

## 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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