violence is increasing across the nation, and empirical evidence shows that comprehensive prevention programs have tremendous utility in reducing threat, raising awareness and providing early warnings that may be intervened upon to avoid greater risk and potential for injury or worse.

While ensuring a comprehensive and effective Workplace Violence Prevention Program is a salient need for all companies, the tragic events at Rivergrade make it a crucial one. Minimally, enhancements should include:

1. Assessment of the current program structure by reviewing current policies, programs, incidents, emergency plans, notification procedures, communication protocols, and personnel structures.
2. Identify and define the roles, functions and responsibilities of the Threat Assessment Team Members, explain their role/function and integrate this process into the Incident Command System and Emergency Response Program.
3. Provide specialized, focused training in Workplace Violence Prevention for unique Edison audiences including the following:
 - a. Threat Assessment Team Members
 - b. Executives
 - c. Managers and Supervisors
 - d. Employees, Contractors and Contingent Workers
4. Update the Workplace Violence Prevention Manual including policies, investigation protocols and coordinated interactions of Threat Team members, in order to ensure consistency and quality.
5. Conduct and evaluate periodic drills throughout Edison in order to ensure rapid and effective mobilization in the event of an actual incident.
6. Training, practice and performance evaluation will provide an ongoing process for embedding skills and help to ensure a safe workplace overall.

Employee Concerns Should be Freely Expressed and Addressed in a Confidential and Responsive Manner

Employees are entitled to a workplace free of harassment, bullying, coercion, intimidation, threats and retaliation. Avenues should be made available and cleared of obstacles for employees to express

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concerns and/or report such experiences or perceptions so that the organization can be made aware and address these circumstances if they are found to exist.

1. Clarify and enhance as needed the Ethics and Compliance hotline to enable it to be utilized by Human Resources personnel as their automated Human Resource Contact Log to document and track employment-related calls, reports, complaints and/or concerns raised by employees. Much like the current Ethics and Compliance hotline, this enhanced resource would be a confidential mechanism for reporting HR, workplace culture and climate concerns.
 - a. Utilize well-trained individuals with specialized skills and competencies in objectivity, conflict resolution, and problem solving.
 - b. All contacts raising concerns with any HR representative should be documented at the time they are received and should include:
 - Time, Date and Type of Contact (Call, Visit, Email, etc.)
 - Detailed Description of the purpose and content of the contact
 - Level of Priority
 - Follow-up Activities
 - Date and Name of employee relations representative
 - Findings/Conclusions
 - Actions Taken/Recommendations Made
 - Monitoring
 - c. Policies and procedures for HR issues should be reviewed, revised and/or developed to ensure that they clearly describe the process for documentation and expectation of prompt response to individuals who raise concerns.
 - i. Policies and procedures related to HR contacts should include clear expectations of confidentiality and strict consequences for violation of confidentiality.
2. The Ethics and Compliance Hotline process should be reviewed and revised to improve confidentiality and to ensure contacts are investigated by an objective party with no stake in the outcome, and concluded within defined timelines.
 - a. Timelines for initiating and concluding an investigation, and responding to a complainant should be based on the level of priority and significance of the complaint.
 - b. Continue to communicate that complaints that are primarily related to issues outside of Ethics and Compliance should nonetheless be processed, investigated, documented and tracked as Hotline calls.

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- i. Objective individuals closely related to those outside areas may be brought into the confidence and investigation process as needed.

- c. Ensure that the Ethics and Compliance Hotline is a confidential process to be trusted and effectively utilized. Policies and procedures should therefore emphasize confidentiality and describe the consequences for violation of confidentiality.

Hotline data should be aggregated, tracked and trended, reported on an executive dashboard, and used to improve the organization.

Employee Evaluations Should Be Revised to Ensure Relevance and Dependence on Objective Measures

When employee evaluation is perceived as totally subjective, irrelevant, and/or lacking in focus, it ceases to be meaningful and fails in its purpose of providing helpful measure and appraisal. It is critically important that employees are measured on what they do and that the methodology is clear and as precise as possible.

1. Employee evaluations should be based solely on performance of the core duties of their roles, in alignment with their job descriptions.

2. We recommend SCE review its current system with the goal of revising the evaluation process so that it is streamlined and focused on the specific skills that employees at various levels need to develop, grow and excel in their positions. The current system has created a lot of emotion that detracts from important feedback and contributes to employees feeling devalued as people and not being accorded dignity and respect. We would recommend an evaluation process that mediates the current perception of unfairness in the evaluation process. Clear descriptions/definitions of what constitutes acceptable or higher levels of achievement should be implemented so that employees are clear where they need to progress and what they need to do to achieve a higher rating. Someone new in a job is expected to be a novice at certain things, and this should not reduce any associated compensation or bonus but rather support it as a reasonable expectation of performance. Certainly, a longer term employee who fails to achieve a level of independence and competency would not be progressing toward mastery and might not earn the higher level(s) of compensation or bonus that would be ordinarily tied to their appraisal.

3. Supervisors, Managers, and Executives' performance appraisals should include examples of accountability for delivering the company values in the culture and climate they create within their teams.

Encouraging the Flow of Information Up, Down and Across Without Impediment Should Be Initiated

Senior executives often have difficulty penetrating the layers between themselves and their rank and file employees at lower levels in the organization. Conversely, the voices and experiences of lower level employees of the organization are rarely heard at the top – at least, not without rigorous filter and edit. This is true for SCE as well. Opening channels of clear communication and information is integral to the health of the organization, and there are several ways in which we recommend SCE approach this.

1. Create a periodic “Dashboard” combining significant information and trends to act as a lens on the workplace and to alert senior management of shifts in climate that may trigger cause for concern. This will reduce the possibility of surprise and act as an early warning system to reduce risks.
 - a. The dashboard might include the trailing (3) month volume, same timeframe previous year, and/or year-to-date data on:
 - Stress cases/Worker’s Comp cases for stress
 - HR, culture and/or climate concerns reported
 - Hotline calls related to working environment
 - Absences
 - Threats
 - Increases in requests for employee transfers from a particular department and/or supervisor
2. Senior executives should be visible and accessible in order to ensure penetration of layers. One method to consider is through executive rounding in all business units.
 - a. A block of time should be calendared on a minimum once-per-month basis to visit business units for informal rounding and dialogue with employees. This will allow senior executives to experience the climate and culture first-hand, and allow both executives and employees unfettered access to one another, albeit briefly. This is already being done by some senior executives but should be applied more broadly.
 - b. All levels of executives should attend “All Hands” meetings to promote the message from the top. This ensures that the message will be delivered as it was intended.
3. Initiate a campaign promoting and valuing open, direct and timely communication, including negative information such as mistakes, concerns, delays and/or missed deadlines, etc.
 - a. By formalizing the message that senior management expects an environment that appreciates rather than punishes the messenger and focuses on the message versus the person voicing it, communication will more readily flow.

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- b. This approach helps improve the overall honesty and integrity of the workforce and allows for problems to be revealed and resolved expeditiously.
4. Initiate an Executive Roundtable process that connects leadership at the most senior level, with employees at all levels on a periodic basis in order to:
- a. Provide opportunities for leadership to assess and monitor the success of the cultural and climate changes and recommendations that are being implemented.
 - b. Provide an important vehicle that renders executive leadership visible and accessible to employees and offset the perception that executive leadership is often remote and unavailable.
 - c. Provide a solution to the concerns that many employees expressed about having no opportunity for interaction with leaders or managers above them.
 - d. Provide an opportunity for employees to have their voices candidly heard.

Establishing and supporting opportunities for face-to-face dialogue among employees, managers and senior leaders would greatly enhance communication and transparency within the work environment.

Reduce the Middle Management Layer

The layers of management should be reduced where possible in order to contribute to a more agile and productive workforce. The more layers of management that exist, the more complex and often difficult the work environment can become. Disparate skill sets, styles and priorities further complicate decision making and action within business units.

1. SCE should consider evaluating and developing promotion opportunities and career ladders for those employees who have reached the top of their position and pay, while avoiding “management” as the next level of advancement. This is especially needed for those high performing, highly skilled individuals who lack the required interpersonal, conflict resolution and communication skills, knowledge and abilities to be effective managers.
 - a. SCE should consider piloting “self-directed teams” that work without middle managers altogether, where feasible.
 - b. Managers should be evaluated in ways that allow candid expression by their subordinates and peers, and ensure confidentiality, such as 360° reviews or HR conducted focus group/individual interviews.

Streamline Decision-Making Processes

When decision-making processes are cumbersome, protracted, and/or dependent on individuals outside of the authority and control of the employee(s) for whom the decision is a priority, productivity is often adversely affected and frustration is certain. When decisions are made without regard to the individuals who will be impacted by the decision it breeds resentment and a sense of devaluation and disempowerment.

Decision-making should be pushed to the lowest possible level.

1. Employees should be active participants in making the decisions that directly affect their work, and should be reasonably empowered to make decisions within their scope and expertise whenever possible, without vetting to higher authorities unless necessary.
2. When projects or workflow decisions affect individuals across work groups, business units and/or areas of responsibility, reasonable efforts should be made to include the individuals who are impacted, during all phases from beginning to end.

Streamline Organizational Goals and Focus

The more goals the organization sets for achievement, the more diluted the focus of the employees will be. Coupled with personal development goals, employees experience the sheer volume of goals to be overwhelming, and much too diverse for adequate attention, focus and achievement. Measures, especially those related to compensation, need to be few and ultimately achievable to be considered “fair” and which can result in success that is come by honestly and with integrity.

If impossible (or improbable) goals are set, with unrealistic expectations for success – such as 100% compliance, the cost of success will most certainly outweigh the reward, and open the organization to tremendous risks, including “cutting corners” and adding to the workload and pressure on employees, as well as result in incomplete projects and lack of efficiency and satisfactory work product. Additionally, goals cease to be targets to strive toward and become stressful, pressured expectations that employees are unable to meet through reasonable means which in turn fosters inappropriate and covert actions in order to declare “success”. Individual goals should be tied to the individual’s tasks that support the corporate goals rather than cascading the corporate goals throughout the organization.

1. Reduce the number of achievement goals to just a few, critical goals that have real relevance to the employees trying to meet them. Set reasonable expectations and allow for the possibility of human error without punishment or undue pressure.
2. Integrate the company values with each of the achievement goals so that they are synonymous. Employees express a high degree of satisfaction with and self-measure against these values, which in turn will motivate and inspire them to energetically and positively pursue the activities associated with achieving and “living” these values.

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3. Limit the number of personal development goals for employees at all levels, and ensure the few remaining are closely and clearly aligned with progressing toward mastery of the core competencies required in the individual employee's job description.

Identify and Manage Priorities Within and Among Work Groups and Units

Ever increasing volume of projects, timeframe demands and high levels of urgency can outstrip the available resources and/or subject employees to prolonged periods of stress, overtime hours and a sense of defeat that creates a "pressure cooker" for which there is no release. In circumstances such as these, it is particularly helpful for persons with decision making authority to work together to identify ways to prioritize and manage projects and needs and reduce the pressures associated with work-overload.

1. Assure managers evaluate workloads to ensure a reasonable balance of volume and timeframes, better align priorities where possible, and ensure resources, cooperation and responsiveness to needs that cross departments.
2. Unanticipated, urgent project requests should also be reviewed on an escalated basis to ensure reprioritization of existing projects, client service priorities and project deadlines.
3. Decision-makers should monitor cross-department requests and help facilitate responsiveness.

Human Resources Policies Should Be Reliably Enforced

HR policies and procedures should be consistently applied. Guidelines should be reviewed in order to determine whether these should be converted to policies and procedures if undue discretion at the management level would be potentially detrimental. When policies and procedures are inconsistently applied, and when guidelines are perceived as policies that are not adhered to, employees and managers alike express feelings of inequity, lack of fairness, "favoritism" toward those for whom the policies don't seem to apply, fear and uncertainty, all of which contribute to tension and even anger in the workplace.

1. The mechanism for introducing new and/or revised policies, and reinforcing existing ones should be improved, standardized and streamlined to ensure that employees at all levels are informed.
2. Human Resources Policies related to hiring and promotions are particularly important to enforce uniformity, transparency and in strict accordance with the qualifications and requirements of the position.

Enforce Disciplinary Policies Consistently

While all employees deserve opportunities to address problems through counseling, conflict resolution and personal development goals before being separated from the company; shifting employees from one unit or role to another may change the geography of the problem but will not avoid it. When peers

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and/or subordinates have been negatively impacted by the problematic employee, they expect to see the employee disciplined or even terminated. If this does not occur, faith in the “fairness” of the organization is diminished and resentment grows.

1. When employees at any level demonstrate behaviors and/or attitudes that are inconsistent with the Code of Conduct or Company values, or fail to achieve personal performance improvement expectations, disciplinary action policies and procedures should be enforced consistently.

Enhance and Implement a Comprehensive Crisis Response Program

When crises occur in the workplace, the impact is profound and long lasting. There are numerous considerations requiring not only attention in the immediacy of the crisis event, but as importantly in the recovery process both for those impacted and for the workplace. It is essential that the Crisis Response Program is multi-modal and comprehensive to address all of the needs of an organization that has/may experience crises at any level.

In order to enhance the scope and effectiveness of the SCE Crisis Response Program, the organization should:

1. Conduct an assessment of the current crisis program including resources, procedures and management of past incidents to identify gaps.
2. Develop a systematic and coordinated approach, infrastructure, and resource network to help employees, family members, the community and the workplace recover from the trauma of critical events and workplace emergencies.
3. Identify and train members of a cross-functional Crisis Response Team in strategies to reduce the impact of trauma and facilitate recovery.
4. Conduct and evaluate periodic crisis drills and functional exercises to provide practice and hone competence.

CONCLUSION

The results of the IT&BI workplace culture and climate assessment reveal a perception by employees of a sub-culture that operates counter to the positive values of SCE. There were also areas, however, that did not seem to evidence this counter-culture. This counter-culture breeds a climate of fear and distrust within the workforce, impeding communication, performance and well-being. Our recommendations include expanding the assessment to other business units to learn whether the counter-culture extends beyond IT&BI and to implement strategies to mitigate the counter-culture and its effects on the organization, and to improve the work environment overall.

APPENDIX A

What is Servant Leadership?

The core concepts of Servant Leadership¹ are as follows:

1. Empowering and Developing People: Giving people in the workplace responsibility for their own actions. Through empowerment, the servant leader acknowledges the talents and strengths of employees. In addition, the servant leader must encourage employees in their actions and in their personal growth. Underlying empowerment is the acknowledgment that employees are not merely subordinates, but that each is an individual in their own right.
2. Humility: This is an attitude and acknowledgment by the servant leader that they are neither omniscient nor omnipotent and that employees may have more knowledge and experience. For servant leaders in organizations dependent on knowledge workers, this is especially important as it is highly probable that employees do indeed know more about their specialization than anyone else inside the company. By acknowledging fallibility and the limits of one's own knowledge, the servant leader helps to facilitate a learning environment: one in which employees can learn and develop through their own experimentation and by learning from others. This potential for self-determination has a powerful and positive influence on the workplace and further aids the long-term fostering of a learning culture.
3. Authenticity: This is a significant factor as it enables the servant leader to show very clearly to employees that not only can they be themselves, but also that the work environment genuinely encourages and welcomes this. To show authenticity the servant leader must act with integrity: they must do as they have promised; show consistency in actions and morality; and be true to themselves and the spirit of the leadership principles they preach. The benefit of authenticity is that ultimately it supports and reinforces the values of the servant leader.
4. Interpersonal Acceptance: The ability to understand and experience the feelings and motivations of others is essential in a servant leadership culture. Empathy and forgiveness must go hand-in-hand. The latter is particularly important if a culture in which it is accepted that people can and do make mistakes is to be developed with authenticity. By accepting employees as individuals, the servant leader shows understanding and appreciation of their unique perspectives and allows people to feel that they matter.

¹ Greenleaf, R. (1977). *Servant leadership*, Paulist Press

Spears, L. C. (2002). Tracing the Past, Present, and Future of Servant-Leadership. In *Focus On Leadership: Servant-leadership for the Twenty-first Century* (pp. 1-10). New York, NY: John Wiley and Sons, Inc

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5. Providing Direction: Knowing what the servant leader expects of them is beneficial for employees and the organization. To provide direction the servant leader must make work dynamic and have it tailored to the abilities and needs of employees.
6. Stewardship: Willingness to take responsibility for the larger institution and to focus on service instead of control and self-interest. Leaders should act not only as caretakers but also as role models for others. By setting the right example, leaders can stimulate others to act in the common interest. Closely related to stewardship are social responsibility, loyalty and teamwork.

Implementing Servant Leadership

Conducting a series of workshops is essential. Starting from the top teams down, these should focus on exploring servant leadership and how it relates to the organization and the people that make up the workforce. To create a genuine and long-term servant leadership culture, offering workshops or programs to new employees within the first few weeks of them joining is a very useful means of ensuring the philosophy becomes embedded and understood at all levels of the organization.

The ability to perform effectively as a servant leader should be an integral part of the criteria used for internal promotion. Proving by example that the servant leadership philosophy is a factor in promotions says so much more to employees and to the rest of the world about the organization's commitment to the approach than possibly any other signal.

On the face of it, this may seem a complex approach to take, and of course, employees who are successful in commercial terms should continue to receive traditional awards. However, for employees to rise beyond a certain point they should have the traits that will make them a good servant leader.

In this way, the philosophy becomes an integral part of an organization's overall leadership culture. The participation of Human Resource (HR) departments is essential. Not only are they integral to the development of programs that will foster servant leadership, but HR teams can also ensure that the right kinds of people are hired through all levels of the organization.

More than any style of leadership, servant leadership addresses the psychological needs of people within an organization. Because it builds a sense of community within the workplace, its benefits can manifest themselves in many ways.

If employees have a sense of belonging to something that they perceive is of genuine importance to them, a powerful spirit of responsibility is engendered, which in turn creates a greater likelihood of individuals putting in more effort and being more conscientious in their attitude to the organization, the work, colleagues, and clients.

Servant leadership benefits organizations dependent on knowledge workers and in environments where high levels of creativity and innovation are the norm. Knowledge workers in particular require a sense of autonomy in order to function at their best and it is the responsibility of the servant leader to create this workplace freedom for them. IT&BI are therefore particularly well suited for a Servant Leadership Model.

APPENDIX B

A Few Facts About Workplace Violence²

Employer directed workplace violence occurs more frequently every year. The following attributes can create a "toxic work environment" within an organization which can exacerbate ill feelings among employees and lead to an increased potential for violence. Many times, supervisors are responsible for fostering this environment.

- **Highly authoritarian management style:** This can cause feelings of oppression and frustration among workers.
- **Unpredictable or inconsistent supervision and job role ambiguity:** Employees are unsure of how to perform their duties and become frustrated.
- **Lack of employee participation in the decision making process:** Workers feel they are merely "assembly line workers" and have no contribution to the direction of the organization.
- **Existence of hostile or threatening work environment:** Allowing aggressive conduct, the existence of hostile or threatening work environment to persist under your supervision, or ignoring and taking no action for thefts, fights, sexual or racial harassment, intimidation or other behaviors viewed as hostile by employees.
- **Acceptance of disrespectful behavior:** If supervisors and employees become too informal in their relationship, this can cause misunderstandings (especially if the two individuals involved are of the opposite sex).
- **Frequent invasion of privacy:** Consistently searching through an employee's desk, or allow other management officials to conduct themselves in this behavior, creates ill feelings.
- **Lack of training in conflict resolution and communication skills:** Supervisors who lack training in these skills can exacerbate problems in the organization.

Social and cultural factors can contribute too...

- **Victims of society:** A pervasive trend that pushes us away from individual responsibility for our actions and toward a sense of "self-as-victim," with unusual entitlement. Such an attitude legitimizes violence by creating the perception that culture actually caused the wrong doing, leaving the perpetrator blameless.
- **Adverse economic conditions:** Stress increases significantly during times of economic upheaval. Financial problems at any age may trigger negative survival responses from employees and result in unpredictable behavior.

² US Department of the Interior, Human Resources



INCIDENT MANAGEMENT TEAM

24156 WOODHAM, SUITE 200
NOVI, MICHIGAN 48374
248-347-3300

The Incident Management Team (IMT) is an internationally renowned management consulting, threat assessment, crisis management, training company based in Novi, MI with affiliates world-wide. IMT's multi-disciplinary staff and contractors include nationally recognized threat assessment professionals, clinical and organizational psychologists and social workers, forensic psychologists, and executive protection professionals who have implemented successful national and international programs in both the public and private sectors.

The IMT Team for this project was composed of Marilyn Knight, MSW, Kenneth Wolf, Ph.D. and Kathy Bolmer, Ph.D. They have assisted numerous organization assess their cultures, design and implement comprehensive workplace violence programs and manage major traumatic events.

Programs IMT developed in organizational analysis/diagnostics and assessment; crisis management; workplace violence prevention; leadership training and development; personal safety/verbal de-escalation and threat management have been on the leading edge of developing best practices models. They also have been shown to foster healthy organization cultures where workers feel safer and productivity and performance is enhanced. Its staff has presented on these topics to audiences, worldwide, including the United States, Mexico, Canada, Europe, Brazil and Asia.

Since 1977, IMT consultants have assisted Fortune 500 companies, governmental entities, educational institutions, military commands, police and public agencies to:

- Assess organization culture, climate, communication and work life issues
- Implement comprehensive organizational strategic plans
- Design, develop & operate comprehensive violence prevention and threat management systems
- Assist legal counsel to assess risk and to develop litigation defense strategies
- Develop crisis management programs / recovery systems and conduct emergency exercises
- Provide on-site critical incident management to reduce impact of trauma on people, operations, loss and risk and protect the organizational image

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- Design strategies to manage organizational change, downsizing and reductions in force

Major traumatic incidents IMT has provided on-site response include:

- World Trade Center 911 Terrorist Attacks
- Columbine High School
- Oklahoma City Bombing
- Three Northwest Plane Crashes
- Multiple US Postal Service shootings
- Over 1500 workplace emergencies, fatalities and critical incidents

Clients with whom IMT has consulted with and/or developed crisis response, workplace violence prevention, reductions in force, organizational change programs include:

- Chrysler
- General Motors
- BASF
- United States Military
- Northwest Airlines
- Eaton Corporation
- BASF
- U.S. Postal Service
- Consumers Energy
- Trinity Healthcare
- St. Vincent's Healthcare
- Plante Moran
- Key Bank
- U.S. Marshals Service
- NASA Langley
- Lockheed Martin
- MIOSHA
- Federal OSHA
- US Department of Labor
- NBC
- Ryder Systems
- DTE Energy
- Wendy's Restaurants
- Morgan Lewis & Bockius
- US Department of Justice
- Intel Corporation
- Paul Hastings Janofsky & Walker
- US Military Academy (West Point)
- Los Alamos Nat'l Laboratory
- Pinkerton Security & Investigation