



Managing policies

The gaping hole between theory and practice

Corporate policies and codes of conduct serve no purpose unless employees actually adhere to them.

Organisations have a tendency to create corporate policies that appease auditors, but don't succeed in changing employee behaviour, asserts Robin Saunders. This article puts forward an alternative approach, which enables line managers to translate strategic policies into actual practice.

Policies for the wrong reasons?

Most organisations are aware of the need for policies. Indeed, policy makers are pretty good at writing policies and keeping them up to date, which certainly wasn't the case three to five years ago.

On the whole, policies have been written for auditors and stakeholders, rather than employees in the workplace. Historically this may have placed a tick in the compliance box, but it doesn't help people do their jobs more effectively!

Poor administration and oversight of the policy management process is resulting in under-performing organisations, lapses of security and escalating costs.

The real problem – policy adoption

The compliance agenda has moved on. What's important today is ensuring that everyone modifies their behaviour to work in line with legal obligations and best practice. Work routines have to align with policy so that people waste less time, become more productive and make fewer errors. Getting employees to read, understand and, more importantly, adopt corporate policies is therefore the real business problem.

Modern technology is helping hard pressed managers bridge the gap between policy, theory and practice.

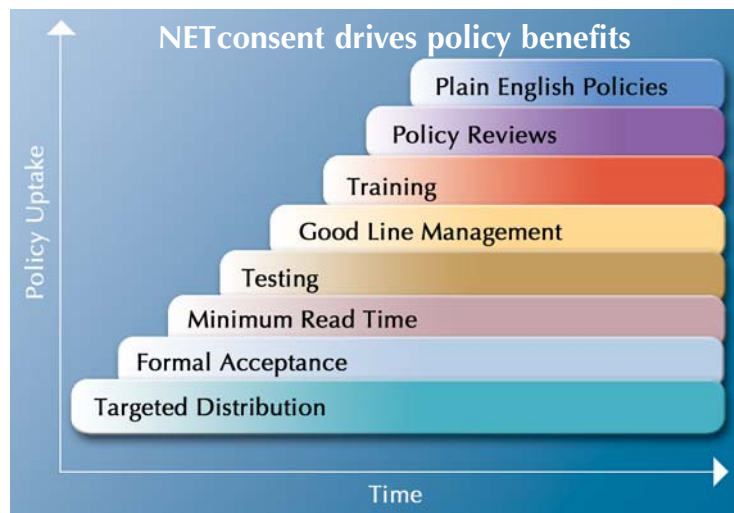
We are all aware that, in practice, adherence to policies may be resisted or only partially observed – the matter is simply swept under the carpet and quietly ignored! No one likes being told what to do, especially if they don't understand why certain ways of working are necessary. Policy writers should tread thoughtfully. Policies written with the target audience in mind achieve the best results: simple, concise language with realistic expectations and executable instructions. However, well written policies alone are not enough. Following the process through the full cycle of communication, awareness, understanding, acceptance and adherence is a much broader task.



Who is responsible for making policies work?

Line managers are responsible for ensuring that their staff do their jobs in line with policy. However, very few organisations have adequate controls in place to ensure effective policy management, let alone the right tools and management information to do this effectively.

Managers, team leaders and supervisors have many priorities competing for their time. Unless obvious policy infringements are taking place, overseeing policy may not be uppermost in a manager's mind. The inadequacy of control mechanisms is why poor, or even illegal, practices can creep in under the radar and go unnoticed for months or even years. Corporate culture needs to change in order to maximise the benefits of effective policies.



Employees are more likely to follow corporate policies if the right checks and balances are in place. What tools can organisations provide line managers to help them? How do managers identify who in their team has read key policies and how well they understand them? Finding out this information after mistakes have been made on the job could be too late and expensive!

Automated policy and procedure management systems, such as NETconsent, drive policy benefits (see diagram above). NETconsent electronically distributes documents and requires employees to electronically sign to accept them or provide reasons why they won't. Managers are provided with exception reports that identify those employees who have problems with a policy. An employee may not understand policy wording, or even believe the policy is wrong. Addressing the issue quickly shows you care and also minimises risk.

Turning a blind eye

In the past, managers have turned a Nelsonian blind eye to the fact that employees don't read policies. Staff handbooks have gathered dust on office shelves. Memos have been shoved into bottom drawers to be read when people 'have more time'. Similarly, policies located on intranets today are often only consulted when a breach occurs, and emails are marked for review later.

However, we are in a different era now. The management of policies and procedures has to be more proactive. Managers can't just hope nothing bad happens on their watch. Every organisation is regulated in some shape or form. Organisations are being asked to provide evidence that employees have read, understood and agree to adhere to specific legislation and regulations. Wilful blindness of everyday failures in compliance is becoming untenable.

In an age of litigation, if you have failed to ensure that someone has read, understood and agreed to adhere to a policy, don't be surprised to find yourself defending your actions in court!

6 tips for changing corporate culture

1. Create an atmosphere where staff are actively encouraged to ask questions when they do not understand policies that they are asked to adopt.
2. Get policy managers to work with line managers to understand where policies are, and are not, working – and why!
3. Do not be afraid to challenge the holy grail of policy style. If it doesn't work, change it!
4. Recognise that everyone in the business is governed by corporate policy.
5. Provide refresher training if testing shows gaps in knowledge.
6. Provide sufficient management information to enable managers to monitor outcomes and be prepared to put additional controls in place if needed.

People respect what you inspect

In his book "Who Says Elephants Can't Dance", Lou Gerstner (former CEO of IBM) discusses at length how people only respect what you inspect. He recognised that people are much more likely to do things in line with the corporate way of thinking when the right controls are in place. He succeeded in introducing a new cultural model, which placed more emphasis on the marketplace, customer satisfaction, shareholder value and the vision of the company, which is widely credited to have turned the fortunes of IBM during the 1990s.

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