

Audit at a glance

Organizational Culture

MAY 2025

ABOUT

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

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.



In the report

FINDING: Organizational culture in each agency needs improvement

- Agency leaders from the Mayor's Office, the Office of Human Resources, Denver Parks & Recreation, and Denver Arts & Venues were not effectively using tools and information to understand organizational culture.
- The city conducts periodic citywide engagement surveys, including the 2022 Employment Engagement Survey. However, in our focus groups with the four audited agencies, some staff said leaders did not meaningfully address the 2022 survey results. The agencies were inconsistent in how they used the 2022 survey results to create new initiatives. Staff felt issues identified in the 2022 survey still exist or were unsure what actions were taken to address low-scoring areas.

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

- Our own survey, sent to staff from all four agencies, assessed workplace culture along four 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."
- 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.

Committees dedicated to employee engagement and culture may not be effective

- Without formality and structure, committees used by agencies to identify and address culture concerns may not be effective or represent all staff. Most committees did not have a formal selection process and lack documentation to help guide committee actions. Also, some committees did not have members represented from all agency divisions. Finally, some committees do not feel supported by leaders or became less effective after leaders changed.

WHY THIS 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.

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Staff development opportunities and employee recognition may not be equitable

- Agencies lacked a documented process on how staff are selected and did not properly track their rewards data. Instead, agencies relied on supervisors to inform staff or for staff to request additional opportunities.

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

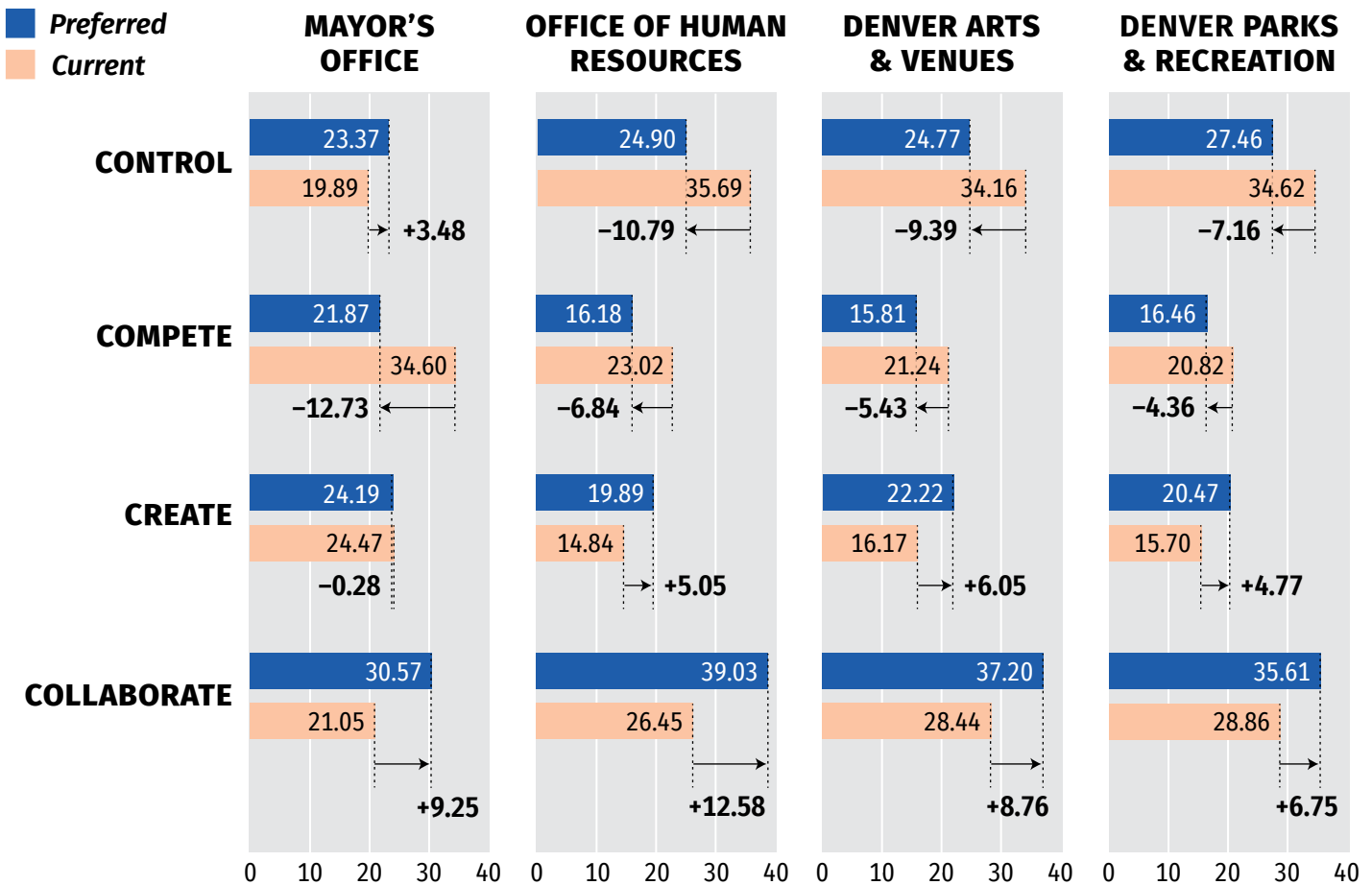
- Nonmanagerial staff said they did not know how to report issues — such as bullying, retaliation, or harassment — or who they should report to. Also, staff said they fear being retaliated against for reporting issues and did not “feel safe” speaking with some leaders or Human Resources. Additionally,

most of the audited agencies lacked adequate communication to staff on how to report concerns.

- The city may be at risk of liability for unresolved problems if staff are not encouraged to speak up. Issues including harassment, discrimination, whistleblower retaliation, and bullying in an organization can go unreported and lead to high absenteeism, low productivity, and high turnover.
- Toxic organizational culture is 10 times more likely to predict staff leaving than compensation, and government staff tend to prioritize culture and organizational values over salary. Minimizing turnover is prudent, as it costs the city around \$40,000 to hire and train new staff.

Organizational Culture Assessment Instrument overall results

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.

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