

Oregon Department of Education, Office of the Internal Auditor  
Final report: Program evaluation of the Legal and Compliance Unit of the Office of Child Care, Early Learning System

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Senior ELS management readily responded to most observations and recommendations brought to their attention during the project, including: the need for staffing increments; impacts to effectiveness from organizational culture differences; information technology opportunities and challenges; and implications of organizational structure and culture for managing the Unit.

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**SWOT analysis (strengths, weaknesses, opportunities, threats)**

**Strengths**

- The LCU manager and ELS management have implemented an organizational structure and culture that conforms to best practices for achieving high reliability;
- The LCU manager and staff are highly-skilled and dedicated professionals with: a committed to quality, the capacity for reflective thinking (i.e. the *learning organization* model), perseverance, and willingness to bear often heart-wrenching information;
- ELS senior management is committed to program quality;
- ODE & ELS senior management are committed to the “*learning organization*” model;

**Weaknesses**

- In recent years the LCU generally has functioned outside of the safe operating range, due to factors outside the Unit’s control;
- The project found contrasting organizational cultures between the LCU and the Licensing unit;
- Workload levels have created pressure to be more efficient, risking less-reliable decisions;
- Program effectiveness is challenged by frequent staff turnover among assistant attorneys general and changing standards from Administrative Law Judges;
- State rules and statute may constrain strong responses to risky circumstances, including the loss of the non-OAR emergency suspension;
- Significant influences on the capacity to prevent harm are outside the control of the LCU;
- Three sources of potential failure are endemic to LCU operations:
  - Available information is often insufficient for supporting reliable decision-making;
  - Incorrect conclusions can be drawn as a result of innate or environmental biases;

**Opportunities**

- Administrative rules and statute can be modified to strengthen and clarify response options;
- Senior management has provided additional staffing to manage workload;
- The Licensing unit can implement the *learning organization* model to increase the reliability of its activities;
- The in-process computer system implementation has the potential to improve efficiency, relieving operations stress;

**Threats (current and potential)**

- Inadequate post-reorganization support of LCU staff may damage the *learning organizational* structure and culture within the LCU. If this occurs, the result will be significantly-increased probability of harm to children in child care;
- Trust between senior ELS management and the LCU is a crucial component of program success;
- In the near future, federal & State mandated changes will increase workload for all Office of Child Care units (Legal and Compliance, Licensing, and Background Checks).
- Poor design or implementation of the new computer system may constrain workflow and program effectiveness;
- The nature of work performed creates vulnerability to Secondary Traumatic Stress;
- Quality of results can be impacted by factors outside of the control of the LCU;
- Conflicted organizational culture differences between the LCU and the Licensing unit will continue to threaten program effectiveness, if not attended to;

**Summary of major findings**

(See each report section for details, especially regarding implications for managing the LCU)

Report Section II. Organizational structure and culture conform to industry best-practices, however post-reorganization support for staff, and additional staff, should be provided

- Topics:
- Appropriate organizational structure and culture have been established in the LCU
  - Post-reorganization support for staff should be provided
  - Understaffing jeopardizes program outcomes

Item: Maintain and strengthen organizational factors that promote prevention and detection of harm to children in child care facilities.

Risk: Highest

Priority: Highest

Purpose: Research has found that organizational structure and culture are the most significant factors for achieving *high-reliability*.

Summary of findings: The manager of the Legal and Compliance unit has established an optimal organizational structure and culture that conforms to best practices, to achieve highly-reliable outcomes under conditions of ambiguity. However, these practices may be compromised by a number of threats. The LCU functions as a *learning organization* founded on standards and guidelines, and implements thoughtful decisions based on the expertise and judgment of personnel. The LCU manager has established a culture that promotes collaboration to draw on co-workers' expertise, and that values program outcomes rather than either personal advancement or advancement of the Unit. ELS management has continued the structure and culture established by the LCU manager. Together these promote successful outcomes more than innovation or efficiency.

Section III. Organizational culture differences, and unclear role boundaries between key stakeholders, challenge efforts to manage child care risk

Item: Maintain and strengthen organizational factors that promote highly-reliable program outcomes.

Risk: High

Priority: Highest

Purpose: Determine the extent to which organizational cultural differences, between the LCU and key stakeholders, promote or challenge the management of child care health and safety risk.

Summary of findings: Peer-reviewed research offers important guidance for managers who must be cognizant of differences in organizational culture. There are differences in culture between the LCU and ELS management, and between the LCU and the Licensing units. Unclear roles between key stakeholders may impair the capacity to reduce child harm, and may also degrade efficiency.

Section IV. Decision making in the LCU conforms to industry best practices, the LU should implement a learning organization model to achieve high-reliability

Item: Assess the adequacy of decision-making processes, particularly the degree of standardization and consistency.

Risk: Highest

Priority: Highest

Purpose: The purpose of this project objective was to assess the effectiveness and consistency of the LCU's decisions that concluded on: the veracity of allegations; the degree of risk presented by allegations, valid complaints, and background check problems; and the actions and sanctions taken in response to these and other instances of harm.

Summary of findings: The *learning organization* model implemented in the LCU has achieved highly-reliable decision-making outcomes. The Licensing unit (LU) was the source for instances of inconsistent or weak decision-making concerns identified by this project. Due to the elevated risk of failure to identify, prevent, and adequately respond to child harm risk that results therefrom, ELS management should give a high priority to the development of a *high-reliability learning* model in the Licensing unit. The LCU manager and senior staff have extensive experience implementing this model in the LCU, and are the logical choice to manage this development.

Section V. Institute policies and practices derived from accident investigations and safety engineering research

Item: Due to gradual changes that have accumulated over time, the child care oversight program operates outside of the safe operating range for achieving its mission.

Risk: Highest

Priority: High

Purpose: Explicate a significant source of risk to achieving a healthy and safe child care environment.

Summary of findings: The child care oversight program functions outside of the zone of safe operations. This condition results from incremental known and unknown changes that occurred over a number of years. No major incidents of child harm came to light during the project, likely due to the expertise and dedication of office of child care personnel. However, minor system breakdowns were observed that exhibited features indicating an impaired capacity for preventing accidents of any severity. Staffing increases promptly initiated by ELS management will significantly shift the oversight program to a safe operating range. Senior management also should take other steps to improve overall program safety.

Section VI. Child care oversight personnel are vulnerable to Secondary Traumatic Stress

NOTE: Secondary Traumatic Stress is a serious medical condition that requires a trained professional to diagnose. No such expertise was applied for this project therefore no diagnosis was attempted. The below discussion is based on peer-reviewed research describing the condition and its relevance to child welfare programs such as the LCU.