



A FIO PARTNERS PERSPECTIVE:

Norm setting: Key to shaping organizational culture

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What Is Culture?

To understand how to shape or change organizational culture, we have to understand what culture is, how it works, and where it comes from. Culture is generally defined as all the norms of behavior that operate in an organization. These *norms* are made up of the attitudes, customs, values, and beliefs of the individuals in an organization or a discrete unit of an organization, and are expressed by way of the formal and informal work rules that people follow in the workplace. Because organizational units sometimes evolve their own unique culture, organizations with many units may have many sub-cultures.

One theory tells us that culture emerges from the balance that must be struck in every human enterprise. When an individual agrees to work for a particular organization, a deal is struck. Individuals trade a degree of personal autonomy and freedom to use their time and talent for whatever they want in exchange for compensation. Organizations trade compensation for the ability to use individual competencies and effort to achieve organizational ends. The ways in which this trade balances out appear in a dizzying variety across the spectrum of organizations...that's one reason that few practitioners in the sector tackle this interesting subject...it appears to be very complicated!

There are so many ways that this bargain is expressed that some say that organizations have personalities just as surely as people do, with all of the attendant difficulties in changing personality. Culture as organizational personality is often identified as one of the most powerful influences on employee behavior in the workplace. Many, many for-profit organizations understand the importance of controlling organizational culture because it is

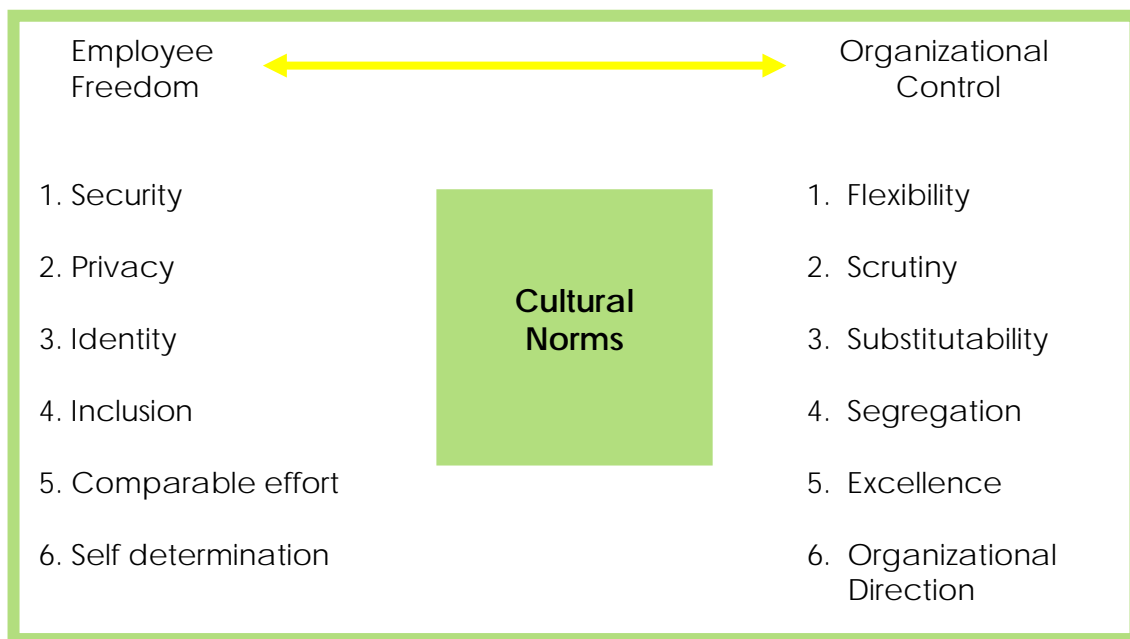
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such a powerful motivator. However, we have not found that there is much attention paid in the nonprofit sector to shaping culture in a planned or purposeful way.

How does culture evolve in an organization?

Gordon Walker talks about culture as the balance between six opposing sets of values that express the balance that is created between the needs of employees for freedom or autonomy and the needs of the organization to control employee action.¹ The figure below sketches the main elements in this balancing process.



Security versus Flexibility

The first of these balanced value sets is a sense of security on the part of employees versus the flexibility needed by management to move resources (people) around to get the job done or to create efficiency. In some organizations the rules for moving people around will be captured in union contracts, in others in personnel policies, and in others will be unwritten and informal. What is fair and right in this arena in one organization will be viewed as unfair and not right in another.

¹ Walker, Gordon, "Culture Collisions in Mergers and Acquisitions." In P.J. Frost 9Ed, *Organizational Culture*, © 1985 by Sage Publications

Privacy versus Scrutiny

Another piece of this puzzle is the allowable balance between personal tasks and work tasks in a work day. This balance can govern what is an acceptable number of personal phone calls to the model for performance appraisal. Whether employees have individual work plans or targets, whether the organization measures the volume or quality of what employees do are also part of this balance. The autonomy of each employee to decide how to use their time in the workplace is an essential element.

Identity versus Substitutability

Another tension is found in the balance between the individual's sense of identity that comes through their position in the organization and the need of the organization to substitute one person's competence for another's at will. Longevity rules or the informal acceptance that long time employees will not be terminated are examples of cultures that put primacy on respect for the individual. Organizations that do not flinch at laying off long time employees are at the opposite end of the continuum.

Inclusion versus Segregation

A fourth area of tension is an individual's needs for inclusion and affiliation that are satisfied through work relationships versus the organization's needs for achievement. Whether an organization is "like a family" or "like a well oiled, driven machine" are ways in which this balance can be differently expressed.

Comparable Effort versus Excellence

Essentially what is good enough effort to continue receiving a paycheck in one organization may be either overkill or inadequate in others. As a general rule, organizations have to figure out how to get superior performance from employees if they are going to survive in a competitive world. There are many volumes of management literature that discuss ways to "get excellence" from employees. An interesting aspect of these debates is the degree to which employees frame what excellence is. For example, in many organizations, there is an unwritten

rule about when to show up for work. The official start time may be 8:30 AM, but if you want to make points with the boss, you will be at your desk working at 8:00 AM. Show up too many times at 7:30 AM and you will quickly hear from co-workers who do not want you to change the standard by which commendable effort is measured.

Self Determination versus Organizational Direction

The final area of balance is the need of the individual for autonomy and self-actualization versus the organization's need for control to head in a specific direction. An examination of what is controlled, by whom and at what level defines where an organization is on this continuum. How much autonomous thinking by individual employees is allowed? How much of a particular position's responsibilities is defined minutely? How much bureaucracy is in place to slow the pace of change?

How can culture be influenced?

In a recent conversation with a client, I was exploring this issue in the context of a problem employee. As I was assisting this Executive Director to plan out the conversation, I role played the problematic individual. Speaking as the employee, I made a suggestion that we meet every two weeks to review problems on the work unit that I supervised. "Wait a minute," my client said, "I am the supervisor. I get to decide on the corrective action. I make the rules around here." "OK," I said. "What's the rule you want to make in this case?" "If anything starts to go wrong on the unit, I want Sara to come to me immediately and tell me, no matter where I am or who I am with," he replied. "And if Sara said that she was uncomfortable telling you about problems in front of other people, and said she would be more comfortable sharing that information by asking to see you in private, what would you say?" I asked. "Well, I would say that would be fine." What is rarely acknowledged and what is so critical to understand is that cultural rules of behavior are negotiated both formally and informally between employees and employers. Because most managers in the sector fail to realize that, important opportunities to shape employee behavior in ways that achieve excellence and enhance mission are simply lost.

How can norms be reset or defined?

The first question some might ask is how would an organization know they need to do this? In our experience, organizations can become dysfunctional with the balances described above clearly out of whack or norms settle into place that are really not in the best interest of the organization because no one has ever really thought about it.

Often times, too, there is no consensus on what the norm is so there is inconsistent practice across work units, and feelings of dis-equity and inter-unit conflict emerge.

A key element of resetting norms is identifying the areas where there is disagreement, outright conflict, or simply lack of clarity. These problem areas are easily identified through a set of guided interviews in smaller organizations or by use of a climate survey in large organizations. If an interview process is chosen, participants in this process can include an entire staff or a representative group. In all cases, input from both management and line staff should be solicited. This effort can also be focused on a particular unit that seems to be having problems.

Once problem areas are clear, an instrument can be created that outlines a set of clear choices on how the norms can be reset. A participative discussion is facilitated that includes representatives from all organizational levels. As part of this process, norm statements further evolve and are clarified.

The results of the process are then reviewed by all staff. Comments and concerns are solicited and the statements are edited. Of critical importance is the commitment of management to integrate the norms into expectations of all employees and to follow through on those expectations over time.

How can FIO Partners help?

Our firm has several products and processes that can be helpful. We have developed a climate survey for larger organizations that assesses norm adherence. This tool is easily customized. Organizations can use our basic instrument with their own resources to distribute, retrieve, and analyze the results. Or, larger organizations can work with us to customize the tool, use our on-line administration, and have us generate an interpretive report.

For smaller organizations and work units within larger entities, we have developed a basic norm-setting tool that can be self administered. We can also customize that tool, conducting phone interviews with a representative group of staff in order to define problem areas. Working with input from management, we develop a unique instrument that is the basis for the group discussion and decision-making. We will support a local facilitator to oversee this process or travel to support the process as the client chooses. Following the norms discussion, we will generate a new norms list and support management in implementation.