

AUDIT REPORT

Multi-Agency **Organizational Culture**

MAY 2025



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City and County of Denver



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AUDITOR'S LETTER

May 22, 2025

We audited organizational culture in the Mayor's Office, the Office of Human Resources, the Department of Arts & Venues, and Denver Parks & Recreation to compare the preferred culture with the actual state to help leaders address potential impacts on operations. I now present the results of this audit.

The audit found each agency was not leveraging tools — including the employee engagement surveys — to effectively understand organizational culture, and staff in each agency's desired culture does not align with the culture that exists. Further, committees dedicated to culture in each agency may not be effective because they lack structure. Staff in all four agencies said they did not understand the process for reporting concerns and did not feel comfortable doing so.

By implementing tools and processes to assess and monitor agency culture, empower culture committees, and prioritize psychological safety and communicate reporting processes, all four agencies will be better able to create a culture where staff feel involved, empowered, and safe. This will also help reduce turnover and associated costs to the city.

This performance audit is authorized pursuant to the City and County of Denver Charter, Article V, Part 2, Section 1, "General Powers and Duties of Auditor." We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We appreciate the leaders and team members in all four agencies who shared their time and knowledge with us during the audit. Please contact me at 720-913-5000 with any questions.

Denver Auditor's Office

A handwritten signature in black ink, appearing to read "Timothy M. O'Brien".

Timothy M. O'Brien, CPA
Auditor



HIGHLIGHTS

Organizational Culture

MAY 2025

Key facts

- Poor culture can cause turnover, which can be expensive and cost the city around \$40,000 to hire and train new staff.
- We looked at four agencies: the Mayor’s Office, the Office of Human Resources, Denver Parks & Recreation, and Denver Arts & Venues.
- The city conducts an employee engagement survey every two years.
- Our audit focused on the results of the 2022 survey, but the city is publishing the most recent survey results later in 2025.

What we found

- **AGENCY LEADERS WERE NOT EFFECTIVELY USING TOOLS AND INFORMATION TO UNDERSTAND ORGANIZATIONAL CULTURE.** Also, gaps existed between staffs’ preferred and perceived culture.
- **AGENCIES WERE NOT REQUIRED TO ACT ON THE RESULTS OF CITYWIDE EMPLOYEE ENGAGEMENT SURVEYS.** Staff felt issues identified in the 2022 survey still exist or were unsure what actions were taken to address low-scoring areas.
- **WITHOUT FORMALITY AND STRUCTURE, COMMITTEES USED BY AGENCIES TO IDENTIFY AND ADDRESS CULTURE CONCERNS MAY NOT BE EFFECTIVE OR REPRESENT ALL STAFF.**
- **STAFF FELT OPPORTUNITIES FOR DEVELOPMENT AND RECOGNITION WERE DEPENDENT ON SUPERVISORS.** Agencies lacked a documented process on how staff are selected and did not properly track their rewards data.
- **STAFF IN ALL AGENCIES DID NOT UNDERSTAND WHO TO REPORT CONCERNS TO.** Also many staff did not feel comfortable reporting concerns.

Why we did this audit

Agency leaders said organizational culture was a topic of interest — particularly with changes to administration and leadership in the city.

Why it matters

Bad organizational culture is identified as the root cause for many serious issues in an agency, including staff leaving their positions. High staff turnover is expensive to the city and could impact the ability of city agencies to meet their objectives and carry out key functions.

The city agreed to implement all recommendations.

CONTENTS

BACKGROUND	1
FINDING 1 AND RECOMMENDATIONS	6
Organizational culture in each agency needs improvement	
The culture staff want and what they think they have do not match	6
Committees dedicated to employee engagement and culture may not be effective	26
Staff development opportunities and employee recognition may not be equitable.	30
FINDING 2 AND RECOMMENDATIONS	43
Staff in all agencies do not know how to or feel comfortable reporting concerns and providing upward feedback	
OBJECTIVE, SCOPE, AND METHODOLOGY	51

BACKGROUND

The Institute of Internal Auditors defines culture as “the invisible belief systems, values, norms, and preferences of the individuals that form an organization.” Furthermore, an organization’s culture is made up of both what is said — such as an organization’s vision, mission, values, code of ethics, and internal policies — and what is done, including people’s behaviors and attitudes.

Ideally, the actual culture and staff’s preferred culture is aligned. Factors like the tone from the top, leaders’ actions, formal and informal communications, development opportunities and trainings, and performance incentives can affect whether there is a gap in an organization’s preferred and actual culture.

In large organizations, microcultures can also exist, such as in work divisions or on teams led by different people.

POSITIVE VERSUS TOXIC CULTURE – A strong organizational culture is one that encourages open communication, trust, and mutual respect. It is characterized by two-way conversations and regular assessments of communication effectiveness. It is one where staff feel valued and heard. Ultimately, a positive and strong organizational culture supports both individual and organizational growth, ensuring long-term success and retention.

Toxic culture, on the other hand, can stem from an unethical tone at the top — where leaders demonstrate a lack of commitment to ethical conduct — and poorly defined organizational values. Further, poor culture often relies less on teamwork and collaboration. There may also be a lack of honesty, transparency, and accountability. Toxic culture within an organization not only impacts employee morale and retention but also jeopardizes long-term success and growth.

IMPACTS OF CULTURE – Organizational culture plays a critical role in shaping the overall success of an organization. The Institute of Internal Auditors says poor organizational culture is at the root cause for many serious issues in the workplace. Misaligned or unhealthy culture results in high staff turnover, leading to costly recruitment and training efforts. Additionally, toxic organizational culture can create an environment where unethical behavior — such as fraud — is more likely to thrive, and productivity levels may be reduced due to staff disengagement or poor morale.

A 2022 study conducted by Massachusetts Institute of Technology Sloan School of Management found that toxic organizational culture is ten times more likely to be a predictor of staff leaving their job than compensation. According to a study conducted by Glassdoor, government staff tend to prioritize culture and organizational values over salary.

Toxic organizational culture is ten times more likely to predict staff leaving than compensation, and government staff tend to prioritize culture and organizational values over salary.

Organizations that gain a reputation for having bad culture have a harder time attracting and recruiting job candidates, and over 75% of job seekers research an organization’s culture before applying for a job.

The same report from Massachusetts Institute of Technology Sloan also says the link between toxicity and turnover is not new. Estimated employee turnover, prompted by a toxic culture, costs U.S. employers nearly \$50 billion per year before the Great Resignation began, where a record number of employees quit their jobs in 2021. The City and County of Denver’s Office of Human Resources’ staff said it costs an average of \$40,000 for each instance of staff turnover.

Agencies selected for this audit

Examining the organizational culture of every city agency in one audit was not logistically feasible, so we chose to examine agencies that covered a broad spectrum of organizational types and were not scheduled for other audits. We also reviewed Office of Human Resources’ retention data for 2022 through 2024, total number of staff, and the results from the “2022 Employee Engagement Survey.” The four agencies we chose to examine were the Mayor’s Office, the Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation.

THE MAYOR’S OFFICE – Because the actions of city leaders and their tone can impact staffs’ behavior and organizational culture, we included the Mayor’s Office in our review. Mayor Mike Johnston was sworn into office on July 17, 2023, bringing along a new administration and new goals. The Mayor’s Office mission is “to provide leadership in developing policies and priorities that support Denver’s families, neighborhoods, and businesses. The Mayor’s Office coordinates the activities of city government to ensure that services are provided in an efficient and cost-effective manner and to make Denver city government accessible to everyone.” Aside from influencing citywide culture, the office also has its own culture set by its roughly 43 staff.

THE OFFICE OF HUMAN RESOURCES – The office is directly overseen by the Career Service Board and is not under the purview of the mayor. Human Resources’ mission is “to provide essential services, benefits, and support to the employees, department and agencies at the City and County of Denver, while ensuring a diverse, inclusive, and equitable workforce by recruiting and retaining top talent.” Human Resources is at the center of the city’s operations and partners with agencies and leaders to drive city functions and administer the city’s Career Service Rules. Human Resources also administers the employee engagement survey, reviews the results with each agency, and assists agencies in developing action plans based on the

CAREER SERVICE RULES

The Career Service Rules govern employment with the City and County of Denver including pay, classification, transfers, dispute resolution, promotions, training, and other personnel policies.

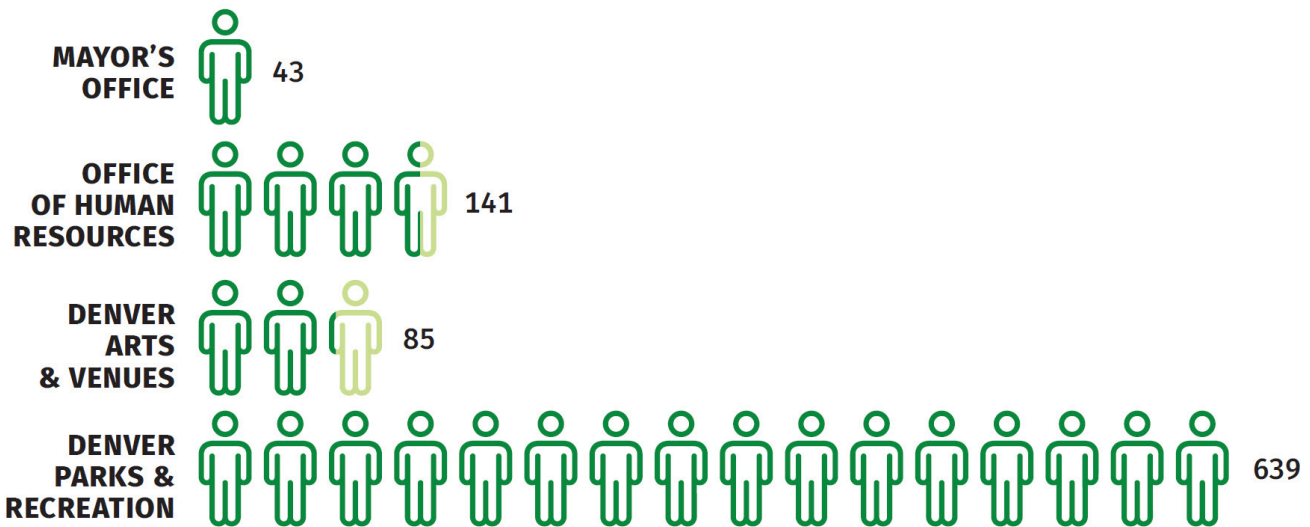
results.

DENVER ARTS & VENUES – This agency manages, maintains, and programs the city’s public event venues, and provides cultural programs. Denver Arts & Venues’ mission is to “enrich and enhance Denver’s quality of life and economic vitality through advancement of arts, cultural, and entertainment opportunities for all.”

DENVER PARKS & RECREATION – This agency serves the Denver community by providing a broad range of programs, services, facilities, and park amenities. Its mission statement says it is “dedicated to customer service and enhancing the health of residents and the environment through innovative programs and safe, beautiful, sustainable places.”

As shown in Figure 1, each agency had the following staff averages in June 2024:

FIGURE 1. Average staff in each agency



Note: These numbers reflect the average number of staff in each agency from Jan. 1, 2024, through June 30, 2024.

Source: Created by Auditor’s Office staff using agency information.

Aside from the new mayor, each agency also had some new leaders during the audit period. All three agencies brought on new executive directors between January 2022 and October 2023.

Generational shifts and the pandemic

Both generational changes entering and dominating the workforce as well as impacts from the COVID-19 pandemic and remote work have affected organizational culture.

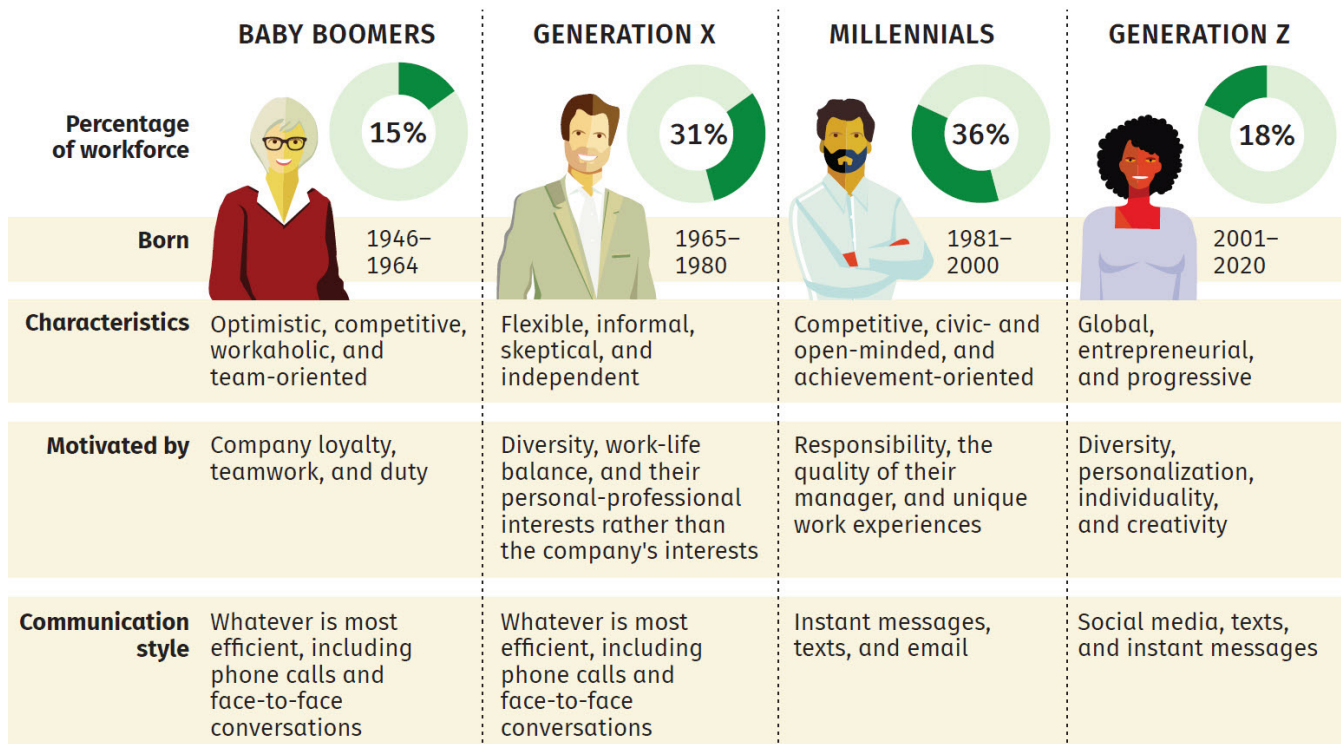
GENERATIONAL CHANGES – While we did not analyze generational data as part of our audit, generational shifts play an important role in

organizational culture. Generations with different social backgrounds and levels of technological expertise work side-by-side. A 2019 study conducted by Glassdoor showed that company culture mattered significantly more among younger adults, such as millennials.

By 2025, millennials were expected to make up 75% of the global workforce, and by 2034, millennials, Gen Z, and the first Gen Alphas entering adulthood will account for 80% of the workforce in advanced economies. Generational shifts will significantly shape workplace dynamics and culture in the coming years.

Multigenerational workforces must consider challenges related to company culture — such as how each generation values perks and appreciation — communication styles, stereotypes, and expectations for the workplace. Figure 2 highlights some of these differences.

FIGURE 2. Generational preferences and differences



Note: The percentages showing the generational share of the workforce are based on data gathered in early 2024.

Source: Created by Auditor’s Office using information from Purdue Global.

COVID-19 PANDEMIC AND REMOTE WORK – The COVID-19 pandemic significantly reshaped organizational culture in the workplace by emphasizing the importance of flexibility and digital communication tools and by reshaping the future of work for many organizations.

In March 2020, then Mayor Michael Hancock issued stay-at-home orders for

the city, which required staff to work remotely full-time. Then, in November 2022, the city started requiring staff under the mayor to return to the office three days a week.

Massachusetts Institute of Technology Sloan says companies have learned that some tasks — such as those involving transactions — can be done virtually, while teamwork that requires collaboration and builds a shared culture is best done face-to-face. Further, it says effective leaders in a hybrid world require skills that go beyond traditional team leadership.

There has also been a shift in what staff look for in a leader. This shift includes staff initially looking for more direction during the pandemic to ease a lack of certainty, to an increased desire for support — particularly for health and safety. More recently, there has been a focus on building compassion, stability, and trust from agency leaders.

FINDING 1 AND RECOMMENDATIONS

Organizational culture in each agency needs improvement

Leaders at each agency said they are working to improve workplace culture and employee engagement, and that they generally view their culture as being positive and mission-driven. But we found that each agencies' culture does not align with the kind of workplace culture that staff want.

We also found issues with how the agencies handle the results of the citywide employee engagement survey, how their internal culture and engagement committees function, and how staff are selected for development opportunities and recognition.

Organizational culture plays a critical role in shaping the overall success of an organization, and these factors have a significant impact on how staff view culture in their agencies.

The culture staff want and what they think they have do not match

The Office of Human Resources defines employee engagement as a measure of employees' passion for their work and says it reflects an employee's commitment and connection to their organization and its goals. Unlike employee satisfaction, employee engagement can predict employees' job performance and productivity. Employee engagement can also be an indicator of employees' willingness to stay with an organization.

According to the Office of Human Resources, the city dealt with historically high turnover rates in 2022 at an average cost of roughly \$38,000 per lost employee. The agency said this number is now closer to \$40,000 for each employee. The city's turnover rate nearly doubled from 11% to 20% from 2020-2022 before dropping to 16% in 2023.

One tool the city uses to try and reduce turnover rates is its citywide employee engagement survey. Administered every two years by Human Resources, the engagement survey is meant to quantify where city employees stand in their engagement and identify where agencies should focus their efforts to increase it.

ENGAGEMENT SURVEY COSTS TO THE CITY

In 2020, the city signed a three-year contract with People Element to assist Denver Human Services in creating and launching employee surveys — including the employee engagement survey — at a cost of up to \$37,500. In March 2023, the city extended this contract for another three years and expanded its scope to include all city agencies with a cost of up to \$297,000.

According to the “2022 Employee Engagement Survey,” roughly 79% of city staff said they intended to stay with the city for at least another 12 months – a decrease of 4% from the 2019 survey.

While staff typically take the survey in the spring, the 2024 engagement survey was delayed until December. Leaders at the Mayor’s Office said the survey was delayed to get a better picture of employee engagement under the new mayoral administration, which began in the summer of 2023. Because Human Resources did not finish tallying survey scores until February 2025, the results of the 2024 engagement survey were not available or reviewed during our audit.

In early 2024, Mayor Johnston shared that their office had a goal of increasing employee engagement citywide by 5% by Dec. 31, 2024. He said this would be measured using results from the “2024 Employee Engagement Survey.” The survey has six questions that specifically measure agencies’ engagement index which is how the city primarily understands employees’ level of engagement. Table 1 outlines the overall results from the 2019 and 2022 survey.

TABLE 1. 2019 and 2022 engagement index questions and citywide scores

Engagement index	2022 City overall score	2019 City overall score
My coworkers are willing to go beyond what is expected for the success of the city.	75.9%	64.0%
I understand how the work I do relates to the success of the city.	92.3%	84.0%
I feel proud to tell people that I work for the city.	74.8%	72.0%
My coworkers are dedicated to satisfying the expectations of external and internal customers and residents.	78.3%	74.0%
I would recommend a close friend to apply for a job at the city.	69.2%	71.0%
I intend to stay with the city for at least another 12 months.	78.9%	83.0%
Overall engagement index score	78.2%	75.0%

Note: The employee engagement index score is the average percentage of city employees who agreed or strongly agreed with six engagement-specific prompts in the employee engagement survey, shown here in the last two columns of Table 1. From 2019 through 2022, the overall engagement index score increased by three percentage points from 75.0% to 78.2%.

Source: Results from the 2022 citywide employee engagement survey provided by the Office of Human Resources.

The mayor also said his office created a team – the employee engagement tiger team – that would be dedicated to working with city agencies to ensure progress on the engagement goal.

The employee engagement tiger team is composed of agency leaders from across the city. The team worked throughout 2024 to develop engagement

strategies and presented those ideas to the mayor. To bolster the tiger team's efforts, in April 2024, the team requested each agency create and submit an action plan to address any issues identified in the "2022 Employee Engagement Survey." In October 2024, the team also requested agencies begin providing monthly updates on their engagement efforts.

Inconsistent communications around 2022 engagement survey actions

Although the city made it a priority to increase employee engagement in 2024, in our focus groups with staff at the Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation, some staff said agency leaders did not meaningfully address the 2022 survey results. At times, staff said agency leaders started addressing the results, but they ultimately did not share what actions they took or any progress they had made in improving low-scoring survey areas.

FOCUS GROUPS

We conducted focus groups with staff and managers at each agency to get more detailed information about how they view workplace culture and employee engagement. We invited all staff in the Mayor's Office and Denver Arts & Venues to participate. Due to the size of the Office of Human Resources and Denver Parks & Recreation, we invited a randomly selected sample of staff and managers from each agency to participate. Overall, we held:

- **MAYOR'S OFFICE – one staff session and one manager session, totaling 11 people – or about 26%.**
- **HUMAN RESOURCES – six staff sessions and two manager sessions, totaling 56 people – or about 40%.**
- **DENVER ARTS & VENUES – three staff sessions and one manager session, totaling 20 people – or about 24%.**
- **DENVER PARKS & RECREATION – five staff sessions and one manager session, totaling 33 people – or about 5%.**

The Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation implemented their own engagement initiatives in response to the employee engagement survey. These initiatives included having additional trainings for managers and staff, analyzing salaries to ensure equity, and conducting internal surveys and interviews to identify areas in need of improvement. And, in accordance with the city's employee engagement tiger team efforts, each agency created and submitted an action plan to address engagement issues identified in the 2022 survey.

However, the Mayor's Office did not ask agencies to create and submit action plans until there was a new administration and nearly two years after the survey was administered. The office asked agencies to provide updates on their engagement efforts only two months before the 2024 engagement survey.

We reviewed communications — such as emails and presentation slides — agency leaders gave to staff around their engagement initiatives. In a few cases, leaders shared that the initiatives were created in response to

If staff do not understand how their feedback is being used to inform organizational decisions, they may feel demotivated and disengaged from their work and larger agency goals.

the 2022 survey. But in other cases, leaders did not specify whether the initiatives were the result of the engagement survey or other employee feedback.

As noted by the Institute of Internal Auditors, a strong culture tends to rely on two-way conversations, collaborative decision making, and team-based efforts to achieve objectives. Guidance from the Likert's Management System — a model of management patterns and styles developed by researchers at the University of Michigan — also says organizations are more likely to see long-term improvements in staff turnover and productivity when it adopts a more participative decision-making approach. A participative decision-making approach is where responsibilities for achieving organizational goals are spread throughout the structural hierarchy.

If staff do not understand how their feedback is being used to inform organizational decisions, they may feel demotivated and disengaged from their work and larger agency goals.

The employee engagement tiger team has made progress in implementing engagement initiatives citywide, such as introducing a citywide Wellness Day in 2024 — a form of paid time off city staff may use during the year that supports employee wellness and engagement. But when the Mayor's Office shared information about these efforts with staff in town hall meetings and citywide emails, the office did not specify whether these strategies were the work of the employee engagement tiger team, nor what information was used to come up with these strategies, such as the "2022 Employee Engagement Survey."

During a town hall meeting in February 2024, the mayor said there will be public dashboards to track progress on citywide goals. While the city created these dashboards in the spring of 2024, leaders at the Mayor's Office said they ultimately decided not to make them publicly available because the dashboards went into details that were too specific and confusing for general consumption without additional context. Furthermore, the office did not create a dashboard for its employee engagement goal.

When the Office of Human Resources meets with agencies to discuss their employee engagement survey results, it emphasizes the importance of sharing information about the employee engagement survey and subsequent action planning throughout the agency to ensure successful outcomes.

Similarly, the U.S. Government Accountability Office says managers should communicate quality information using various reporting lines to staff at all levels of an organization to ensure identified risks are addressed and to support the organization's work. The office also says managers should periodically assess whether its methods of communications are effective at sharing information throughout the organization on a timely basis and adjust those methods as needed.

Ongoing issues from 2022 engagement survey results

According to what staff said in focus group sessions and from our review of agencies' internal survey data, as shown in Table 2, some low-scoring areas from the "2022 Employee Engagement Survey" still persist.

TABLE 2. Three lowest-scoring areas in the "2022 Employee Engagement Survey"

Mayor's Office	Agency favorability score	City favorability score
My supervisor takes an active role in my career development.	48.5%	66.2%
The city provides sufficient flexibility in work schedule options to help me balance the demands of my work and personal life.	54.8%	59.7%
My department has a culture that supports employee well-being.	58.1%	60.7%
Office of Human Resources	Agency favorability score	City favorability score
Our appointee ensures that necessary information is communicated in a timely manner.	44.8%	62.8%
Senior leadership is present and visible.	51.7%	63.4%
I feel burned out from my work.*	53.9%	63.6%
Denver Arts & Venues	Agency favorability score	City favorability score
I am paid fairly for the work I do given my experience and skills.	42.9%	41.4%
My supervisor proactively resolves conflicts within our work group.	52.4%	69.7%
My supervisor takes an active role in my career development.	52.4%	66.2%
Denver Parks & Recreation	Agency favorability score	City favorability score
I am paid fairly for the work I do given my experience and skills.	38.7%	41.4%
Senior leadership is sincerely interested in the well-being of employees.	51.3%	58.4%
I am encouraged and expected to speak up about any department practices and policies that are ethically questionable.	53.5%	59.3%

Note: This table shows the three lowest-scoring items from the "2022 Employee Engagement Survey" for each agency we audited compared to the overall city score. The favorability scores in the right two columns in Table 2 show the percentage of employees who either agreed or strongly agreed with a given statement. The asterisk (*) indicates a statement with a negative connotation — such as "I feel burned out from my work": responses were considered favorable when employees disagreed or strongly disagreed with them.

Source: Results from the 2022 citywide employee engagement survey provided by the Office of Human Resources.

In the “2022 Employee Engagement Survey,” the Mayor’s Office, Denver Arts & Venues, and Denver Parks & Recreation all had a favorability score below 60% for the statement, “My department has a culture that supports employee well-being” – meaning only slightly more than half of staff agreed or strongly agreed with the sentiment. In all three agencies, staff still feel this is a weakness that needs attention.

Similarly, some survey items related to senior leaders – such as, “Senior leadership is sincerely interested in the well-being of employees” and, “I believe that senior leadership can resolve employee challenges related to diversity issues” – scored low in the Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation.

POSITIVE EFFORTS



Some staff acknowledged the mayor for being accountable and for meeting with and recognizing city employees. Additionally, some staff in each agency noticed improvements under their new senior leaders. Staff in all agencies said they volunteered for our focus groups because they care about their agency, their agency’s mission, and the city.

We heard similar sentiments from staff in all four agencies during our focus groups as shown in Figure 3 on the next page. Staff said they did not feel like all agency leaders are approachable or held accountable, and many felt leaders did not understand what lower-level staff did in their day-to-day work. But according to our sentiment analysis of focus group responses, most agencies were neutral about leadership support since staff shared both positive and negative opinions about their department leaders.

SENTIMENT ANALYSIS

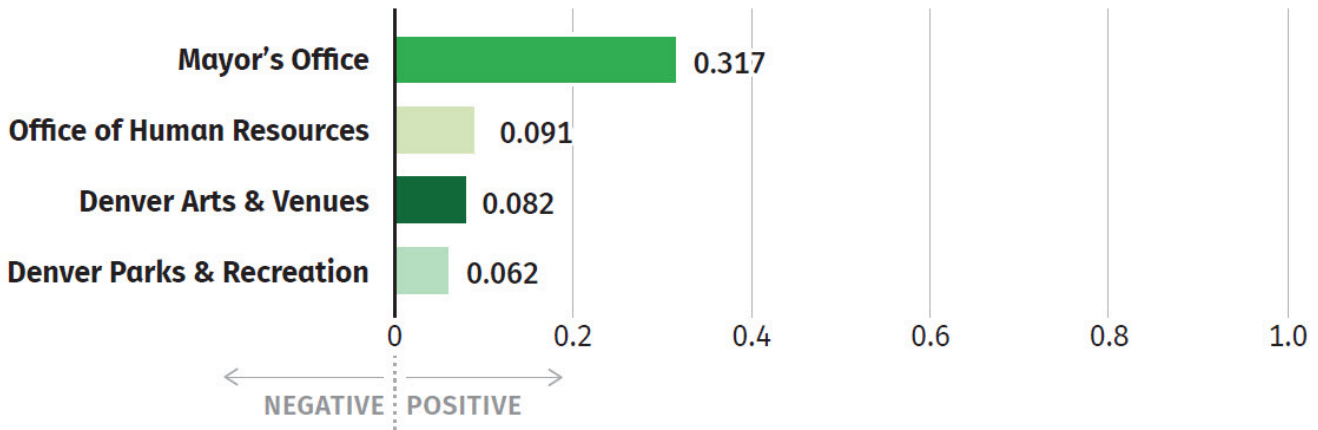
We conducted a sentiment analysis of focus group responses to identify trends in staff’s attitudes and opinions on 10 topics:

- **Staff engagement.**
- **Rewards.**
- **Equity in training and office opportunities.**
- **Accountability.**
- **Alignment of responsibilities with actual duties and deadlines/overtime.**
- **Feedback/complaints.**
- **Leadership support.**
- **Clarity around agency mission and goals.**
- **Agency communication.**
- **Agency culture.**

Sentiment scores were determined by identifying words with positive and negative connotations in participants’ responses and calculating the frequency with which these words were used.

FIGURE 3. Sentiments regarding leadership support

Summary: Figure 3 shows how each agency scored in the “support” category. Scores ranged from -1.0 to 1.0, where scores close to -1.0 are considered highly negative, scores close to 1.0 are considered highly positive, and results close to 0 are considered neutral. Staff at the Mayor’s Office generally had more positive opinions about the level of support they receive than the other three agencies.



Source: Created by Auditor’s Office staff from sentiment analysis data.

There are some limitations to how agencies can address specific engagement survey items, such as “I am paid fairly for the work I do given my experience and skills.”

Pay classifications and compensation for city staff are governed by Career Service Rules, and classification and pay plans may only be adjusted by way of ordinance after receiving approvals from the mayor and the Denver City Council. The Office of Human Resources tries to ensure staff’s pay is equitable and competitive by conducting various audits and analyses. Some agencies worked with Human Resources to conduct pay equity studies based on the results of the 2022 engagement survey.

Meanwhile, most other survey items are related to issues that are within agencies’ control, like improving internal communications, promoting ethics and diversity in its workforce, and supporting staff in their career development.

The Office of Human Resources meets with agencies to discuss the employee engagement survey results and identifies areas of concern, encouraging agencies to develop action items to address these areas. However, the city has no formal requirements for agencies to use employee engagement survey data to make improvements. Furthermore, neither the Mayor’s Office nor the Office of Human Resources has formal plans for tracking and using data related to the “2024 Employee Engagement Survey” and agencies’ engagement efforts.

Leaders at the Mayor’s Office said the City Council is the only entity that can impose requirements on every city agency through city ordinances.

The city has no formal requirements for agencies to use employee engagement survey data to make improvements.

They said, as far as they are aware, the City Council has never considered adopting an ordinance requiring agencies to act on employee engagement survey results, and assumed the council has not deemed it necessary.

But this is not accurate. The mayor can set requirements for all city agencies under the purview of the Mayor's Office through executive orders, and agencies' failure to comply with any executive order may lead to disciplinary action. Furthermore, we reviewed email communications from the Mayor's Office to agency leaders in which the office set employee engagement requirements for agencies, showing the Mayor's Office can establish such requirements at its own discretion.

The Institute of Internal Auditors says employee surveys are only effective if staff feel their feedback will be considered and acted upon. Additionally, guidance from the Organizational Cultural Assessment Instrument notes the importance of reviewing and acting on employee survey results to foster a collaborative workplace culture.

Further, according to the Canadian Audit and Accountability Foundation — a nonprofit organization that promotes public sector audit, oversight, and accountability through research, education, and knowledge sharing — long-standing, unresolved issues that have been observed multiple times with no concrete actions taken in response may be an indicator of larger cultural issues in an organization. Similarly, if agencies are not using the results of the citywide employee engagement survey to identify areas of improvement and taking action to address them, low-scoring areas may remain concerns. Additionally, if the city is not using the results of the survey to make improvements, city resources — including the cost of the survey and time spent administering and evaluating it — are being wasted.

If leaders do not act on the results of employee surveys or share updates on such actions, staff may feel their leaders' intentions for improving culture are insincere.

If leaders do not act on the results of employee surveys or share updates on such actions, staff may feel their leaders' intentions for improving culture are insincere.

Engagement survey weaknesses

The citywide employee engagement survey is used to measure employee engagement and identify where agencies should focus their efforts to increase engagement. Some survey questions are specifically focused on agencies' culture. But the engagement survey does not ask any questions about employees' preferred workplace culture. Instead, all questions are focused on employees' perceptions of the current state of their organization. The survey also does not allow staff to provide open-ended responses to any of the questions or prompts.

The Canadian Audit and Accountability Foundation emphasizes the importance of understanding staff's preferred culture, saying unchecked gaps between actual and preferred culture can lead to project failures, reputational damage, and a loss in public trust. To avoid this, the foundation says an organization needs processes to measure and monitor its alignment between actual and preferred culture. These monitoring

and measurement processes help the organization respond to harmful behavior.

Additionally, the guidance Human Resources provides agencies with about its survey results does not capture the nuances that may exist within individual teams, divisions, or other work groups within an agency — it only provides general themes for the agency as a whole. While this may not be a problem for smaller agencies, such as the Mayor’s Office, the guidance may not be sufficient to adequately address identified cultural issues for larger agencies like Parks & Recreation. In 2022, the employee engagement survey was sent to 43 staff at the Mayor’s Office, while more than 600 employees at Parks & Recreation were invited to take the survey.

Agencies also receive a breakdown of its survey results along demographics like age, race, and gender, but Human Resources does not focus on these factors when discussing results with agencies.

The Institute of Internal Auditors says organizational culture is not just an entity-wide phenomenon but can also vary by region, branch, department, and locale. We heard similar sentiments from staff in our focus groups who said culture largely depends on the teams they are a part of and the leaders they report to.

As the Office of Human Resources notes in its guidance to city agencies, it is difficult to engage employees if an organization does not understand what engages or disengages its staff. And, with increasing employee turnover in a highly competitive labor market, the city needs “solid data” to act upon.

Because agencies are not hearing about the cultural nuances that exist within different work groups nor what kind of culture employees would prefer, the data gathered through the engagement survey and the information provided to agencies about their results may not be sufficient to address any existing cultural issues.

With increasing employee turnover in a highly competitive labor market, the city needs solid data to act upon.

Organizational Culture Assessment Instrument

In addition to reviewing the “2022 Employee Engagement Survey” results, we sent a survey — called the Organizational Culture Assessment Instrument — to all staff in the Mayor’s Office, the Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation. This survey served to better understand employees’ perception of their agencies’ workplace culture. The survey was open from Nov. 4, 2024 through Dec. 6, 2024, and we received responses from 506 of the 2,312 employees invited to take the survey.

Developed by researchers at the University of Michigan, the Organizational Culture Assessment Instrument is a survey tool used to assess workplace culture along four culture types: the dynamic and pioneering “create culture”; the collective, people-oriented “collaborate culture”; the structured and process-oriented “control culture”; and the aggressive, results-oriented “compete culture.” Every organization has its own mix

of the four culture types, but — in most cases — one culture type is more prominent than the rest and is considered the organization’s “dominant” culture.

The Organizational Culture Assessment Instrument asks employees to score a series of statements related to six aspects of culture based on their perception of the actual workplace culture and on their preferred workplace culture, as shown in Figure 4. The gap between current and preferred culture shows how staff would like the culture in their workplace to change. Differences in scores between current and preferred culture exceeding 10 points show areas in need of urgent action, but differences between five and 10 points are also important for agencies to look at to understand potential cultural weaknesses.

FIGURE 4. The six culture aspects

Summary: For the Organizational Culture Assessment Instrument, employees are asked to divide 100 points over four statements for each of the six culture aspects — assigning the most points to the statements they feel are most accurate and the least or none to the statements that do not match their perception of workplace culture.



Source: Based on information from the Organizational Culture Assessment Instrument results report.

We chose to use this survey based on its reported validity and reliability in assessing workplace culture and its use in other government audits of organizations. However, we note the survey has certain limitations:

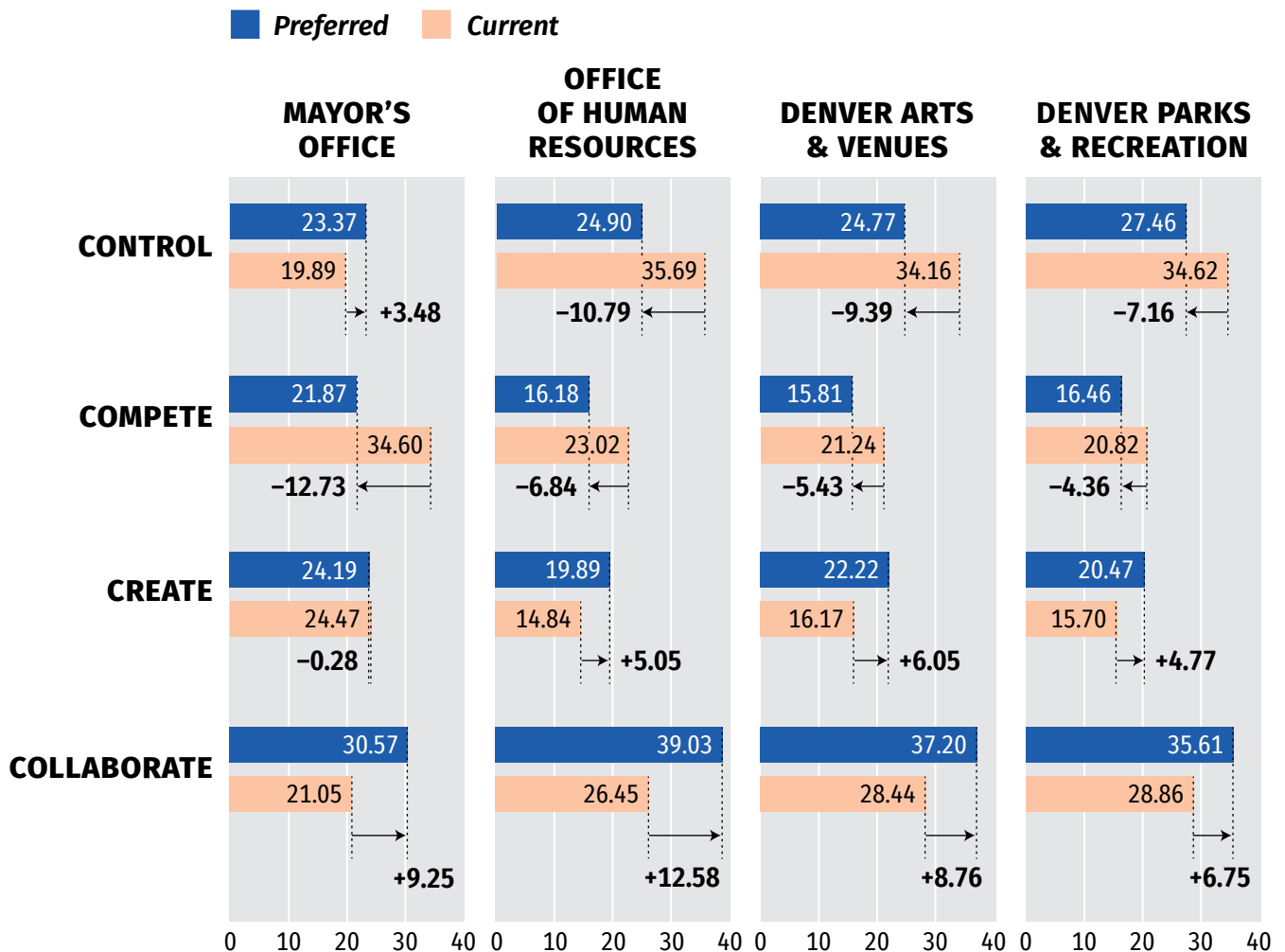
- The survey results are combined at the agency level, so we could not identify trends among specific demographics or work groups. This is particularly relevant for Denver Parks & Recreation’s results given the agency’s size and varied working divisions.
- Response rates among the agencies varied — we received responses from 50% to 75% of staff at the Mayor’s Office, the Office of Human Resources, and Denver Arts & Venues, but we only received a response rate of around 16% for Denver Parks & Recreation.

- The survey may be more suited to the private sector than the public sector. For example, one survey item referred to leaders' tendency to exemplify entrepreneurship, and another item referred to the organization's emphasis on winning in the marketplace. This may have led some staff to respond in ways that do not fully align with their beliefs or perceptions of their agency's culture.

Despite these limitations, the survey offers a unique perspective on how staff view their culture and where they would like it to go, which is a necessary first step in addressing cultural issues. Figure 5 shows our results.

FIGURE 5. Organizational Culture Assessment Instrument overall results

Summary: Each agency has its own unique mix of the four major culture types. This graphic shows staff's perception of the four major culture types in their agency compared to their preferred mix of the culture types. Generally, staff in all four agencies feel the collaborate culture is underrepresented, and the compete and control cultures are overrepresented.



Source: Based on information from the Organizational Culture Assessment Instrument results report.

MAYOR'S OFFICE – In all six culture aspects, staff's scores for current and preferred culture differ by more than 10 points. In all but one culture aspect – the criteria for success aspect – staff feel the Mayor's Office focuses too much on competitiveness and target attainment. Furthermore, staff feel leaders should be more collaborative and focused on human development, teamwork, employee commitment, and concern for people.

Overall, the dominant culture in the Mayor's Office – the culture type that staff feel is most prominent – is the "compete culture." Staff's desire for change is greatest for this culture type, with a total difference of 12.73 points between the current and preferred workplace culture, as shown in Figure 5. Staff would like the agency to focus considerably less on results and more on its people.

OFFICE OF HUMAN RESOURCES – In all but one of the six culture aspects – the "management of employees" aspect – staff's scores for current and preferred culture differ by more than 10 points. Generally, staff feel the Office of Human Resources should focus less on formality, structure, and procedures and more on teamwork, trust, human development, employee commitment, and concern for people.

Accordingly, the dominant culture in Human Resources is the "control culture," which focuses on structure, procedures, efficiency, and predictability. But, like the Mayor's Office, staff in Human Resources prefer a more collaborative culture and want their agency to focus more on employees' well-being and cohesiveness as a team. Staff's desire for change is greatest for this culture type, with a total difference of 12.58 points between the current and desired workplace culture, as shown in Figure 5.

DENVER ARTS & VENUES – In four of the six culture aspects – "organizational leadership," "organization glue," "strategic emphases," and "criteria of success" – staff's scores for current and preferred culture differ by more than 10 points.

Like Human Resources, these discrepancies mostly relate to Arts & Venues staff feeling there is too much focus on control, formality, and efficiency in the workplace. Similarly, staff also want the agency to focus more on teamwork, trust, human development, employee commitment, and concern for people in its strategic emphases and criteria for success.

Again, like the Office of Human Resources, the dominant culture in Denver Arts & Venues is the "control culture." Staff's desire for change is greatest for this culture type, with a total difference of 9.39 points between the current and preferred workplace culture, as shown in Figure 5.

DENVER PARKS & RECREATION – In two of the six culture aspects – "organizational leadership" and "criteria of success" – staff's scores for current and preferred culture differ by more than 10 points. Staff view their leaders as being too competitive, and the agency's measures of success being too focused on control and efficiency.

Like Human Resources and Arts & Venues, the dominant culture in Denver

Each agency has multiple culture aspects that require urgent action to bring staff's preferred culture closer to reality.

Parks & Recreation is the “control culture.” Staff’s desire for change is greatest for this culture type, with a total difference of 7.16 points between the current and preferred workplace culture, as shown in Figure 5.

OVERALL – Each agency has multiple culture aspects that require urgent action to bring staff’s preferred culture closer to reality. Furthermore, all agencies’ results noted there could be a greater focus on people, which aligns with the results of the “2022 Employee Engagement Survey,” agencies’ own survey data, and what we heard in focus groups with staff.

To protect the anonymity of focus group participants, we will not share the details of what was discussed for each agency. But, staff in each focus group shared thoughts and concerns that aligned with the culture assessment’s results. For example:

- Across-agency communication could be better to minimize silos.
- The culture is fast-paced and results-driven, which means sometimes staff said they experienced or witnessed blame for errors, were asked to do more to meet goals with less resources, and the focus is more on satisfying the needs of external clients and the public rather than the agency’s own staff.

The Organizational Culture Assessment Instrument provides several suggestions to help stimulate a “collaborate culture,” including:

- Establishing self-organizing work groups that use democratic decision making to organize their activities, schedules, and other tasks and responsibilities.
- Providing coaching, training, and education to staff to keep the workforce up to date.
- Using 360-degree feedback mechanisms to learn from staff.
- Acting on recurring employee surveys to identify and make changes to any engagement issues.
- Having managers regularly recognize employees for their work.
- Facilitating cross-departmental collaboration to build and improve relationships between front-line and support staff.
- Assessing whether staff are being rewarded for participation, commitment, and development.

Guidance from the Likert’s Management System says organizations are more likely to see long-term improvements in staff turnover and productivity when they adopt a more participative decision-making approach, where responsibilities for achieving organizational goals are spread throughout the structural hierarchy.

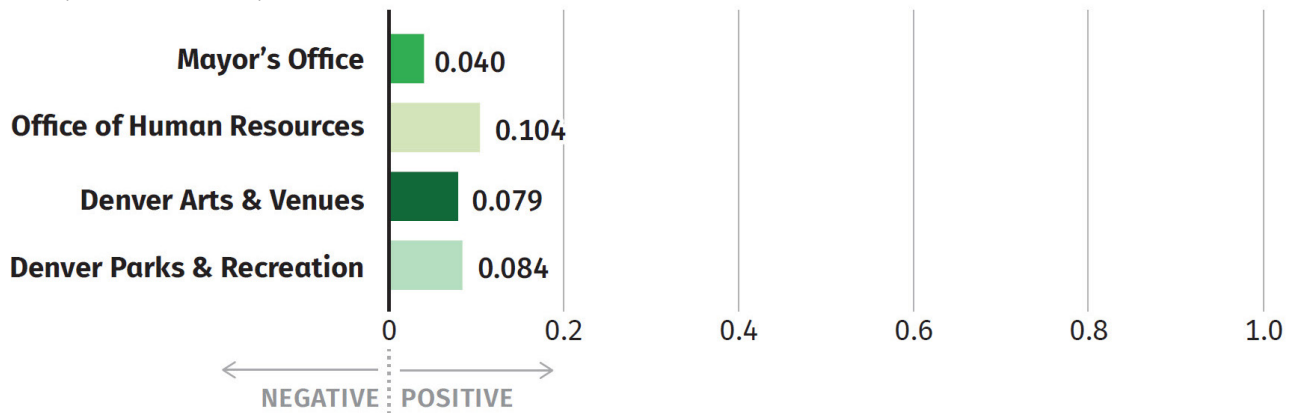
Current workplace culture is not well understood

According to our sentiment analysis of focus group responses, staff in all agencies have a neutral view of culture in their agency, as shown in Figure 6 on the next page. This is due to participants sharing both positive and

negative opinions about their department’s culture. Some staff reported not knowing what their agency culture is and many staff did not understand the work of other agency divisions or how their work affects others.

FIGURE 6. Sentiments regarding agency culture

Summary: Figure 6 shows how each agency scored in the “culture” category. Scores ranged from -1.0 to 1.0. Scores close to -1.0 are considered highly negative, scores close to 1.0 are considered highly positive, and results close to 0 are considered neutral. Staff in all four agencies have neutral opinions of their department’s workplace culture.



Source: Created by Auditor’s Office staff from sentiment analysis data.

CULTURE GOALS – While the mayor had a goal of increasing the employee engagement index score in the citywide survey by 5% by Dec. 31, 2024, the Mayor’s Office does not have formal, documented goals related to culture or engagement outside the employee engagement index goal. The other three agencies have their own goals related to culture and engagement, but they are generally informal or high-level and lacking actionable details.

For example, the Office of Human Resources has formal goals for increasing employee engagement and diversity of Human Resources staff by ensuring broad participation in racial and social equity trainings. But these goals do not have any specific details, metrics, or timelines describing how it will be achieved. Similarly, Denver Arts & Venues has a goal of building, maintaining, and nurturing a culture of collaboration, communication, and coordination, but the goal does not outline specific steps, metrics, or timelines necessary to implement and track progress.

Denver Parks & Recreation had a 2024 leadership goal to increase employee engagement by 5% across teams by the end of the year. This goal included three steps leaders should take to achieve the goal and corresponding timelines. But these steps were general and did not say how leaders should determine the effectiveness of these efforts.

When organizations establish formal goals and objectives, it also sets expectations and preferred outcomes for its staff and the entity as a whole.

The Canadian Audit and Accountability Foundation says organizations should define an envisioned culture and communicate this to staff so there are clear expectations for accepted and forbidden behaviors. This also gives organizations the opportunity to assess its alignment between preferred culture and internal practices and adjust as needed to bring current and preferred culture together.

Similarly, the Institute of Internal Auditors says leaders should be clear on what they will and will not tolerate regarding culture-related risks, and they should define and model cultural values to ensure accountability and consistency with the organization's strategies and goals.

Guidance from the U.S. Department of State says effective goal setting considers long-term outcomes and aligns with and advances internal strategies. Organizations should also have objectives that are specific, measurable, achievable, relevant, and time bound to help accomplish the identified goals.

CULTURAL ASSESSMENT TOOLS – In addition to a lack of well-defined organizational culture goals and objectives, not all agencies have leveraged tools, such as internal surveys, to gauge organizational culture or employee engagement.

POSITIVE EFFORTS



Some agencies have used tools – including internal surveys and interviews with staff – to understand culture and engagement and to identify what could be done better. For example, Parks & Recreation began conducting “stay interviews” with staff in 2024. As opposed to exit interviews, which occur when staff leave the department and are focused on past experiences and reasons for leaving, stay interviews occur while staff are still employed and are meant to understand employee experiences and future goals. Stay interviews are designed to address potential issues before it leads to turnover.

The Organizational Culture Assessment Instrument notes the importance of understanding the daily behaviors that shape actual culture. This allows leaders to make strategic changes to move closer to staff's preferred culture. The Canadian Audit and Accountability Foundation also says organizations should have systems in place to measure and monitor its alignment between actual and preferred culture so they can respond to instances of inappropriate behavior and noncompliance with relevant policies.

Similarly, guidance from the U.S. Government Accountability Office says managers should establish and operate monitoring activities that are created using baseline data to understand and respond to changes in the organization.

If agency leaders are not periodically checking on their organizational culture through tools like surveys and interviews, they may not understand what the culture is and be able to make any necessary changes.

Using the results from the 2024 and future employee engagement surveys, the Mayor's Office should work with the Office of Human Resources to ensure all city agencies develop and act on plans to address, at a minimum, the lowest-scoring areas of the survey. Action plans and progress should be documented, and updates should be periodically communicated to all staff, as well as the Mayor's Office and the Office of Human Resources, for increased transparency and accountability.

AGENCY RESPONSE – AGREE

The Mayor's Office agrees with this recommendation and will continue to collaborate with the Office of Human Resources to ensure agencies are held accountable for the plans that are outlined within existing Employee Engagement Action Plans held by the Mayor's Office. We are committed to tracking progress, maintaining documentation, and providing regular updates to staff, the Mayor's Office, and OHR to promote transparency and accountability.

– Mayor's Office

IMPLEMENTATION EXPECTED BY JUNE 30, 2025

AGENCY RESPONSE – AGREE

OHR agrees and will continue to hold agencies accountable in engagement efforts. A citywide process is in place to help agencies track and report progress on their top engagement action items using the People Element platform. This tool allows progress updates and impact tracking while reinforcing agency ownership. Agencies are encouraged to share progress with staff through various channels. To strengthen oversight, OHR will provide the Mayor's Office with a quarterly report summarizing engagement actions across agencies. These efforts support a culture of responsiveness, continuous improvement, and employee-centered leadership.

– Office of Human Resources

IMPLEMENTATION EXPECTED BY MAY 30, 2025

AGENCY RESPONSE – NOT APPLICABLE

– Department of Arts & Venues

AGENCY RESPONSE – NOT APPLICABLE

– Denver Parks & Recreation

The Mayor's Office and the Office of Human Resources should assess the employee engagement survey to ensure it appropriately captures information on culture that will be helpful for the agency. For example, consider gathering information related to not only an employee's agency, but also their division or region to account for microcultures within an agency. Consideration should also be given to employees' preferred culture. Additional information should be shared with agencies in guidance for handling survey results, and the assessment process should be documented.

AGENCY RESPONSE – AGREE

The Mayor's Office agrees with this recommendation and will partner with the Office of Human Resources to assess and strengthen the engagement survey. This includes exploring ways to capture microcultures and employees' preferred workplace culture. We will also support providing clearer guidance to agencies and document the assessment process to improve survey effectiveness.

— Mayor's Office

IMPLEMENTATION EXPECTED BY JULY 24, 2025

AGENCY RESPONSE – AGREE

On the 2026 engagement survey OHR will determine a set of questions to assess the gap between actual and preferred cultures. The 2024 reporting tool offers efficient reporting into any work or demographic group with 3+ responses across 36 filters. This allows for efficient assessment of microculture variability to take action. Additionally, the 2024 survey had eight questions that were part of the Culture theme. All agencies received an executive presentation, breakouts by race, gender, tenure, management level, division, engagement level, comparisons of 2022 vs 2024 results. OHR provided a suite of best practices for communicating results to all levels of the organization. Operational divisions also had reports available.

— Office of Human Resources

IMPLEMENTATION EXPECTED BY MARCH 27, 2026

AGENCY RESPONSE – NOT APPLICABLE

— Department of Arts & Venues

AGENCY RESPONSE – NOT APPLICABLE

— Denver Parks & Recreation

Using input from staff at all levels and leading practices, leaders in the Mayor’s Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should develop and document a preferred organizational culture. Using leading practices, agency goals should be specific, measurable, achievable, relevant, and time bound. Agency leaders should communicate a strategy to achieve this culture and associated goals to all staff.

AGENCY RESPONSE – AGREE

The Mayor’s Office agrees with this recommendation and will collaborate with OHR, Denver Arts & Venues, and Denver Parks & Recreation to develop, document, and communicate a clear culture strategy informed by staff input and leading practices. We are committed to establishing SMART goals and a shared vision for culture that is communicated in the Mayor’s Office.

– Mayor’s Office

IMPLEMENTATION EXPECTED BY JULY 24, 2025

AGENCY RESPONSE – AGREE

The culture in OHR reflects the city values of Listen, Dare and Deliver and these goals are evaluated annually. There is strong endorsement for metric driven goals from the Mayor’s Office who has championed this approach throughout the city. His request was to develop on line Metric Driven Goal training and require for all Leaders. Agencies are communicating this training to employees.

– Office of Human Resources

IMPLEMENTATION EXPECTED BY MAY 30, 2025

AGENCY RESPONSE – AGREE

DAV aligns its culture with the citywide values of Listen, Dare and Deliver. DAV’s Culture Committee plans to send a survey to all staff as a follow-up to the 2024 employee engagement survey and will include a question about preferred culture. Results of the survey will be documented and communicated to all staff. DAV follows the city’s recommended metric driven goals approach and will require leaders to take the Metric Driven Goal training provided by OHR.

– Department of Arts & Venues

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

AGENCY RESPONSE – AGREE

The culture in DPR reflects the city values of Listen, Dare and Deliver and these goals are evaluated annually. There is strong endorsement for metric driven goals from the Mayor’s Office who has championed this approach throughout the city. DPR assigned Metric Driven Goal training to all FTEs in February 2024.

– Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY MAY 31, 2025

1.4

RECOMMENDATION

Develop and document a plan using tools to assess current internal culture

Leaders in the Mayor’s Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should develop and document a plan, including what tools they will use – such as internal surveys, interviews with staff, or the employee engagement survey – to understand current organizational culture and preferred culture. The plan should also include the frequency at which culture will be assessed.

AGENCY RESPONSE – AGREE

The Mayor’s Office agrees that prioritizing the recognition of staff by developing and documenting a plan is essential to fostering a positive and motivated workplace culture. Incorporating it into the city’s annual goal-setting process and providing training on awards and recognition would ensure that leaders consistently value and celebrate employees’ contributions, ultimately strengthening engagement, retention, and overall performance.

– Mayor’s Office

IMPLEMENTATION EXPECTED BY AUG. 1, 2025

AGENCY RESPONSE – AGREE

OHR will formalize bi-annual pulls of survey data to review results. Additionally, results can be pulled at any interval for any work or demographic group of interest with 3+ responses as the need arises. Action-planning for the 2024 employee engagement survey also includes quarterly action plan updates to staff and reporting to the Mayor’s Office on progress.

OHR uses a multi-faceted approach to assess internal culture in addition to the Engagement Survey. These new tools include: Exit survey given to terminating employees, onboarding survey given to employees in their first thirty days, new hire survey available to employees entering seventh month of employment. Agencies can conduct additional surveys at their discretion.

– Office of Human Resources

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

AGENCY RESPONSE – AGREE

DAV’s Culture Committee will develop and document a plan to assess current and preferred internal organizational culture in partnership with the agency’s leadership and OHR.

– Department of Arts & Venues

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

AGENCY RESPONSE – AGREE

DPR uses a multi-faceted approach to assess internal culture. DPR will action plan using the 2024 Engagement Survey results. We will also continue to review exit survey data, onboarding survey data, and new hire survey data to identify trends and progress. We will conduct an Employee Engagement/Culture pulse survey in Q4 2025 to assess our progress and success in our defined action areas.

– Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

1.5

RECOMMENDATION

Develop and document policies and procedures for assessing culture

Once a plan is established, leaders in the Mayor’s Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should document policies and procedures for assessing culture. These should include who will be responsible for assessing culture, how results will be analyzed, and how issues will be addressed. The plan should also include how culture improvement efforts will be communicated to staff.

AGENCY RESPONSE – AGREE

The Mayor’s Office will work with appropriate stakeholders to document policies and procedures to assess organizational culture including who will be responsible, how results will be analyzed and how issues will be addressed and how culture improvement efforts will be communicated to staff.

– Mayor’s Office

IMPLEMENTATION EXPECTED BY JULY 24, 2025

AGENCY RESPONSE – AGREE

Agree, OHR will work with appropriate stakeholders to document policies and procedures to assess organizational culture with the points outlined in 1.4.

– Office of Human Resources

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

AGENCY RESPONSE – AGREE

DAV’s Culture Committee will document the agency’s policies and procedures for assessing current and preferred internal organizational culture and internal communications plan in partnership with the agency’s leadership and OHR.

– Department of Arts & Venues

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

AGENCY RESPONSE – AGREE

DPR will document and/or update its policies and procedures for assessing current and preferred internal organizational culture in partnership with the agency’s leadership and OHR.

– Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

Committees dedicated to employee engagement and culture may not be effective

All agencies use committees to address culture. But we found most committees do not have a formal selection process and lack documentation to help guide committee actions. Also, some committees do not have members represented from all agency divisions. Finally, some committees do not feel supported by leaders or became less effective after leaders changed.

INCONSISTENT STRUCTURE AND REPRESENTATION – While not required, all four agencies have committees dedicated to addressing concerns related to employee engagement and culture. Specifically, they have employee engagement teams; organizational culture committees; and equity, diversity, and inclusion committees. However, we found most committees lack formality and structure.

Most committees are voluntary, but a few have members who were selected by agency leaders. Some staff also said they were “strongly encouraged” to participate. Most committees did not have criteria for membership or a formal selection process.

POSITIVE EFFORTS

Denver Parks & Recreation’s Partnership Council – which is its culture committee – has a policy that outlines its structure, purpose, goals, and criteria for selection. The council documents action items and discussion topics and tracks progress toward goals. Council members feel the council has become more effective since leadership changes.



Committee members gather ideas and concerns from across the agency and share information on committee actions with staff. This aligns with the U.S. Government Accountability Office's "Standards for Internal Control in the Federal Government," which says managers should communicate quality information to the entire organization to address risks and support the internal control system. Additionally, managers should periodically evaluate how they communicate to ensure they share quality information throughout the organization on a timely basis.

The Organizational Culture Assessment Instrument says culture cannot be changed from the top-down. Employees must understand what aspects of the culture need to change and how they can contribute.

While most committees have members from all divisions within the agency, one committee in the Mayor's Office did not. The Mayor's Office committee has no members from one of its two divisions — all members are part of the Administration Division.

Without representation on the committee, some divisions could have their concerns go unheard, and therefore unaddressed, and may not feel they are contributing to changes in culture. Further, some divisions may not receive committee updates, learn about initiatives, or have other relevant information communicated to them in a timely manner.

LACK OF DOCUMENTATION AND SUPPORT FROM LEADERS – Most committees we reviewed do not take meeting minutes or document action items. Most do not have documented policies and procedures or committee charters outlining their authority, purpose, or the responsibilities of committee members. We also found the bylaws, for the one committee that did have them, were outdated.

According to the U.S. Government Accountability Office, documentation is an important part of an internal control system. Effective documentation establishes and communicates "the who, what, when, where, and why of internal control." Documentation also ensures organizational knowledge is not lost or limited to a few people and allows agencies to communicate that knowledge as needed with external parties, such as auditors.

Department staff from most agencies said some committees were new and therefore did not have documented policies or procedures outlining their purpose, who should be on them, or how they should operate. Without documented policies and procedures, committees charged with understanding and addressing organizational culture may not be effective. Further, long-term effectiveness of the committee is at risk when key members leave if core committee knowledge is not documented.

Some staff said the effectiveness of the committees also depends on who is leading them. Others said committees became less effective or dissolved completely when leaders changed or when key people left. One agency used to have a committee dedicated to employee engagement, but the committee dissolved and staff are unsure why.

Staff on one committee said in the past they did not always feel supported

by agency leaders or feel they had the ability to make changes, but that this has changed with new agency leaders.

Most committees lacked documentation outlining their authority and responsibilities despite federal leading practices that say managers should assign responsibilities and delegate authority to key roles throughout the entity.

When committees are perceived as ineffective, staff may feel they are not making an impact or feel committees or leaders are insincere.

Because committees are voluntary, staff may not always have the time to dedicate to committees because of competing work. Committees may not be able to carry on with their responsibilities or meet objectives when key staff leave and committee structure, authority, and responsibilities are not documented. When committees are perceived as ineffective, staff may feel they are not making an impact and may also feel committees or agency leaders are insincere. When committees are not documenting discussion items, actions taken, or progress toward meeting engagement goals, they may not be able to be as transparent with staff and leaders about progress made on culture initiatives.

When committees lack support from leaders, they may struggle to make decisions, allocate resources, or gain the necessary authority to carry out goals and action items. This can hinder the overall performance of the committee and may impact employee engagement and organizational culture.

1.6 RECOMMENDATION Determine and document committee need

Leaders in the Mayor’s Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should determine and document whether a committee is needed to help achieve employee engagement and culture objectives and goals.

AGENCY RESPONSE – AGREE
This goal is accomplished, as the Mayor’s Office has an established Employee Engagement Committee to help achieve employee engagement and cultural objective and goals.

— Mayor’s Office

IMPLEMENTATION EXPECTED BY AUG. 1, 2025

AGENCY RESPONSE – AGREE
OHR will assess the need for an engagement committee. OHR already has a culture committee.

— Office of Human Resources

IMPLEMENTATION EXPECTED BY JULY 31, 2025

AGENCY RESPONSE – AGREE

DAV's Culture Committee was relaunched in 2024 specifically to address employee engagement. The agency will provide documentation stating as such.

– Department of Arts & Venues

IMPLEMENTATION EXPECTED BY JULY 31, 2025

AGENCY RESPONSE – AGREE

DPR will continue to utilize DPR's Partnership Council in combination with the DPR Employee Engagement Tiger team and the DPR EDI Committee to help achieve employee engagement and culture objectives and goals.

– Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

1.7

RECOMMENDATION

Establish and document committee policies and procedures

Leaders in the Mayor's Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should ensure that all committees have documented policies and procedures to provide clarity on each committee's role within the organization, promote accountability, ensure alignment with organizational objectives, encourage collaboration, and increase transparency and communication. The policies and procedures should include, at minimum:

- **The purpose of the committee and its authority.**
- **Committee goals.**
- **Roles and responsibilities.**
- **Committee composition and how members are selected or recruited.**
- **Terms for committee members, if applicable.**
- **A requirement for minutes and action items to be documented to show progress toward meeting goals and to track key decisions.**
- **How committee actions and decisions will be communicated across the agency.**

AGENCY RESPONSE – AGREE

The Mayor's Office will provide clarity on roles with the existing Employee Engagement Committee as well as policy, procedures and all areas outlined above.

– Mayor's Office

IMPLEMENTATION EXPECTED BY AUG. 1, 2025

AGENCY RESPONSE – AGREE

If OHR determines that a committee is needed from 1.6, we will document.

– Office of Human Resources

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

AGENCY RESPONSE – AGREE

DAV will develop a document that outlines the Culture Committee’s purpose, goals, role and process for documenting meetings and communication.

– Department of Arts & Venues

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

AGENCY RESPONSE – AGREE

DPR will ensure that all committees have documented policies and procedures as outlined in Recommendation 1.7.

– Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

Staff development opportunities and employee recognition may not be equitable

The Mayor’s Office, Office of Human Resources, Denver Parks & Recreation, and Denver Arts & Venues provide training and development opportunities to staff and recognize and reward staff for their performance.

However, most agencies do not have an established policy or procedure for sharing opportunities and selecting staff for additional training and development. Instead, they rely on supervisors to inform staff or for staff to request additional opportunities. Additionally, without an established process, some staff felt they depended on their supervisors for equitable recognition opportunities. We also found some issues with how agencies managed their rewards processes.

Training and development opportunities

The city requires employees to take trainings and set performance goals each year. The Mayor’s Office, Office of Human Resources, Denver Parks & Recreation, and Denver Arts & Venues provide training and development opportunities to some staff beyond the city’s requirements. For example, Parks & Recreation has a mentorship program and offers workshops to support employees in their development or career goals. The Office of

Human Resources offers leadership development courses to all managers. Similarly, Arts & Venues provides workshops to its managers on coaching, building trust, and strengthening talent. Mayor’s Office staff have enrolled in leadership development courses as well.

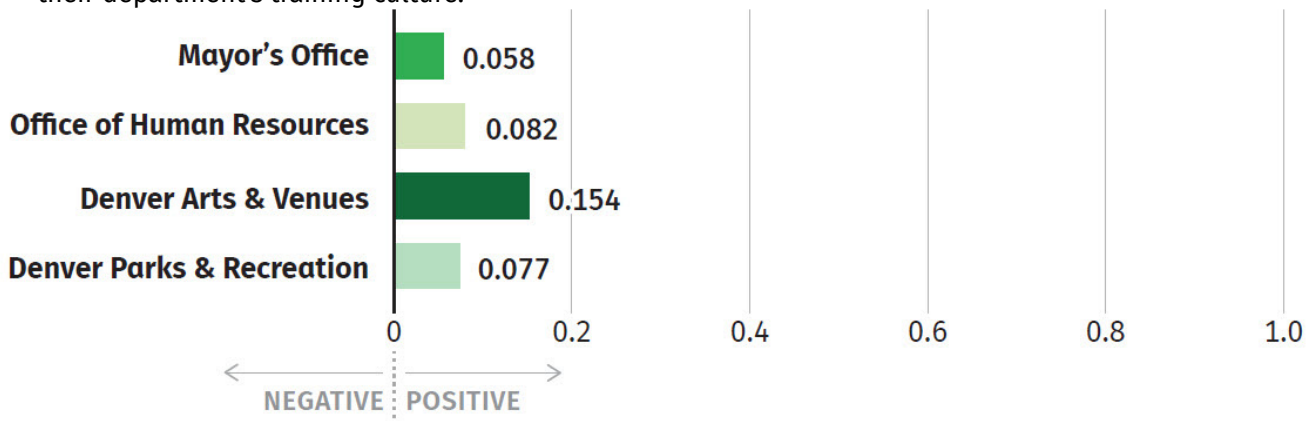
But leaders in most agencies said they rely on supervisors to recommend trainings or staff to request additional trainings, and they did not have policies or procedures for this process.

During our focus group sessions, a few staff said development opportunities depended on their supervisor. Some staff said there was no transparency or criteria for how staff were selected for opportunities, and some were unsure how opportunities were communicated. Others said they did not have time to participate in training.

As shown in Figure 7, we found in our sentiment analysis that managers and staff in each agency felt their access to training opportunities was slightly positive.

FIGURE 7. Sentiment analysis results for staff perception of training opportunities

Summary: Figure 7 shows how each agency scored in the “training” category. Scores ranged from -1.0 to 1.0. Scores close to -1.0 are considered highly negative, scores close to 1.0 are considered highly positive, and results close to 0 are considered neutral. Staff in all four agencies had slightly positive opinions of their department’s training culture.



Source: Created by Auditor’s Office staff from sentiment analysis data.

We reviewed documentation for staff in the Mayor’s Office, Office of Human Resources, Denver Parks & Recreation, and Denver Arts & Venues who participated in development and training opportunities from July 1, 2021, through Sept. 30, 2024. We only included trainings that were not required by the city or agency.

As shown in Table 3, at least one staff member from each agency participated in a development opportunity or training. More staff from the Office of Human Resources and Denver Parks & Recreation participated in development opportunities and trainings, but these agencies also have a

larger number of employees than the Mayor’s Office and Denver Arts & Venues. Most of the Office of Human Resources staff attended only one training and one conference, but some attended more than one. Parks & Recreation’s divisions each had about the same number of staff participate in the mentorship program. However, more staff in the Parks Division attended trainings.

TABLE 3. Training and development opportunities attended by staff from July 1, 2021, through Sept. 30, 2024

Agency	Total number of staff in the agency	Number of staff who participated	Total number of divisions in the agency	Number of agency divisions represented
Mayor’s Office	43	1	1	1
Office of Human Resources	141	81	9	7
Denver Arts & Venues	85	43	7	7
Denver Parks & Recreation	639	161	3	3

Note: The total number of staff in the agency is an average count of limited and unlimited employees from Jan. 1, 2024, through June 30, 2024. This does not include on-call or seasonal employees. The number of staff who participated in the Office of Human Resources includes the number of staff who participated in conferences and/or trainings, so these counts may include overlap. The number of staff who participated in Denver Parks & Recreation includes the number of staff who participated in trainings and/or their mentorship program, so these counts may include overlap. The number of staff who participated in Denver Arts & Venues includes the number of staff who participated in trainings and/or conferences, so these counts may include overlap.

Source: Created by Auditor’s Office staff using data from the Mayor’s Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation.

The U.S. Government Accountability Office’s “Standards for Internal Control in the Federal Government” says managers should continue to develop and retain staff by tailoring training based on employee needs. Further, documentation helps organizations retain knowledge and managers should periodically review their policies and procedures.

Three agencies did not have criteria for selecting staff for development opportunities. Additionally, agency managers said it is often staff’s responsibility to ask for opportunities.

If development opportunities and criteria are not documented or consistently communicated to staff, it could lead to inequitable access to opportunities. Further, if agency leaders do not allow staff time for development, staff may not continue to develop or may overextend trying to meet development goals while also completing daily tasks.

Staff recognition and rewards

All four agencies recognize and reward staff for their performance. For example, agency leaders provide paid administrative leave or gift cards for exemplary performance. Some agencies also recognize staff at meetings through awards or informal recognition.

During our focus group sessions, staff in three agencies felt recognition or rewards were inequitable and were based on either employee popularity or if their manager saw value in providing the recognition.

POSITIVE EFFORTS

During our focus group sessions, we found many staff in the Mayor's Office felt recognized and appreciated by Mayor Mike Johnston.



We reviewed agencies' rewards data from July 1, 2023, through June 30, 2024. Three agencies — the Mayor's Office, Office of Human Resources, and Parks & Recreation — provided paid administrative leave to staff. The city's Career Service Rule 10 says employees can receive up to 20 hours of administrative leave per year for exemplary performance. Managers enter this time into Workday, the city's system of record, with a comment on why they are providing this leave. The leave we reviewed complied with the requirement for the number of hours. Due to the way the data was reported, we could not verify whether it met the criteria for exemplary performance.

The Office of Human Resources and Denver Arts & Venues provided gift cards to staff through the city's Spot On reward program. The program allows supervisors to reward staff with a \$25 gift card up to six times per year for exceptional performance. Per Human Resources' guidance, agencies must track the award date, recipient name, who requested the award, the gift amount, the reason for the award, the gift card number, and the manager's approval. Agencies must also send the award information to the city's Controller's Office each quarter. The Office of Human Resources and Denver Arts & Venues tracked this information in an Excel spreadsheet.

Seventeen employees in Human Resources received a Spot On reward from July 1, 2023, through June 30, 2024. Twelve of the rewards — or 71% — were provided to employees as part of group efforts. Eight of the 17 rewards — or 47% — met all requirements. We found issues with the remaining rewards:

- Three rewards — or 18% — were not listed as \$25 in either the agency's spreadsheet or Workday.
- Seven rewards — or 41% — did not list the gift card number.
- The Controller's Office did not have record for five — or 29% — of the rewards.
- One reward's reason — or 6% — did not clearly align with program criteria.

Twenty-nine employees in Denver Arts & Venues received a Spot On reward according to the agency's tracking spreadsheet, and some more than once, for a total of 46 rewards. Twenty-four of the rewards — or 52% — were provided to nine staff in the marketing department. The agency's spreadsheet did not contain gift amounts, so none of the rewards met all Human Resources' requirements. We also found the Controller's Office did not have record of 22 — or 48% — of the rewards.

Additionally, we found a couple of reward dates were written with the wrong year — such as 1931 — so we could not include these in the count.

Both agencies tracked gift cards in the same spreadsheet as their Spot On rewards. Office of Human Resources staff said only the agency's program administrator has access to the spreadsheet, and only the administrator and a director can also access the physical gift card inventory. The Arts & Venues' spreadsheet is accessible by any administrative or finance staff, and its physical gift card inventory is accessible by a few finance staff. Staff in Denver Arts & Venues who had access to the tracking sheet and gift cards also received these rewards.

The city's policy says the agency's program administrator should conduct monthly and random audits of gift cards throughout the year and document the results. However, when asked about this, staff from both agencies said they either "know how many gift cards are in the inventory" or review the spreadsheet as necessary.

The U.S. Government Accountability Office's "Standards for Internal Control in the Federal Government" says managers should design "a performance evaluation and feedback system, supplemented by an effective rewards system, to help employees understand the connection between their performance and the entity's success." Managers should also periodically count assets and inventories that could be vulnerable to risk of loss or unauthorized use.

When asked about the inconsistencies in rewards data, Office of Human Resources staff said they could not speak to any data tracked before 2024 as someone else had managed the data at that time. Some of the rewards were not submitted to the Controller's Office due to an oversight. Staff provided reasoning for why one award appeared to exceed \$25 but could not speak to the other two. Staff also said gift card numbers were missing for a few rewards because they did not originally have guidance on what information to track but have since corrected this.

Denver Arts & Venues staff said they did not submit some of the rewards data to the Controller's Office due to staff turnover. Also, when the staff who manage the spreadsheet win an award, they still enter their own rewards data and request their own gift card but with supervisor oversight.

Without proper internal controls for rewards inventories — such as gift cards — and periodic review, agencies could risk fraud, waste, or abuse in their reward system and cannot ensure that awards are being provided accurately, fairly, and appropriately.

When staff do not feel appreciated or recognized by their supervisors or agency leaders, it may lead to lower morale and increased turnover.

Equitable recognition is important to organization culture. Gallup Inc., founder of the CliftonStrengths talent assessment, says recognition increases employee engagement and motivation. It can also increase employee productivity and retention. They said employees view the recognition they receive from their direct managers as the most meaningful.

When agency leaders do not create an environment where recognition is encouraged by all supervisors, staff may continue to feel recognition is dependent on individual supervisors. This could potentially lead to some staff never being recognized despite strong performance and effort. When staff do not feel appreciated or recognized by their supervisors or agency leaders, it may lead to lower morale and increased staff turnover.

1.8 **RECOMMENDATION** **Develop and document criteria for development opportunity selection**

For training that is not required — such as leadership courses, conferences, etc. — leaders in the Mayor’s Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should document criteria and the process for selection. For example, based on performance, time in role, job applicability, and so on.

AGENCY RESPONSE – AGREE
The Mayor’s Office agrees with the importance of developing and documenting criteria for development opportunity selection and will ensure such by the above deadling.

— Mayor’s Office

IMPLEMENTATION EXPECTED BY JULY 24, 2025

AGENCY RESPONSE – AGREE
Prior to establishing goals for 2026, each OHR leader will document their available budget and process for selection of any training.

— Office of Human Resources

IMPLEMENTATION EXPECTED BY JAN. 15, 2026

AGENCY RESPONSE – AGREE
Prior to establishing goals for 2026, DAV will document available budget and standard operating procedure for providing development opportunities to staff including criteria and process for selection.

— Department of Arts & Venues

IMPLEMENTATION EXPECTED BY JAN. 31, 2026

AGENCY RESPONSE – AGREE

DPR will develop and document selection criteria for employee development opportunities when available.

— Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

1.9

RECOMMENDATION

Communicate development opportunities and criteria

Leaders in the Mayor’s Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should ensure development opportunities are communicated to all staff when identified. Additionally, the criteria for selection should be communicated in advance to staff.

AGENCY RESPONSE – AGREE

The Mayor’s Office agrees with ensuring transparency and communication to the staff regarding development opportunities.

— Mayor’s Office

IMPLEMENTATION EXPECTED BY AUG. 1, 2025

AGENCY RESPONSE – AGREE

OHR does have a process and will communicate it better. City wide, this is happening now at the Mayor’s request to enhance communication around development opportunities across the city. The Learning & Development website has the comprehensive list of course offerings, including details on content and attendance requirements.

— Office of Human Resources

IMPLEMENTATION EXPECTED BY AUG. 31, 2025

AGENCY RESPONSE – AGREE

DAV regularly communicates development opportunities to staff via emails to division Directors, our internal newsletter and through the Denver Employee Bulletin but will re-assess frequency and communication vehicles to ensure timeliness and that criteria for selection are included.

— Department of Arts & Venues

IMPLEMENTATION EXPECTED BY AUG. 31, 2025

AGENCY RESPONSE – AGREE

DPR will continue to communicate development opportunities to staff when identified. We will partner with OHR to share a wide range of development opportunities provided by Learning and Development.

— Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

1.10

RECOMMENDATION

Prioritize development opportunities for staff

Leaders in the Mayor’s Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should prioritize staff development opportunities, such as by establishing a development goal as part of the city’s annual goal setting process.

AGENCY RESPONSE – AGREE

The Mayor’s Office currently requires all team members to prioritize providing a minimum of one development goal as part of the annual goal setting process.

— Mayor’s Office

IMPLEMENTATION EXPECTED BY AUG. 1, 2025

AGENCY RESPONSE – AGREE

OHR agrees and could consider making it mandatory. However it is currently a recommendation as part of the goal setting process now. The city does not require employees to enter development goals rather employees are encouraged to include at least one development goal in their Workday.

— Office of Human Resources

IMPLEMENTATION EXPECTED BY JULY 31, 2025

AGENCY RESPONSE – AGREE

DAV currently encourages staff to have at least one development goal as part of the annual goal setting process and will make this a requirement moving forward.

— Department of Arts & Venues

IMPLEMENTATION EXPECTED BY MAY 31, 2025

AGENCY RESPONSE – AGREE

DPR has set the expectation for all leaders to encourage their employees to have one development goal each year. This expectation is set in the DPR Leader Goal weighted at 20% for all people leaders. At this time, development goals are not required by the City and are set as optional. We will continue to promote the importance of development for all employees.

– Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY JULY 31, 2025

1.11

RECOMMENDATION

Communicate formal recognition opportunities and criteria

Leaders in the Mayor’s Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should ensure recognition opportunities and selection criteria are communicated to all staff when identified.

AGENCY RESPONSE – AGREE

The Mayor’s Office currently ensures recognition opportunities on a weekly basis and will ensure a formal communication and criteria are communicated to all staff when identified.

– Mayor’s Office

IMPLEMENTATION EXPECTED BY AUG. 1, 2025

AGENCY RESPONSE – AGREE

Although OHR announces winners at our quarterly meetings, we will do more to encourage staff to nominate more staff. We will add to our intranet site and the OHR update, quarterly.

– Office of Human Resources

IMPLEMENTATION EXPECTED BY JUNE 15, 2025

AGENCY RESPONSE – AGREE

DAV will ensure recognition opportunities and selection criteria are communicated to all staff via the internal newsletter and/or email when identified. Process will be discussed annually with Directors/Managers.

– Department of Arts & Venues

IMPLEMENTATION EXPECTED BY JULY 31, 2025

AGENCY RESPONSE – AGREE

DPR created the Lil Bison program, an employee recognition program in DPR, and launched last Fall. This has been communicated in all staff meetings, emails from the Executive Director, and posted flyers in all workplaces. This program was created by the Employee Recognition and Appreciation committee and is a direct result from action planning from the 2022 Engagement survey.

— Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY MAY 31, 2025

1.12

RECOMMENDATION

Follow the city's rewards policies

If they choose to provide rewards, such as the Spot On, leaders in the Mayor's Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should ensure compliance with all requirements in the city's policies for tracking rewards, including gift cards, and submitting documentation to the Controller's Office.

This should include tracking:

- The recipient's name and employee ID number.
- The date of reward.
- The requester's name.
- The gift amount.
- The reason for the reward.
- The gift card number.
- The next level manager's approval.
- A running inventory of the gift cards purchased and backup documentation.
- A running inventory of the gift cards distributed.
- Documentation for gift card reconciliation or audits each month.

AGENCY RESPONSE – AGREE

The Mayor's Office currently provides Exemplary performance hours as appropriate and will begin utilizing Spot On and other creative ideas on a monthly basis and will ensure compliance with all requirements within the cities policies for tracking rewards.

— Mayor's Office

IMPLEMENTATION EXPECTED BY JULY 24, 2025

AGENCY RESPONSE – AGREE

OHR will assign an executive level, either the deputy Director of OHR or the Director of Benefits and Wellness, to annually review the tracking of our internal SPOT on rewards.

— Office of Human Resources

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

AGENCY RESPONSE – AGREE

DAV utilizes Spot Ons and currently follows the city guidelines. While all Spot Ons are \$25, DAV will add a column on the tracking sheet for gift card amount, per the official guidelines.

— Department of Arts & Venues

IMPLEMENTATION EXPECTED BY JUNE 1, 2025

AGENCY RESPONSE – AGREE

At this time, DPR does not provide monetary awards. If the department elects to offer monetary awards in the future, we will comply with Recommendation 1.12 and ensure compliance with all reporting and tracking requirements.

— Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY MAY 31, 2025

1.13

RECOMMENDATION

Monitor rewards data

Leaders in the Mayor’s Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should periodically monitor rewards data, including exemplary leave and other awards, to ensure compliance with city rules and that they are being provided fairly and appropriately across the agencies. These reviews should be documented.

AGENCY RESPONSE – AGREE

The Mayor’s Office will ensure leaders will monitor rewards data to ensure compliance across the agency. This will further support our efforts of transparency.

— Mayor’s Office

IMPLEMENTATION EXPECTED BY JULY 24, 2025

AGENCY RESPONSE – AGREE

OHR will assign an executive level employee, either the deputy Director of OHR or the Director of Benefits and Wellness, to annually review the tracking of our internal SPOT on rewards.

– Office of Human Resources

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

AGENCY RESPONSE – AGREE

DAV will assign a senior-level employee to annually review the tracking of our internal Spot On rewards.

– Department of Arts & Venues

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

AGENCY RESPONSE – AGREE

DPR will monitor rewards data periodically to ensure compliance and that they are being provided fairly and appropriately across the Agency.

– Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

1.14

RECOMMENDATION

Prioritize recognition

Agency leaders, supervisors, and managers in the Mayor’s Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should prioritize recognizing staff – either formally or informally – for work done well, such as by establishing it as a goal during the city’s annual goal setting process or providing training on awards and recognition.

AGENCY RESPONSE – AGREE

The Mayor’s Office will require each leader to establish a developmental goal related to recognition and training of their staff beginning with 2026 goals.

– Mayor’s Office

IMPLEMENTATION EXPECTED BY AUG. 1, 2025

AGENCY RESPONSE – AGREE

OHR will mandate each leader establish a development goal related to recognition and training of their staff beginning with the 2026 goals.

– Office of Human Resources

IMPLEMENTATION EXPECTED BY JAN. 15, 2026

AGENCY RESPONSE – AGREE

DAV will require agency leaders to establish a development goal related to recognition and training of their staff beginning with the 2026 goals.

– Department of Arts & Venues

IMPLEMENTATION EXPECTED BY FEB. 28, 2026

AGENCY RESPONSE – AGREE

DPR will include staff recognition into the 2026 DPR Leader goal to ensure all leaders are recognizing their staff for a job well done.

– Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY FEB. 28, 2026

FINDING 2 AND RECOMMENDATIONS

Staff in all agencies do not know how to or feel comfortable reporting concerns and providing upward feedback

Nonmanagerial staff in all four agencies said they did not know how to report issues — such as bullying, retaliation, or harassment — or who they should report to. Also, staff from all four agencies said they fear being retaliated against for reporting issues and did not “feel safe” speaking with some leaders or Human Resources. Additionally, most of the audited agencies lacked adequate communication to staff on how to report concerns.

Furthermore, staff in all agencies said — for the most part — they receive consistent feedback from their direct supervisor. However, staff we met with in all agencies, except the Mayor’s Office, do not feel comfortable providing feedback to their supervisors and above. Some staff do not feel comfortable asking for feedback.

Reporting concerns

City agencies operate under Career Services Rules for codes of conduct and for dispute resolution methods. The rules define harassment and retaliation and include an open-door policy, mediation process, and procedures for grievances and appeals. The purpose of the rules is to provide clear expectations to employees for their conduct and a process to “resolve workplaces issues at the lowest possible level.” Retaliation against people who participate in the process in good faith is prohibited.

According to the rules, staff are encouraged to address work-related issues with their direct supervisor before approaching a manager, director, appointing authority, or a Human Resources representative. The rules also outline what staff should do with more serious issues such as experiencing or witnessing harassment or retaliation.

Overall, our analysis of the focus groups showed staff in all agencies, and managers in most, had only slightly positive feelings about reporting concerns. Staff in all four agencies said they had many issues related to this process. Some said that they did not know who they should report issues to, while others knew but did not feel comfortable going to that person. This discomfort existed whether the person receiving the report was a Human Resources representative or their direct supervisor. Staff in all four agencies were also concerned about information remaining confidential and they feared retaliation for reporting any concerns.

Agency leaders said they follow city processes and that they handle staff issues and informal complaints verbally, during staff meetings, or through emails. Leaders also frequently mentioned they have an open-door policy.

Staff said that they did not know who they should report issues to, while others knew but did not feel comfortable going to that person. This discomfort existed whether the person receiving the report was a Human Resources representative or their direct supervisor.

When we asked how agency leaders communicate city and agency reporting processes to their staff, most could not provide adequate documentation of such communications. Only one agency provided documentation showing how these city processes are communicated to all staff, and one provided evidence that it was communicated to new staff only.

POSITIVE EFFORTS



Aside from city processes for reporting issues, both Denver Arts & Venues and — in October 2024 — Denver Parks & Recreation have been proactive about developing and providing a space for staff to anonymously share concerns and comments with leaders. Furthermore, while not implemented until after our fieldwork finished in January 2025, the Mayor's Office was working on creating a citywide feedback platform for staff to submit comments.

The Institute of Internal Auditors notes that employee observation of misconduct and reporting of the same can influence culture. Additionally, organizations need to have appropriate and consistent policies for handling violations of codes of conduct and other policies. The Canadian Audit and Accountability Foundation says failure to enforce codes and policies can also lead to poor organizational culture.

Leading practices from the U.S. Government Accountability Office say agency leaders should communicate information, such as reporting processes, to staff at all levels to help them achieve objectives and address risks.

While the city has rules and procedures for code of conduct violations, when agency leaders are not communicating reporting processes, staff may not understand how to report concerns or who to report to. Additionally, agencies risk not fully addressing staff issues, which can impact job satisfaction and employee retention. It can also lead to further misconduct in the workplace, opening the city up for liability and reputational damage.

Staff in the Office of Human Resources are unique in that following city reporting rules means they may only have the option to report issues internally. This could deter staff from reporting issues because they cannot remain anonymous. Many staff mentioned the need for a separate human resources function for Human Resources staff.

Regardless of the agency, when staff do not feel comfortable reporting serious issues internally or to Human Resources, the city may be at risk of liability for unresolved problems. Issues including harassment, discrimination, whistleblower retaliation, and bullying in an organization can go unreported and lead to high absenteeism, low productivity, and high turnover.

Staff in all four agencies said they have experienced fear or blame in their work environment and often did not feel comfortable providing upward feedback for fear of being punished.

Two-way feedback

While some staff in all agencies said they receive consistent feedback from their direct supervisor, others in all four shared that they do not receive regular feedback, with some staff only getting feedback from their supervisor during the annual review process. Others said they felt uncomfortable requesting feedback and would not provide upward feedback.

In the “2022 Employee Engagement Survey,” 75% of staff in the whole city said they receive feedback from their supervisor that helps improve their performance. But, only about 60% of staff from all city agencies agreed with the statement that they are comfortable providing their opinions without fear of retaliation or retribution. This aligns with what we heard from staff in our focus groups two years later.

Within the focus groups, managers in all four agencies felt that they have open communication with their teams about any issues that arise. Additionally, we found that only two agencies have conducted formal 360 reviews, but these reviews were limited to certain staff, highlighting the lack of a formal upward feedback process.

Also, staff in all four agencies said there is a lack of psychological safety and that they have experienced fear or blame in their work environment and often did not feel comfortable providing upward feedback for fear of being punished.

PSYCHOLOGICAL SAFETY DEFINED

According to Harvard Business Review, psychological safety is “a shared belief held by members of a team that [it is] OK to take risks, to express their ideas and concerns, to speak up with questions, and to admit mistakes — all without fear of negative consequences.” This kind of safety is built through good management practices, such as communicating clear expectations and norms, actively listening to staff and encouraging their open communication, ensuring team members feel supported, and informing staff why their input is valuable.

Without psychological safety, staff are at an increased risk of stress, burnout, and turnover, impacting the overall performance of the agency.

Additionally, staff cannot operate in an environment where they openly learn from their mistakes and continuously learn if they are not comfortable voicing opinions or concerns — including asking for or providing upward feedback. This issue can lead to improper practices or errors going undetected, which can ultimately impact the timeliness and quality of staff and their team’s work.

According to the Society of Human Resources Management, when managers regularly provide staff with feedback regarding the quality of

their work, staff are more likely to understand how to continue performing well in their role and how they can correct behaviors to improve their performance and the quality of their work. If managers rely primarily on performance reviews to give feedback, staff are receiving a year's worth of criticism in one sitting. This could result in staff being unaware of their poor performance behaviors for months at a time.

Further, the Institute of Internal Auditors says a strong culture relies on two-way conversations, and if employees face unreasonable punishment for mistakes or challenges to the norm are discouraged, an environment of fear or blame could be created. Also, managers should actively gather and listen to feedback because all levels of an organization should be open to constructive criticism.

To make staff members more comfortable reporting issues and providing upward feedback, best practices recommend building psychological safety, where staff feel they can openly share their opinions without fear of retaliation or retribution.

2.1

RECOMMENDATION

Communicate reporting process

Leaders in the Mayor's Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should communicate the availability of city and agencywide reporting systems and resources to staff at all levels regularly, so staff understand the process and what to expect. Agency leaders should work with the Office of Human Resources, if needed, to identify and communicate alternate processes if staff do not feel comfortable reporting to their direct supervisor or Human Resources representative. Leaders should ensure all supervisors and responsible parties are trained on this process.

AGENCY RESPONSE – AGREE

The Chief of Staff will ensure communication of the availability of city and agencywide reporting systems and resources to staff at all levels for transparency and clarity.

— Mayor's Office

IMPLEMENTATION EXPECTED BY JULY 24, 2025

AGENCY RESPONSE – AGREE

OHR leaders will provide additional communication around these reporting processes to staff at all levels. The reporting process is shared with all newly hired employees and is also reinforced when questions arise. We will outline the process on our internal website, which will formalize it online, and we will begin initiate reoccurring communications to staff during our upcoming all-staff meeting for Q2. We will also make sure to discuss this process with leaders and ensure they are informed appropriately.

– Office of Human Resources

IMPLEMENTATION EXPECTED BY JUNE 17, 2025

AGENCY RESPONSE – AGREE

DAV will communicate reporting processes and tools more frequently with DAV staff. Currently, DAV utilizes the Incogneato online platform and suggestion boxes for staff at any level to provide anonymous feedback when they are not comfortable discussing with their direct supervisors. We have the Incogneato link in every bi-weekly newsletter and remind people at the All Staff meetings.

– Department of Arts & Venues

IMPLEMENTATION EXPECTED BY JULY 31, 2025

AGENCY RESPONSE – AGREE

DPR Executive Director created an electronic tip box in October 2024 for employees who do not feel comfortable expressing issues directly to their supervisor or OHR. We will also continue to communicate and educate staff to follow the city's dispute resolution process as outlined in CS Rule 18.

– Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY JULY 31, 2025

2.2

RECOMMENDATION

Prioritize psychological safety for staff

Leaders in the Mayor's Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should prioritize developing psychological safety for staff by providing trainings, creating and tracking goals related to psychological safety, and communicating to staff at all levels the importance of feeling comfortable reporting issues. Leaders should hold all staff, including managers, accountable for building and maintaining this environment.

AGENCY RESPONSE – AGREE

The Mayor's Office will prioritize developing psychological safety for staff by providing trainings, creating and tracking goals related to psychological safety. The Mayor's Office will also require each manager to take the 'Creating an Inclusive Culture of Trust and Belonging' training.

– Mayor's Office

IMPLEMENTATION EXPECTED BY AUG. 1, 2025

AGENCY RESPONSE – AGREE

We have encouraged this practice, but will make mandatory for all leaders in OHR and will monitor annually through the annual review process. Employees and managers should regularly engage in one-on-one meetings to discuss performance, provide feedback, and support ongoing development. OHR will also ask each leader to take the following Workday training: Creating An Inclusive Culture Of Trust and Belonging

– Office of Human Resources

IMPLEMENTATION EXPECTED BY JUNE 23, 2025

AGENCY RESPONSE – AGREE

DAV leadership will prioritize and further emphasize the importance of psychological safety in the workplace and will come up with a plan to create/track goals and communications related to this topic. DAV will also recommend that each leader take the following Workday training: Creating An Inclusive Culture Of Trust and Belonging.

– Department of Arts & Venues

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

AGENCY RESPONSE – AGREE

DPR encourages and promotes psychological safety across the Agency. Employees and managers will continue to engage in regular one-on-one meetings to discuss performance, provide feedback, and support ongoing development. Following OHR's lead, we will also ask each leader to take the following Workday training: Creating An Inclusive Culture Of Trust and Belonging by the end of 2025.

– Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

2.3

RECOMMENDATION

Establish guidelines for check-ins

Leaders in the Mayor's Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should establish clear guidelines for staff check-ins with their direct supervisor to ensure feedback is being provided more than once a year. These guidelines, at a minimum, should include the staff member and supervisor jointly determining the frequency of check-ins. Additionally, the guidelines should encourage two-way communication and feedback. Such guidelines shall be communicated to all staff.

AGENCY RESPONSE – AGREE

The Mayor's Office currently encourages this practice but will ensure it is mandatory

for all managers or leaders within the agency. We full recognize the importance of managers engaging in 1:1 meetings to discuss performance, provide feedback and support ongoing development.

— Mayor’s Office

IMPLEMENTATION EXPECTED BY AUG. 1, 2025

AGENCY RESPONSE – AGREE

We have encouraged this practice, but will make mandatory for all leaders in OHR. Employees and managers should regularly engage in one-on-one meetings to discuss performance, provide feedback, and support ongoing development. OHR provides a great tool to help enhance the meeting found here: https://denvercity.sharepoint.com/sites/HR/Shared%20Documents/Perf_Mgmt/PerfMgmt_QuarterlyCheck-in.pdf?CID=8aeafb7b-fd09-4e5c-a99f-e67f40794265.

— Office of Human Resources

IMPLEMENTATION EXPECTED BY JUNE 16, 2025

AGENCY RESPONSE – AGREE

DAV has set expectations with management staff regarding check-ins and will DAV has set expectations with management staff regarding check-ins and will document and reiterate these guidelines on a more frequent basis to both management and all staff.

We will also ensure staff are aware of the tool OHR has provided to enhance the effectiveness of meetings found here:

https://denvercity.sharepoint.com/sites/HR/Shared%20Documents/Perf_Mgmt/PerfMgmt_QuarterlyCheck-in.pdf?CID=8aeafb7b-fd09-4e5c-a99f-e67f40794265

— Department of Arts & Venues

IMPLEMENTATION EXPECTED BY JULY 31, 2025

AGENCY RESPONSE – AGREE

DPR will continue to encourage regular performance check ins with employees. This metric is currently included in the 2025 DPR Leader Goal to “meet at least quarterly with your employees to discuss performance goals and development opportunities”.

— Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY MAY 31, 2025

Leaders in the Mayor’s Office, Office of Human Resources, Denver Arts & Venues, and Denver Parks & Recreation should identify and implement a process for staff to provide upward feedback without fear of retaliation.

AGENCY RESPONSE – AGREE

This goal has been accomplished, as the Mayor’s Office has implemented a Dear Mayor program, which allows Mayor’s Office staff and all city employees to share feedback, suggestions, comments or questions directly with the mayor. All information is confidential and employees have the option to receive a response.

– Mayor’s Office

IMPLEMENTATION EXPECTED BY MAY 1, 2025

AGENCY RESPONSE – AGREE

The OHR Director of Learning and Development will implement a process for staff to provide upward feedback without fear of retaliation.

– Office of Human Resources

IMPLEMENTATION EXPECTED BY DEC. 1, 2025

AGENCY RESPONSE – AGREE

Agency leadership will work with OHR to review current processes for staff provide upward feedback without fear of retaliation. The agency will document and modify as necessary and communicate this to staff.

– Department of Arts & Venues

IMPLEMENTATION EXPECTED BY DEC. 31, 2025

AGENCY RESPONSE – AGREE

DPR will continue to use the Executive Director’s electronic tip box as tool to provide upward feedback without fear of retaliation. Fear of retaliation is also an identified action area from the 2024 engagement survey. The department has an employee engagement action committee that will continue to work on processes for staff to provide upward feedback without fear of retaliation.

– Denver Parks & Recreation

IMPLEMENTATION EXPECTED BY JUNE 30, 2026

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

- To determine the extent to which the City and County of Denver and agencies define and communicate goals, strategies, and expectations for organizational culture.
- To assess the extent to which the city and agencies effectively use organizational culture data and information to make decisions.
- To analyze whether staff’s perception of culture aligns with agency leaders’ goals and understanding.
- To evaluate whether employee engagement and development opportunities are effective at promoting a positive and equitable organizational culture.

Scope

We included the Mayor’s Office, Office of Human Resources, Denver Parks & Recreation, and Denver Arts & Venues in our audit. We reviewed documentation and data from July 1, 2021, through Sept. 30, 2024.

Methodology

To accomplish our audit objectives, we:

- Interviewed and surveyed staff at the Mayor’s Office, Office of Human Resources, Denver Parks & Recreation, Denver Arts & Venues, and the Office of Social Equity and Innovation. We met with leaders in Social Equity and Innovation to understand what support they provide to city agencies related to organizational culture and diversity, equity, and inclusion.
- Conducted walkthroughs of the Office of Human Resources data dashboards.
- Reviewed applicable laws, ordinances, and executive orders; rules and regulations; fiscal rules; and policies and procedures.
- Analyzed agencies’ mission statements, strategic plans, organizational charts, annual budgets, expenses, annual reports, and management plans.
- Reviewed contracts and associated amendments and agreements between the City and County of Denver and Sward & Coberly LLC, the Regional Transportation District, Four Winds Interactive LLC, Regents of the University of Colorado, Skillsoft Corporation, Media Partners Corporation, and United HealthCare Services Inc.
- Reviewed citywide guidelines for Spot On awards and administrative leave; the results from the “2022 Employee Engagement Survey”; the mayor’s citywide goals for engagement; turnover and vacancy rates for 2020 through 2023; agency-specific staff complaint data, if available; citywide and agency communications about awards, development opportunities, mentorship, engagement goals, agency committees and tiger teams, and the 2024 engagement survey; 2022 engagement action plans for the four agencies; training records for each agency, if available; rewards data for each agency, if available; committee and tiger team charters, policies and procedures, agendas and meeting minutes, and rosters; new employee orientation presentations; and Office of Human Resource guidelines for conducting stay interviews.

- Reviewed federal guidance from the U.S. Government Accountability Office and the U.S. Department of State.
- Reviewed leading practices from the International Professional Practices Framework, Global Perspectives and Insights, the Canadian Audit and Accountability Foundation, the Organizational Culture Assessment Instrument, the Likert Management System, HR Brain, and the Harvard Business Review.
- Reviewed articles related to the importance of organizational culture and equity from Massachusetts Institute of Technology Sloan Management Review; Ernst & Young LLC; EisnerAmper; the Harvard Law School Forum on Corporate Governance; the U.S. Attorney’s Office, Southern District of New York; Boston College’s School of Social Work; Syndio; Gallup Inc.; and the American Psychological Association.
- Reviewed audits about organizational culture from the City of Tallahassee, Florida; the City of Gainesville, Florida; the Oregon Zoo and Oregon Audits Division; the Washington State Auditor; the Portland, Oregon City Auditor; and the City of Aurora, Colorado.
- Conducted focus groups with staff in the Mayor’s Office, Office of Human Resources, Denver Parks & Recreation, and Denver Arts & Venues. Focus groups were offered to all staff in the Mayor’s Office and Arts & Venues. We used a random sample to offer the focus group opportunity to staff in Human Resources and Parks & Recreation. Groups were formed based on level within the agency, and Parks & Recreation’s groups were also formed based on region.
- Analyzed Spot On rewards data and exemplary administrative leave from July 1, 2023, through June 30, 2024, and performed data reliability tests.

Office of the Auditor

The **Auditor** of the City and County of Denver is independently elected by the residents of Denver. He is responsible for examining and evaluating the operations of city agencies and contractors for the purpose of ensuring the proper and efficient use of city resources. He also provides other audit services and information to City Council, the mayor, and the public to improve all aspects of Denver's government.

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