



Oregon Zoo:

*Clarify vision, prioritize actions, and learn from change to improve
organizational culture*

February 2017

A Report by the Office of the Auditor

Brian Evans

Metro Auditor

Angela Owens

Senior Management Auditor

Simone Rede

Senior Management Auditor

Metro Accountability Hotline

The Metro Accountability Hotline gives employees and citizens an avenue to report misconduct, waste or misuse of resources in any Metro or Metro Exposition Recreation Commission (MERC) facility or department.

The Hotline is administered by the Metro Auditor's Office. All reports are taken seriously and responded to in a timely manner. The auditor contracts with a hotline vendor, EthicsPoint, to provide and maintain the reporting system. Your report will serve the public interest and assist Metro in meeting high standards of public accountability.

To make a report, choose either of the following methods:

Dial 888-299-5460 (toll free in the U.S. and Canada)

File an online report at www.metroaccountability.org



Brian Evans
Metro Auditor

600 NE Grand Ave
Portland, OR 97232-2736
TEL 503 797 1892, FAX 503 797 1831

MEMORANDUM

February 22, 2017

To: Tom Hughes, Council President
Shirley Craddick, Councilor, District 1
Carlotta Collette, Councilor, District 2
Craig Dirksen, Councilor, District 3
Kathryn Harrington, Councilor, District 4
Sam Chase, Councilor, District 5
Bob Stacey, Councilor, District 6

From: Brian Evans, Metro Auditor **BE**

Re: Audit of Oregon Zoo organizational culture

This report covers our audit of the Oregon Zoo's organizational culture. Culture audits explore the working environment through the perspective of employees. The purpose of this audit was to assess the Zoo's organizational culture by evaluating its ability to effectively manage and adapt to change. This audit was included in our FY2015-16 Audit Schedule.

Over the last several years, significant changes occurred at the Zoo. At the same time, there has been a trend of zoos evolving into conservation organizations. These changes presented opportunities, but they also presented challenges. Feedback from employees indicated that the Zoo faced challenges that went beyond any single event, employee or policy.

The Zoo made progress in developing guidance to advance its mission. However, we found it was still in the process of clarifying and prioritizing what it wants to accomplish in some areas. Few processes were in place to track and analyze information about recent changes to internal communications and management training. It will also be important to align resources, skills, and incentives to create meaningful change.

We have discussed our findings and recommendations with Scott Robinson, Interim General Manager of the Zoo; Don Moore, Zoo Director; Craig Stroud, Deputy Director of Operations; Sheri Horiszny, Deputy Director of Living Collections; Mitchell Jacover, Strategic Program Director; Heidi Rahn, Zoo Bond Program Director Manager; Grant Spickelmier, Education Curator; and Stephanie Cameron, Marketing and Communications Manager. A formal follow-up to this audit will be scheduled within 2 years. We would like to acknowledge and thank all of the management and staff who assisted us in completing this audit.

Table of Contents

Summary	1
Background	2
Scope and methodology	5
Results	6
• Organizational culture has been defined by change	6
• Continue to clarify vision and prioritize actions	7
• Assess results of recent changes	9
• Engage employees to learn from change	10
• Align resources, skills, and incentives with the Zoo's mission	12
Recommendations	16
Management response	17

Summary

We found the Zoo's organizational culture was defined by its changing operating environment. Over the last several years, significant changes occurred to the Zoo's campus, personnel, and relationship with Metro Council and the Oregon Zoo Foundation. At the same time, there has been a trend of zoos evolving into conservation organizations.

These changes presented opportunities, but they also presented challenges. Feedback from employees indicated that the Zoo faced challenges that went beyond any single event, employee or policy. Organizational culture is shaped by the experiences of its employees. It affects organizational success, and improving it can enhance value, productivity, and growth.

This audit of the Zoo's organizational culture was initiated to determine what was causing employee concerns. Culture audits explore the working environment through the perspective of employees. Unlike some audits that focus exclusively on hard controls, culture audits also focus on soft controls like trust, leadership and communication to identify opportunities for improvement.

The Zoo made progress in developing guidance to advance its mission. However, we found it was still in the process of clarifying and prioritizing what it wants to accomplish in some areas. Effective guidance provides clarity by creating a shared understanding about what needs to be done. It can also be used to prioritize actions.

Few processes were in place to track and analyze information about recent changes to internal communications and management training. When organizations lack processes to track and analyze information, they may struggle to adequately understand and address problems.

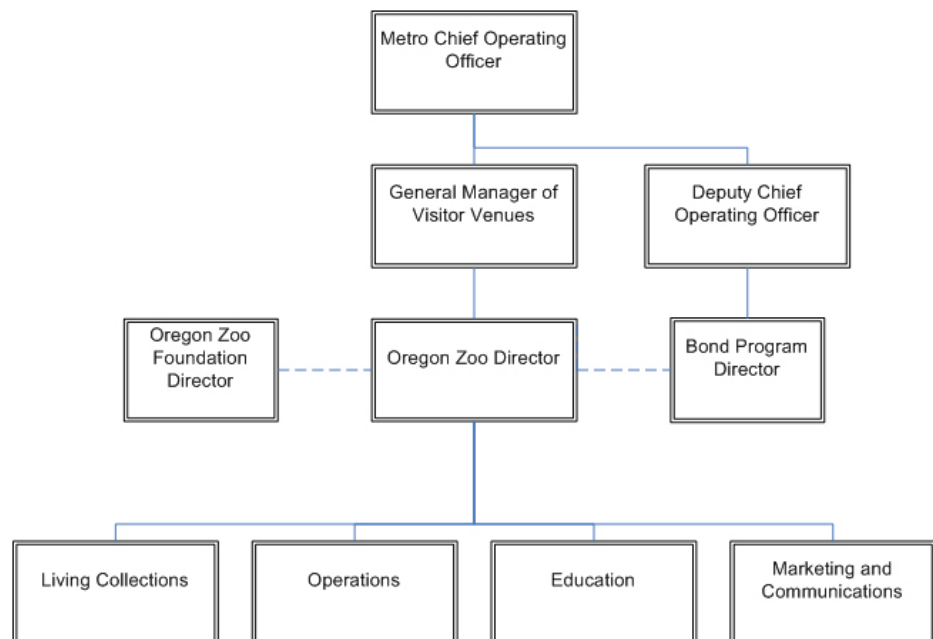
It will also be important to align resources, skills, and incentives to create meaningful change. These components will be important to address after improvements to the other components have been made.

Our recommendations to improve the Zoo's organizational culture focus on clarifying and prioritizing the Zoo's guidance in some areas, strengthening assessment of recent changes, and ensuring appropriate resources, skills and incentives are in place.

Background

The Oregon Zoo (Zoo) is owned and operated by Metro and receives charitable support from the Oregon Zoo Foundation, an independent nonprofit organization. It is managed by the Zoo Director, who reports to Metro's General Manager of Visitor Venues. Like Metro's other departments, the Zoo shares internal services, such as human resources, communications, and information services.

Exhibit 1 The Zoo is part of Metro and is organized into four major areas

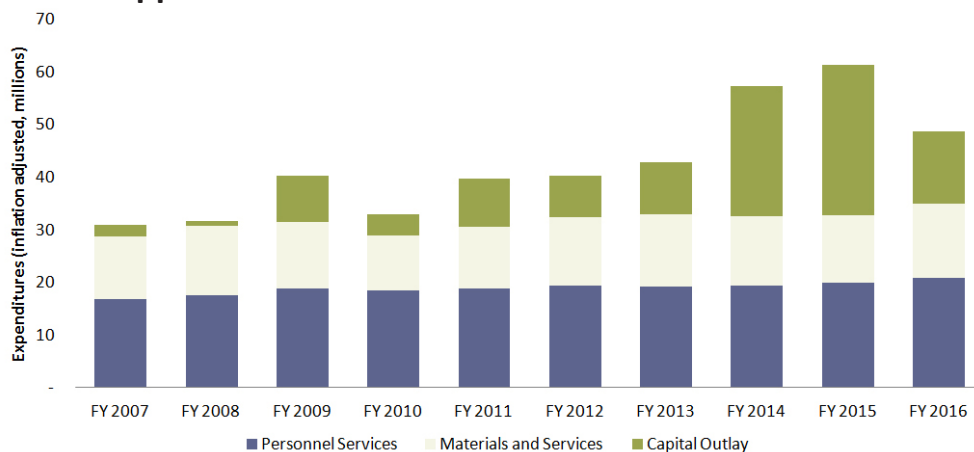


Source: Metro Auditor's Office analysis of Oregon Zoo organizational charts (2016).

The Zoo is accredited by the Association of Zoos and Aquariums (AZA), which sets standards for animal welfare, scientific education, and staff training. Standards are updated annually and reviews take place every five years. The AZA completed a special mentoring review of the Zoo in 2014. The mentoring team found that the Zoo had progressed from an informal organization to a more complex one that needed more formal practices and relationships. During the regular review the following year, the AZA accredited the Zoo through 2020.

Zoo employees are the largest part of Metro's workforce. In 2016, the Zoo relied on nearly 900 employees to deliver its programs and services. Operating expenditures in FY 2015-16 were about \$35 million and capital expenditures were about \$13.6 million. Most of the capital expenditures were from a voter-approved bond measure to improve animal welfare, increase conservation education, and conserve water. Over the past 10 years, operating expenditures increased by 22%, adjusted for inflation.

Exhibit 2 Most increases in capital expenditures resulted from a 2008 voter-approved bond measure



Source: Metro Auditor's Office analysis of PeopleSoft Data.

The Zoo is responsible for the lives of about 1,800 individual animals and over 1,000 plant species. About 1.5 million people visit the Zoo each year. Caring for animals and providing good visitor experiences requires the Zoo to be prepared to respond quickly to weather events, safety and emergency situations, and unexpected animal or customer needs at all times of the day.

In addition to managing day-to-day operations, the Zoo has experienced significant changes to its mission statement, personnel, facilities, and relationships with its partners. In 2012, the Zoo revised its mission to emphasize animal welfare, environmental literacy, and conservation science. It developed six strategic mandates to carry out the mission that were in line with a general trend among zoos to become conservation organizations.

1. Make animal welfare a guiding principle
2. Be conservation leaders
3. Educate and inspire our community
4. Implement phase one of the master plan
5. Further a culture of organizational excellence
6. Grow usable net resources to support our mission

There have been many personnel changes over the past several years. For example, the Zoo was under interim direction for about two years until the current director started in February 2016. There was also a vacancy in the Living Collections division for about one year until the Deputy Director started. Nearly every area of the Zoo's campus has been impacted by construction projects to improve exhibits and other infrastructure. In 2014, roles and responsibilities between the Zoo and the Oregon Zoo Foundation were clarified and in FY 2015-16, it moved to an enterprise fund to improve transparency and stability for long-term financial management. All of these changes have created a more formal work environment.

In a 2014 agency-wide survey, employees at the Zoo appeared less satisfied than employees in other Metro departments. Employees expressed lower opinions

of agency effectiveness and commitment, and communication and engagement. Their perceptions of collaboration within and between Zoo departments were very low.

In addition, about half of the reports made to Metro's Accountability Hotline in FY 2013-14 and FY 2014-15 were related to the Zoo. The reports identified a variety of concerns, including communication, compliance with policies and procedures, and management responsiveness to employees.

Feedback from employees indicated that the Zoo faced challenges that went beyond any single event, employee or policy. Organizational culture is shaped by the experiences of its employees. It affects organizational success, and improving it can enhance value, productivity, and growth.

This audit of the Zoo's organizational culture was initiated to determine what was causing employee concerns. Culture audits explore the working environment through the perspective of employees. Unlike some audits that focus exclusively on hard controls, culture audits also focus on soft controls like trust, leadership and communication to identify opportunities for improvement.

Exhibit 3 Culture audits assess both soft and hard controls

Soft Controls (Cultural)	Hard Controls (Traditional)
<ul style="list-style-type: none">• Trust• Leadership• Expectations• Values• Standards	<ul style="list-style-type: none">• Code of Ethics• Rules & Regulations• Written Policies & Procedures• Organizational Structure• Defined Roles & Responsibilities

Source: Institute of Internal Auditors (2016).

Scope and methodology

The purpose of this audit was to assess the Zoo's organizational culture by evaluating its ability to effectively manage and adapt to change. Specific audit objectives were to determine:

- If there was adequate guidance in place to align activities with the Zoo's mission.
- If the Zoo had taken steps to align its organizational structure with its mission.
- If the Zoo had processes in place to learn from recent changes.

To meet our objectives, we reviewed outside audits and literature related to organizational culture. Topics included human capital management, change management, leadership, organizational structure, communication, and qualities of learning organizations. We also looked at tools used to analyze culture, such as surveys and assessment criteria. We reviewed employee feedback from multiple sources and hotline reports to identify potential trends in concerns or comments about the culture.

To learn more about the work environment, opportunities for improvement, and recent changes, we interviewed Zoo management at various levels. We also spoke with Metro management, Council members, and representatives from the Oregon Zoo Foundation, and we attended all-staff meetings.

We reviewed management reports, planning documents, and the Zoo's external and internal websites to learn more about operations. To determine if there was guidance in place, we reviewed animal welfare, environmental literacy, and conservation and research documents. To determine if the Zoo had learning processes in place, we selected three changes the Zoo had made and compared practices to management expertise.

This audit was included in the FY 2016-17 audit schedule. 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.

Results

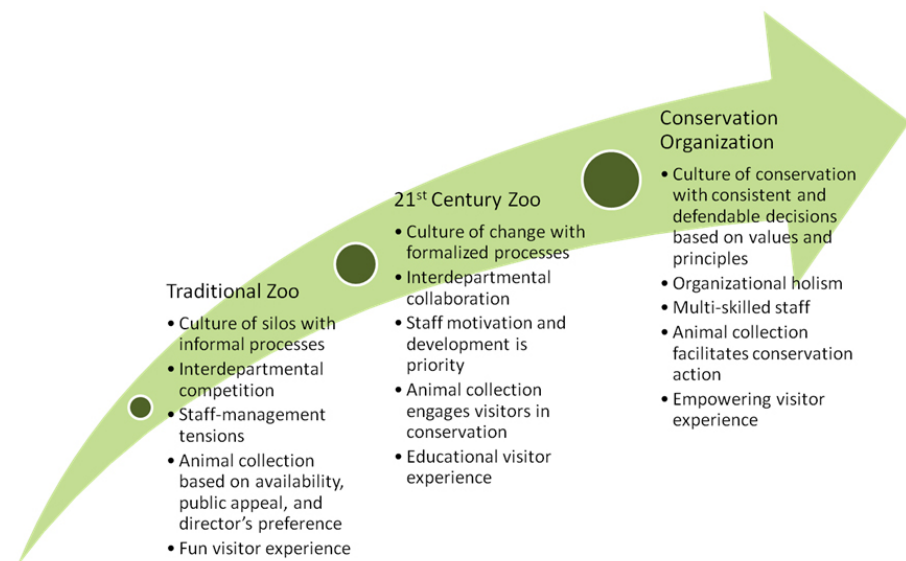
An organization's culture is determined by the behaviors, processes and attitudes of its employees and external partners. In recent years, changes to the Zoo's physical environment, leadership and mission have had an effect on Zoo culture. We found that progress was made to address some of the negative outcomes that can result from change, but additional work was needed to:

- Clarify conservation priorities and incorporate them into day-to-day activities and strategic decisions.
- Assess and learn from recent changes to determine if they addressed root causes.
- Engage employees to get input about the effectiveness of recent changes.
- Align resources, skills and incentives after prioritizing actions to meet the Zoo's mission.

Organizational culture has been defined by change

We found the Zoo's organizational culture was defined by its changing operating environment. Over the last several years, significant changes occurred to the Zoo's campus, personnel, and relationship with Metro Council and the Oregon Zoo Foundation. At the same time, there has been a trend of zoos evolving into conservation organizations. Increasing focus on conservation underlined the importance of educating and empowering visitors, and made animal welfare essential to success.

Exhibit 4 Conservation is an increasing focus as zoos evolve



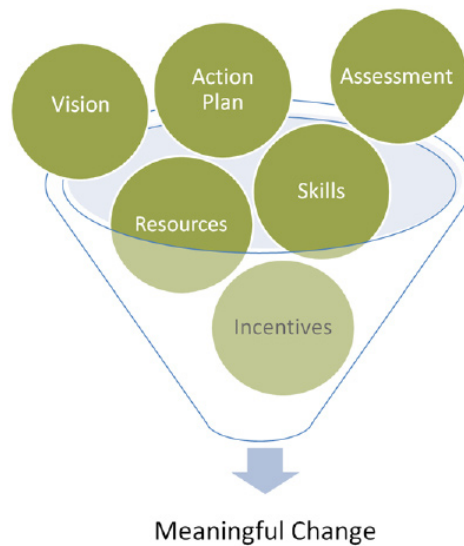
Source: Metro Auditor's Office adaptation of Zoos Victoria 2009-29 Strategic Plan.

Changes presented opportunities, but they also presented challenges for management and staff. Some employees reported that they have been working in a constant state of flux. They were hopeful new leadership would bring stability

and unity, but expressed confusion and uncertainty about the Zoo's direction and future changes.

One model suggests meaningful change results from having critical components in place. If any of them are missing, there is a decreased chance of success and negative outcomes can result. For example, unclear vision or insufficient resources may lead to confusion and frustration. Without assessment, results are unknown and learning cannot occur.

Exhibit 5 Meaningful change requires critical components



Source: Metro Auditor's Office adaptation of Delorese Ambrose, Ed.D.'s model for managing change (1987).

Using this model, we determined that there were ways to avoid the unintended consequences of change by making improvements in three of the components. While all of the components are critical for meaningful change, the vision, action plan, and assessment should be prioritized. Determining appropriate resources, skills, and incentives will depend on what the Zoo is trying to accomplish, its course of action, and how it measures success.

Leadership and communication is also necessary to realize the Zoo's vision. There is potential for leadership at all levels of the organization. Communicating how, when, and why changes are occurring can help everyone understand what is happening. Ensuring all employees are engaged can help the Zoo identify opportunities for improvement and increase the likelihood of meaningful change.

Continue to clarify vision and prioritize actions

Some employee comments reflected concerns and confusion about how the Zoo was going to carry out its mission. Some questioned whether the Zoo was walking its talk. Conflicts may occur when there is a gap between what an organization says it believes and what it does. This was identified as a particular challenge for zoos as they evolve into conservation organizations.

Lack of clear vision to implement change can create confusion. Different interpretations could result in conflicting actions and unmet expectations. This

risk is especially relevant to the Zoo, since people have different ideas about what conservation looks like.

To assess two components of change (vision and action plan), we determined whether there was guidance in place to advance the Zoo's mission. The Zoo made progress in developing guidance. However, we found it was still in the process of clarifying and prioritizing what it wants to accomplish. Effective guidance provides clarity by creating a shared understanding about what needs to be done. It can also be used to prioritize actions.

In 2012, the Zoo revised its mission to reflect its commitment to advancing the highest level of animal welfare, environmental literacy, and conservation science. It made progress in developing guidance to help employees understand what was expected in each area. For example, an animal welfare committee and conservation action team were established. A research strategy was put into place and a framework was developed for education programs. Some processes were formalized to guide decisions about animal well-being. Several Zoo employees are involved in professional organizations that help identify best practices.

However, we found a key piece of guidance was in development. At the time of our review, the Zoo was in the process of defining and creating a shared understanding of conservation. This process was expected to result in an integrated conservation action plan (ICAP).

The ICAP is anticipated to be the primary framework for implementing the Zoo's mission including establishing educational messages, and setting priorities for conservation and the Zoo's animal collection. Using the ICAP for these purposes would represent a major step in the Zoo's evolution to a conservation organization. Traditionally, zoo leaders have based those decisions on their personal interests and expertise.

Exhibit 6 The Zoo originally acquired penguins in 1957 as a result of director-led expeditions



Source: Oregon Zoo Foundation (2013).

Some employees expected the plan to provide clarity and prioritization for future programming. Because the plan is likely to be a key part of the Zoo's evolution, it will be important to ensure that it is finalized and meets expectations.

The Zoo also developed a strategic plan and six mandates to help carry out its mission. Strategic plans vary in format. According to the Government Finance Officers Association, they flow from the mission statement down to specific actions. In between are a small number of long-range goals that should span the duration of the strategic plan.

In 2012, a consultant was hired to help the Zoo develop a five-year strategic plan. The consultant's work included goals that covered the first year of the plan as well as longer-term goals. In 2015, a limited duration position was created to coordinate and implement the plan. Progress was made in clarifying the strategic plan since that time. The Zoo identified over 100 actions, known internally as SMART goals, to be more inclusive to all parts of the organization. There was value and insight gained from this process. The actions were updated annually, so they had the potential to change throughout the duration of the strategic plan.

While the SMART goals outlined Zoo-wide actions to implement the plan, it was not clear how they aligned with the previously developed long-term goals. Aligning the actions with longer-term goals was important because there is complexity built into the mandates that support the Zoo's mission, and limited resources to implement them. As a result, actions to carry them out could vary depending on the Zoo's priorities. Including a small number of long-term goals would further align the Zoo's strategic plan with best practices to ensure actions are prioritized, coordinated, and consistent over the life of the strategic plan.

Assess results of recent changes

To determine if the Zoo was assessing results of recent changes, we reviewed its learning processes. Improving internal communications and management training at the Zoo has been a priority. We looked at recent changes in those areas to see if the Zoo had processes to learn from them.

Few processes were in place to track and analyze information about recent changes to internal communications and management training. The Zoo lacked formal systems to gather and sort feedback about its internal website, all-staff meetings, and a coaching course introduced in 2016.

When organizations lack processes to track and analyze information, they may struggle to adequately understand and address problems. Solutions may not be sufficient or appropriate if organizations do not analyze the root cause. If trends are not tracked, organizations may have trouble justifying further changes or linking successes to their results.

Feedback and suggestions for changes to the Zoo's internal website (Zoogole) were not tracked or analyzed systematically. For example, animal updates were shared to improve the quality of information on Zoogole, but there was no formal process to determine if changes had the desired effect. Users could email the help desk if they encountered an issue or wanted to report an item that needed fixing, but there was no way to identify common trends and prioritize the issues of greatest importance. If issues were tracked and analyzed, patterns could be detected to determine the effectiveness of web content.

Management also made efforts to increase attendance at all-staff meetings. Meetings were renamed as town halls to appear less formal, and refreshments were offered to entice employees. Meeting days were rotated to accommodate variation in employee schedules. In addition, more employees were invited to deliver updates and share stories about their work. However, feedback from employees was not formally gathered to evaluate the effectiveness of those efforts.

All-staff meeting attendance was informally gauged, so managers had different perceptions and expectations of attendance. While some barriers were addressed, there may be other factors affecting attendance. For example, several recent meetings were not posted to the Zoogoogle calendar. Management was considering offering additional incentives to help motivate employees to attend. Better understanding of the factors contributing to attendance could help management increase it.

Similarly, assessment of the effectiveness of the coaching course was underdeveloped. Participants did not have an opportunity to evaluate the course after they completed it. Gathering that feedback would help refine the course to make sure it addressed managers' needs. More structured assessment was also needed to determine if participants were putting the training into action. Creating a way to assess training outcomes would increase the chances that lessons were learned so that improvements are sustained.

Engage employees to learn from change

We saw signs of ineffective communication and low engagement among some employees. Without sufficient input from employees about the effectiveness of changes, the Zoo will not know what works for them. The Zoo lacked an internal communications plan and faced barriers to communicate with its workforce. When internal communication is unclear or insufficient, employees may become dissatisfied and disconnected from change initiatives.

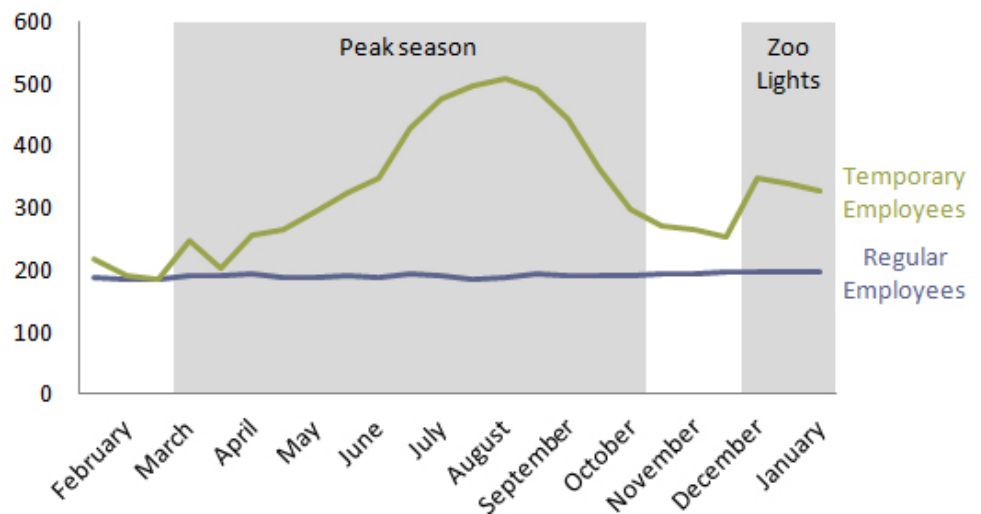
A plan to communicate policy changes was identified as a priority by Zoo managers and employees in 2014. The Zoo was drafting a guide to planning and decision-making that was expected in 2016. However, the draft plan did not specify how decisions would be communicated to employees.

During the audit, there were examples that raised concerns about the effectiveness of internal communications. For example, employees were not notified that the Zoo had discontinued a particular form of emergency communication. Some managers indicated information did not flow effectively from above and some experienced challenges communicating with temporary employees.

About three quarters of Zoo employees are temporary. Management acknowledged that temporary employees made up a significant portion of the Zoo's workforce, and that seasonal employment was part of the Zoo's business model. Management also stated that they were still trying to figure out the best way to reach them. Challenges to effective communication included:

- **Some temporary employees were shared between departments.** This arrangement had the potential to confuse responsibility for communication among managers.
- **The number of temporary employees varied by season.** This pattern created large shifts in demand for communication, which could be difficult to handle if managers did not plan for it.
- **Some temporary employees return to the Zoo every year, while others do not.** Varying experience among temporary employees required different levels of communication.

Exhibit 7 Temporary employment varied by season

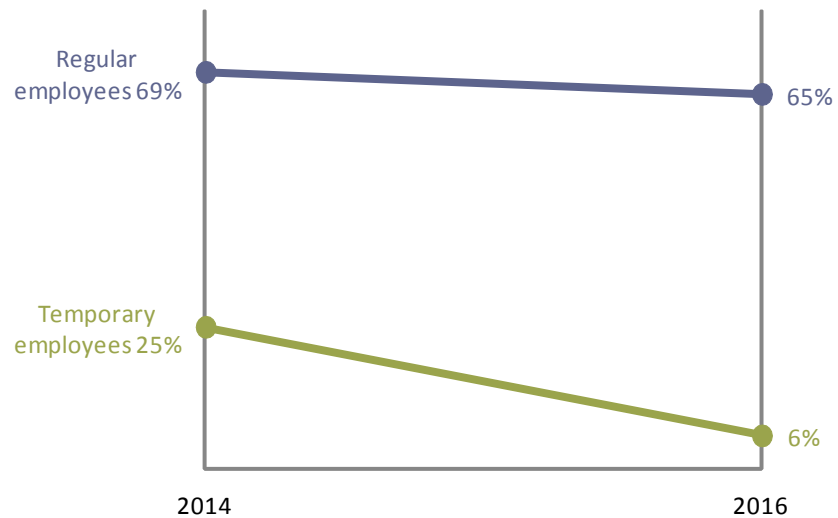


Source: Metro Auditor's Office analysis of PeopleSoft data (2015).

Even when internal communications were provided, employees experienced barriers to access it. Some employees, including temporary workers, did not have designated time or email accounts to receive information. Others could only access it through shared devices. The nature of some positions also prevented staff from easily communicating with their supervisors. For example, selling tickets to customers does not allow for face-to-face communication with managers while on the job.

Recent employee survey participation showed continued challenges in reaching temporary employees. In June 2014, employees were invited to take a survey on issues affecting the Zoo. In February 2016, the effort was repeated to determine progress. Regular employee participation was relatively consistent from 2014 to 2016, but participation among temporary employees fell from 25% to 6%.

Exhibit 8 Survey participation dropped more among temporary employees than regular employees



Source: Metro Auditor's Office analysis of Oregon Zoo employee survey and PeopleSoft data

As a result, the 2014 and 2016 survey results may not be comparable. Low temporary employee participation in 2016 means their opinions were underrepresented, compared to 2014. In addition, the surveys were conducted at different times of year, which could impact results. Evaluation of progress over time would be enhanced by conducting surveys during the same time of year and with similar rates of participation between employee groups.

Align resources, skills, and incentives with the Zoo's mission

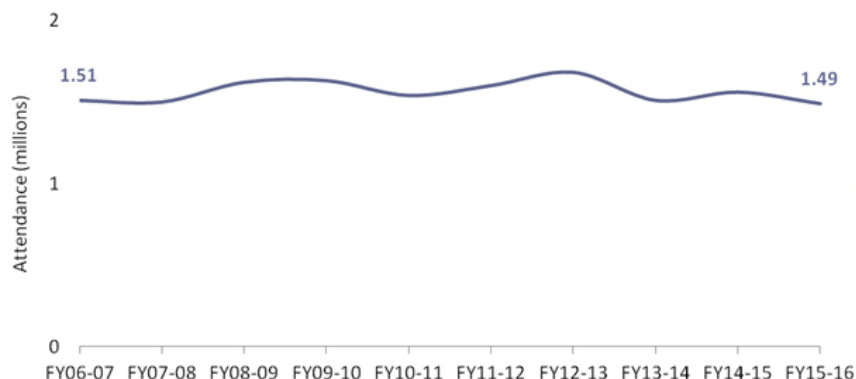
Financial resources

It will also be important to align resources, skills, and incentives to create meaningful change. These components of change will be important to address after improvements to the other components have been made.

The appropriateness of an organization's financial resources depends on what it is trying to accomplish. Once the Zoo clarifies its vision for change, it will be in a position to identify the necessary resources to realize it. Formalizing long-term strategies to fund the mission is one way the Zoo can do this.

The Zoo's budget is sensitive to changes. It is impacted by animal emergencies, weather, and rising personnel costs. Increasing attendance has been one way to increase revenue. Trends in attendance indicate that strategy may not be sufficient in the future. There has been little variation in attendance over the past 10 years, and expectations for growth are low.

Exhibit 9 Zoo attendance has been relatively consistent over the last ten years



Source: Metro Auditor's Office analysis of Oregon Zoo data.

The Zoo identified the need to grow net resources to fund its mission. This means increasing revenue, improving efficiencies, and focusing on efforts that best support the mission. It has taken several steps to do this. However, a long-term financial plan had not been established.

Long-term financial planning is a best practice. It can help focus efforts, identify potentially conflicting priorities, and guide decisions. It could also help employees understand the link between resource decisions and the mission.

Some employees expressed concerns about the Zoo's ability to fund its mission. Recognizing that there may not be enough funding to implement everything the Zoo wants to do, it will be important to formalize financial strategies. Without long-term strategies, efforts to implement the mission may compete with each other, or be perceived to be at cross-purposes. For example, increasing gift shop or food revenue could potentially conflict with reducing the Zoo's carbon footprint. Some efforts to fund the mission require investment, which may give the impression that certain activities are more important than others. These represent some of the difficult financial decisions that can create tension among employees.

Human resources

Some managers also raised concerns about how the Zoo was structured, and whether lines of reporting were appropriate. They felt roles and responsibilities and differences between job classifications could be clarified. Classification and compensation studies are one way to address these issues. They can provide comparisons to other zoos and evaluate job duties among similar positions throughout the organization.

We sought to determine whether the Zoo had aligned its organizational structure with its mission. We found the Zoo had taken steps to evaluate the organizational structure, but clarification of what the Zoo wants to accomplish may lead to additional changes and require further review. For example, as the Zoo becomes a conservation organization, it may consider having a direct line of reporting from conservation to the Zoo Director.

The Zoo made some changes to its organizational structure. It forecasted staffing needs and converted some positions from temporary to permanent. It filled key leadership positions and worked to improve its relationship with Metro.

The Zoo created two limited duration positions to manage its strategic plan and coordinate conservation action efforts. While these positions reflect an increased commitment to developing and implementing the Zoo's strategies, organizational change is a long-term endeavor that requires ongoing attention. Without stable funding or commitment, there is a risk that change efforts will not provide the desired results.

The Zoo will require new resources as it matures. More formal processes can increase workload. It should ensure classification is appropriate and equitable, given changing expectations. It should also make sure duties are uniform across the Zoo among positions of the same classification.

Skills Opportunities exist to learn and develop new skills as the Zoo becomes more sophisticated. Employees are more likely to successfully adapt to change if they possess the required skills. If not, they may become anxious about what is expected of them. As the Zoo adapts to change, it should assess the skills needed to be successful.

When systems and strategies are in place and employees are able to implement them, they can create capacity for long-term improvement and enhance customer satisfaction. We found the Zoo's evolution required more specialized skills that could result in skill gaps if not addressed.

Zoo operations were becoming more sophisticated. For example, new buildings on the Zoo's campus were designed to use resources more efficiently, and information systems were expected to streamline business processes. Responsibilities also grew as the Zoo matured. Some tasks were shifted from volunteers to staff and administrative duties increased based on legal and financial obligations. Animal keepers were expected to serve as habitat managers, as well as trainers.

The Zoo identified the need for more technical knowledge. We also heard negative experiences using the Zoo's new technology and observed some resistance to meeting increased expectations. We heard that more training was needed to take on the Zoo's equity work and meet safety requirements. To stay on top of changing infrastructure and fulfill expanding roles, the Zoo should ensure it has the necessary skills.

Incentives Investing in employees is a common hurdle organizations must overcome to create meaningful change. Once the Zoo identifies required skills, it will need to better understand what motivates employees.

Change initiatives may focus on developing capacity or using economic incentives. Those that rely too heavily on rewards may miss opportunities to address other barriers that would generate buy-in. We found the Zoo was attempting to invest in its employees in various ways, but had limited knowledge

of the effectiveness of those efforts. We learned that some activities designed to motivate employees were impractical for some to attend and that the Zoo could do more to understand how best to recognize staff.

We learned that some enrichment activities were difficult for some employees to attend. For example, Lunch & Learns to educate staff on a variety of topics conflicted with some work schedules. The hour-long presentations competed with break time for some staff, posing a barrier to participation.

Similarly, staff barbecues and the soft opening of ZooLights were cited by management as ways to bring employees together. But they were also used to test services, which could give employees the impression that bringing them together was not the primary purpose of those events. Lunchtime and evening events to build community may have the opposite effect if they create more work for Zoo employees or infringe on unpaid time.

We heard that activities for employees who work directly with Zoo visitors could be improved, and that those employees could be better acknowledged for the work they do. As the Zoo evolves into a conservation organization, it should ensure that all employees, especially those who interact with guests, are inspired to spread the Zoo's conservation message.

The Zoo had a program to recognize employees for demonstrating Metro values or the strategic mandates. Individuals and teams were nominated by management and entered to win gift certificates. Nominees were announced at all-staff meetings and on Zoogoogle, but not all employees could access those communications, so they may miss out on this recognition.

If employees do not feel connected with the Zoo's mission, even well-designed changes can slow down or stop. Once the Zoo establishes reliable communication with all employees, it should confirm what motivates them to implement change.

Recommendations

To clarify its vision and prioritize its actions, the Zoo should:

1. Use the integrated conservation action plan to implement its conservation mission.
2. Identify and integrate a small number of long-term goals to align the strategic mandates with specific actions.

To strengthen the Zoo's ability to learn from change, it should:

3. Develop processes to assess the results of change, including internal communications and management training.
4. Develop and implement an internal communications plan that facilitates engagement with all employees.

To ensure appropriate resources, skills and incentives:

5. Formalize short- and long-term financial strategies.
6. Continue to assess and align the Zoo's organizational structure.
7. Ensure job classifications are appropriate across the Zoo given changing responsibilities.
8. Assess skills necessary to meet the Zoo's mission and address any identified gaps.
9. Evaluate opportunities to motivate and recognize employees.

Management response

Date: February 14, 2017
To: Brian Evans, Metro Auditor
From: Dr. Don Moore, Director, Oregon Zoo
Subject: **MANAGEMENT RESPONSE TO 2016 ORGANIZATIONAL CULTURE AUDIT**

Thank you for the opportunity to respond to your recent audit of Oregon Zoo's Organizational Culture. We appreciate the time and effort expended by you and your staff. Your report captures much of the complexity of operating a zoo, especially in times of significant growth and change. The report offers useful recommendations for continuing to improve employee engagement and successfully manage change. We appreciate receiving candid feedback — even if it is sometimes critical — and believe it provides valuable insight into our culture and operating environment.

While the report focuses on recommendations for improvement, we think it is important to note some significant accomplishments that were not highlighted. These accomplishments are the result of effective processes and management practices — and are all the more impressive when you consider that the planning and implementation of each occurred during a time of major organizational change, as well as physical change on the zoo campus.

Survey results show improvements in staff morale

Our staff is our greatest resource, and we strive to create an environment where all staff members and volunteers feel safe, feel like they belong, and feel that they matter. As noted in the report, the zoo conducted two staff surveys: one in July 2014, and a second in February 2016, which was intended to provide the zoo's new director with current information.

The 2016 survey revealed significant improvements in the tone of staff comments and in the ranking of concerns, compared with the 2014 survey results. We believe these improvements indicate progress made to improve employee engagement. In 2016, concerns about trust, support, and respect from management went from being the top-ranked concern of staff to twelfth in concern. Concerns about temporary status fell from second to thirteenth, and concerns about employee morale fell to number fifteen of all concerns.

Zoo management attributes these improvements to a number of initiatives and actions:

- Recruitment of a new zoo director.
- Improved orientation and training materials for new hires Management training focused on coaching, and development and informational sessions about financial and budget processes.
- Improved internal communications, including the distribution of division newsletters and information kiosks in employee break rooms.
- Our Zoonited team was given more focus and responsibility for acknowledging staff and creating zoo-wide team-building events. These team-building events facilitate trust and better communication across teams.
- Zoo all-staff meetings (now called “Town Halls”) changed in scope of information delivery

- so they are more inclusive, informative and emphasize acknowledgement.
- Increase in the number of staff responsible for developing and meeting strategic planning goals.

Successful completion of bond-funded projects

In March 2017, the zoo will open its new Education Center, the sixth of eight major capital projects approved by voters in the 2008 zoo bond measure. The Education Center is expected to achieve certification for Leadership in Energy and Environmental Design (LEED) and will become a regional hub for conservation education.

Other completed projects include a LEED Gold-certified, state-of-the-art Veterinary Medical Center; a filtration upgrade that reduces water usage at our penguin habitat by more than 80 percent; Condors of the Columbia, a habitat informing visitors about efforts to recover North America's largest bird; and Elephant Lands — a world-class, LEED Gold-certified habitat that provides our Asian elephant family with a home where they can thrive. Elephant Lands was named Project of the Year by the Daily Journal of Commerce among a field of 95 finalists; it also earned the top award for public projects and runner-up honors for the DJC's first-ever People's Choice Award.

All of these projects were completed on time and on budget. Completing six major construction projects consecutively, while remaining open to visitors, is no small feat. Throughout the planning process, we were able to repeatedly reinforce our vision and our mission by engaging staff across all divisions in project planning.

By choosing thoughtful and innovative solutions, the zoo found ways to balance existing operations and new construction without losing sight of our vision (why we are here) and our mission and strategic mandates (what we are here to do). When the zoo completes the last bond project, 40 percent of the zoo campus will have been transformed so that Oregon Zoo will remain one of the world's leading modern zoos. As you can imagine, a physical transformation of this magnitude has presented challenges to most, if not all, of our staff in their daily work. We are very proud of our efforts and resulting success.

Accreditation shows a high standard of animal welfare, professionalism and organizational culture

In September 2015, Oregon Zoo was re-accredited by the Association of Zoos and Aquariums. "The Association of Zoos and Aquariums only accredits zoos and aquariums that meet the highest standards in animal care and welfare," said AZA president and CEO Jim Maddy. "When people visit the Oregon Zoo, they can be assured that they are supporting a facility that is a leader in the care and conservation of wildlife." Prior to the 2015 re-accreditation, the Oregon Zoo was recognized with six of the association's major awards: three for conservation work on behalf of endangered species, two for marketing excellence, and another for environmental efforts in the zoo's day-to-day operations. "Winning six AZA awards over the span of five years is an incredible accomplishment," Maddy said. "Oregonians can be very proud of their zoo — it's regarded as among the top zoos in the country."

Visitor surveys show that the zoo continues to exceed public expectations

The Oregon Zoo is committed to providing visitors with a high-quality experience. Exceeding the expectations of more than 1.5 million people a year — providing a safe, comfortable and inspiring experience — is a huge undertaking, even without major construction underway. To assess visitor satisfaction, the zoo engages an independent research firm, Pivot Group.

In the firm's most recent survey, conducted in summer 2016, 95 percent of visitors said the zoo met or exceeded their expectations. Visitors who said the zoo exceeded their expectations increased by 12 percent over 2015. According to Pivot Group, the Oregon Zoo scores higher than similar organizations surveyed. Key indicators from the survey are used to inform all areas of the visitor experience. In our continued effort to keep staff engaged and informed, survey results were shared with the entire staff at a Town Hall meeting and posted to the zoo's intranet.

We agree there are opportunities to improve change management and employee engagement, and appreciate the recommendations of this audit. The zoo has a critical mission, a compassionate and skilled team, and a supportive community. We believe the Oregon Zoo is positioned to continue this positive trajectory and to enjoy continued success.

Our responses to the report's specific recommendations are:

To clarify its vision and prioritize its actions, the Zoo should:

Recommendation 1 – Use the integrated conservation action plan to implement its conservation mission.

We agree that using an integrated conservation action plan will support achieving our mission. We are developing that innovative plan and are in the initial framework stage. As the plan develops, it will focus and support the zoo's decision-making and coordination of conservation activities across all zoo divisions. We will share the plan with staff as it develops.

Recommendation 2 – Identify and integrate a small number of long-term goals to align the strategic mandates with specific actions.

The zoo is entering the final years of its current five-year strategic plan. In developing the successor plan, the zoo will consider how to best align long-term goals with specific actions.

To strengthen the Zoo's ability to learn from change, it should:

Recommendation 3 – Develop processes to assess the results of change, including internal communications and management training.

We agree that gathering adequate data and feedback helps focus and affirm the effectiveness of change. The resources put into gathering that information must be balanced against resource availability and the costs and benefits of assessment. We believe the comprehensive staff survey tool that we have used the past two years is effective at soliciting representative staff feedback for our purposes. In addition we trained most zoo managers on employee engagement and coaching tactics, which also will help with communications.

Recommendation 4 – Develop and implement an internal communications plan that facilitates engagement with all employees.

The zoo is staffed 24 hours a day, seven days a week. The seasonality of visitation creates significant variations in staffing numbers between different months of the year and days of week. This reality creates inherent challenges to scheduling all-staff gatherings and other face-to-face engagement opportunities. We believe the strategic steps already taken to improve employee engagement, communication and training are generating significant and positive results. We will continue to monitor the impact of these efforts and implement additional steps as warranted.

To ensure appropriate resources, skills and incentives:

Recommendation 5 – Formalize short- and long-term financial strategies.

We agree with the importance of having solid financial strategies. Like any organization that must balance resources with expenses, the zoo actively forecasts operating assumptions and modifies activities. These assumptions are used to prepare an annual five-year forecast of revenues and expenses that informs current-year budget development. The forecast accounts for all known impacts that may affect revenues or expenses, including admission-price adjustments; changes to on-grounds food, beverage or service offerings; minimum wage increases; and retirement-contribution rate changes. Significant recent examples include the effect of bond construction on the visitor experience and the modification or closure of offerings such as restaurants, the zoo train and the concert series. We also estimate attendance levels based on historic trends and adjust the assumption for changing campus conditions and offerings. These known or estimated impacts are communicated internally and with our partner, the Oregon Zoo Foundation. We have successfully gauged and responded to these many variables and grown resources each year to support increasing expenses and program activities. We will continue to perform robust financial planning to ensure our ability to focus resources on our important mission activities.

Recommendation 6 – Continue to assess and align the Zoo’s organizational structure.

We agree that the zoo’s organizational structure is a foundational element to delivering the best possible zoo mission outcomes. We will continue to align staff and programs to the individuals and teams we believe will achieve the greatest outcomes.

Recommendation 7 – Ensure job classifications are appropriate across the Zoo given changing responsibilities.

We agree with this recommendation and, as necessary, will undertake appropriate classification assessments per our human resources policies and union agreements.

Recommendation 8 – Assess skills necessary to meet the Zoo’s mission and address any identified gaps.

We agree and this has been, and will continue to be, an ongoing effort. As we continue to integrate our conservation activities across the zoo’s divisions, we expect to identify resource gaps or needed skills. We will approach filling those gaps or acquiring those skills using a comprehensive and focused organizational development approach.

Recommendation 9 – Evaluate opportunities to motivate and recognize employees.

We agree. We will continue to engage our employees through initiatives and efforts to motivate performance and recognize their good work. For example, in the past few years we have completely revamped our on-boarding and training programs for temporary guest services staff (more than 1,000 employees annually) to ensure that team members feel prepared for and excited about their work. We launched a staff “kudos program” that recognizes employee contributions. We trained most zoo managers on employee engagement and positive coaching tactics. We are excited about these motivational actions and will continue to build upon them.



Office of the Metro Auditor
600 NE Grand Avenue
Portland, Oregon 97232
503-797-1892
www.oregonmetro.gov