Ideas for a Change
Part 5: Developing Policy

In conclusion...

In this *Ideas for a Change* we have tried to draw out the organic links between organisational values and principles, and organisational policy. The steps we suggest, if used with some flexibility and imagination, can make the process of policy development a learning experience for the organisation and its members.
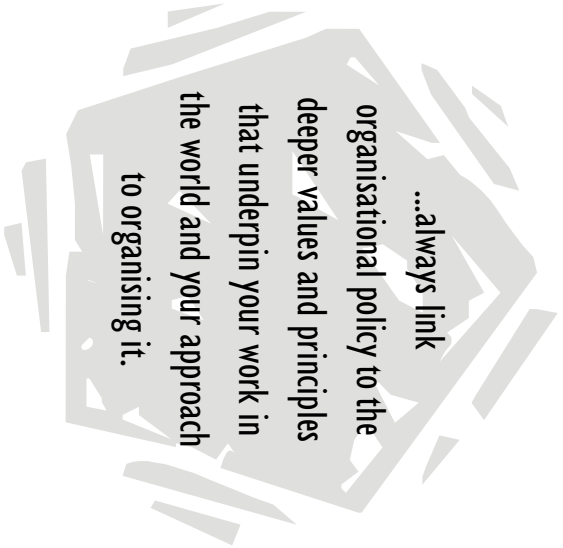
Indeed, it is at this level that one finds a most direct link between policy development for organisations and organisation development and learning.

In our experience, once policy is brought alive – linked to the deeper life of the organisation – it ceases to be a cause for dread, despair or simply boredom, and can be owned and worked with by staff and Board members.

Some of the key guidelines that inform our approach are:

▼ Involve people in the organisation.
▼ Be clear why the policy is needed.
▼ Get technical help if you need it.

Above all, avoid delinking organisational policy from the deeper values and principles that underpin your work and your approach to organising it.

...always link organisational policy to the deeper values and principles that underpin your work in the world and your approach to organising it.

"It is true to say that the values and vision of an organisation hold it to its purpose. However, policy may be the last boundary holding it to an ethical *practice*.

Indeed, written policy, while it should never be deified, may be the only boundary that holds, as people's needs, wants and visions change, and often compete."

Anon.

▼ **What if the objectives are not being met?**

Is this because:

■ The policy is not being applied?

■ The policy is not coherent?

■ The policy is incomplete?

In all these cases the policy needs to be reviewed.

▼ **What if the policy is no longer appropriate?**

■ Is this because conditions in the environment have changed?

■ Is this because conditions within the organisation have changed?

In either case, the policy needs to be reviewed.

Exceptions

Someone once said: "If there's a rule, there will always be an exception." This, too, is the case with policy.

▼ **How do we deal with exceptions?**

Two important factors apply here:

■ Firstly, the case should be discussed *openly* particularly if "transparency" is a value of the organisation. In discussing the issue, be sure it is noted as an *exception* rather than as a potential *change* in policy.

■ Secondly, dealing with exceptions calls for *good judgement*, the ability to weigh up the implications of acting outside of policy or staying within the existing policy. Call on others to assist in the decision and consider other views and approaches. Avoid taking exceptional decisions alone.

Section 7: Implementing and monitoring policy

Implementing policy

No *one* person is responsible for implementing or applying policy. Everyone is. If policy has been collectively developed, it belongs to everyone and is, therefore, everyone's responsibility to implement.

However, the development of a new or revised policy causes change, for example:

■ A new *system* may be needed, e.g. a system for taking and recording leave.

■ A new *practice* may be needed, e.g. monthly staff meetings.

■ A new *procedure* may be needed, e.g. a set of steps to help us recruit more fairly.

In these cases, someone does need to take responsibility to ensure the system, procedure or practice is planned for or set up, and to clearly communicate the way in which these systems or procedures will work for organisation members.

Monitoring policy

Different people can volunteer or be appointed to monitor new policy. They become, in the best sense of the word, "policy watchers". They keep policy alive in the organisation.

But what are they watching for? We suggest the following as examples:

■ Is the policy being *applied*, and by everyone?

■ Are the objectives of the policy being met? Thus, is it *effective*?

■ Is the policy, over time, still *appropriate*?

▼ **What if the policy is not being applied by some?**

If the policy has been agreed and a person is not complying, is this because:

■ S/he is not aware of it?

■ S/he " always forgets"?

■ S/he simply doesn't care?

In the first case, ensure the person is made aware. In the second, some reminders and encouragement can help. In the third case, should the person persist in ignoring the policy of the organisation, instituting a disciplinary procedure on the basis of insubordination may be required – regrettable, but sometimes necessary.

Contents

writing up the policy

Over time, all the policies developed by the organisation can be collected together into a policy manual. All staff, particularly new staff and new Board members, should have a copy for regular reference.

The policy manual should also include the procedures that accompany a particular policy. It is one thing to say: "It is our policy that all staff are developed in their jobs"; but how does this happen and what are the limits?

**Inappropriately
imposed policy...**

can be destructive.

Involve people
in thinking.

**Collectively
developed policy...**

is a form of "glue"
that holds aspects of
organisational life together.

Don't dismiss it as "bureaucratic".
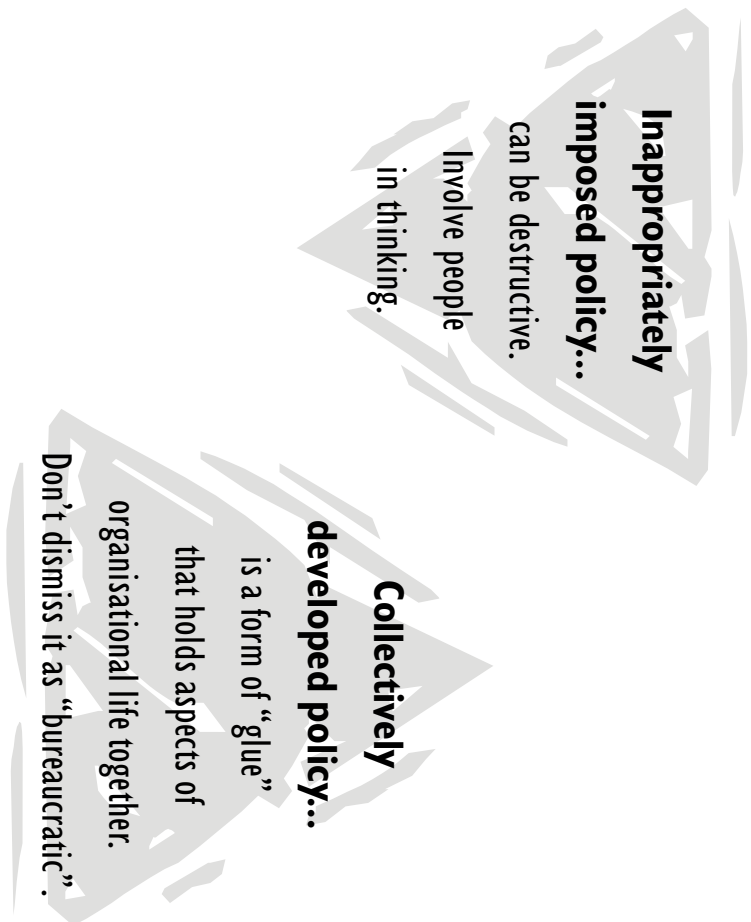
Section 6: Writing up the policy

Much policy in organisations is not written up. Rather it is verbally agreed upon and people act accordingly. In other cases, policy statements emerge in meetings and are recorded as decisions in minutes. For example:

- Use of personal vehicles will be paid at Rx per kilometre.
- No more than three people should book leave in the same day or over a defined period.
- We will recycle all paper in the office.

These policy statements, while recorded, are not drawn together into a formal policy.

In many situations this is fine and indeed typical in a pioneer organisation where verbal agreement, common values and trust hold the organisation together.

There does come a time, though, when documenting agreements in formal policy is important:

▼ When the organisation has grown and verbal agreements do not easily spread through the whole system.

▼ When a person contests an issue, a formal policy can then be referred to for clarity.

▼ When new staff join they can become aware, early on, of what policy applies in the organisation.

There is no *one* way to write up a policy. However, the following headings used to develop policy can guide you:

- Rationale
- Current situation
- Scope
- Objectives of the policy
- Principles underpinning the policy
- Detailed agreements
- Relevant procedures
- Guidelines on costs/expenses

Encourage different staff to write up various policies. One can learn much about policy development and its implications in the process of writing it.

It is always important to *date* the policy and, where relevant, to have the policy *signed* by those who approve it (the Board Chairperson, the Director or team members).

What is "Ideas for a Change"?

This publication is a response to six years of Olive's (organisation development and training) experience of working with organisations in the not-for-profit sector.

These organisations have sought to survive in a dramatically changing environment, to do useful and important work, to strengthen and develop their people and their organisations and, ultimately, to be sustainable and effective.

The future of any organisation rests on the will, energy, experience and knowledge of its staff, its leaders and its supporters. Outsiders can only provide particular forms of support – be it a certain level of expertise, insight or a knowledge base not present in the organisation at the time. Further, outsiders can provide developmental support to an organisation over a long period of time as it plans and manages change. While this is invaluable, it can be costly.

We have found that people in not-for-profit organisations are often exceptional in their knowledge of their sector and of the players in that sector. However, it should not be assumed that the same people have a strong grasp on how organisations grow, develop and change. After all, why should an engineer know how to run a company or a nurse a hospital? People's professional knowledge, whether in education, health, or human rights, does not necessarily include organisational knowledge and the capabilities needed for organisational management and change.

We know all too well that organisations are faced with immense challenges – political, economic, and cultural; shifts in donor policy; imperatives for affirmative action; measurable delivery and staff development. We also know that organisations are cash-strapped and cannot easily afford external organisation development

(OD) processes. Again there is the reality that leaders in organisations, while strong on sectoral knowledge, are not necessarily strong on organisational issues. From all this, there has emerged, in our view, a need for a publication that provides some "literacy" in OD and change.

This is a three year project. There will be at least six parts of the publication developed over the 1997-1999 period. And, of course, it is not at all the beginning, nor the end, of what there is to say about organisational processes. Libraries and one's own experience (and reflection on that experience) are the key resources for this.

Rather, this publication seeks both to explore *what* might be done to tackle various organisational issues and suggest *how* one might do this. Therefore, we offer a selection of questions, approaches and techniques that can be drawn upon for specific processes. There is no *one* way to work with organisations. There are no formulae.

So far...

Part 1: Strategic Processes (July 1997, 2nd edition - June 1999) focuses on the strategic area as an important process that organisations often engage in. The publication highlights the need for strategic thinking to be built into the life of the organisation. It further suggests that once leadership has grasped the concepts, processes and tools for strategic work, that this becomes a continuous, conscious process in the life of the organisation.

Part 2: Organisation Diagnosis (December 1997) aims to provide thoughts, ideas, questions and approaches to "reading" an organisation. It focuses on organisation diagnosis as an

important step in finding out where an organisation is and where it has come from, in order to explore where it might go in the future.

Overview: Ways of Seeing Organisations (June 1998) explores, in broad strokes:

○ some of the different views of the world – reality – as they have developed over time and

○ how organisations have been viewed and might be viewed.

The publication focuses on the shift from a mechanistic way of seeing organisations, to focusing on the systems perspective of organisations.

Part 3: Approaching Change (December 1998) is an introduction to the concept of change and to a number of different perspectives on change.

In a sense, this publication considers change "from the outside". It looks at theories of change, at how we at Olive approach it, and at how others have done so.

The work of various authors, the assumptions underlying different approaches to change, and the forms of "intervening" in organisations are also discussed.

**Ideas for a Change
Part 5...**

explores the idea of policy, how
it is different from principles,
procedure and practice,
and how it links
with these.

Part 4: Working with Resistance (June 1999) explores, in the context of organisations, how people respond to change.

The publication briefly sets out the context of change, considers how it is seen from different perspectives, and how different cultures are formed from these perspectives.

It then focuses on the concept of "resistance", looks at how it is presented by different people, and offers some ideas on how leaders might approach and work with it.

What is Part 5 all about?

Part 5: Developing Policy (December 1999) explores the idea of policy, how it is different from principles, procedure and practice, and how it links with these.

It also asks "why policy?" and what it's value is.

This publication offers some steps to guide the reader in preparing to develop policy. It then takes the reader, step by step, through the process of actually developing it.

Ideas for a Change: Part 5 also looks at the issues around implementing and monitoring organisational policy.

▼ **Step 7: Shape**

By now you are clear on:

1. Why a policy is needed.
2. How it relates to other existing policies.
3. What it is expected to achieve.
4. Who and what it covers.
5. What the principles underpinning the policy are.

When giving a policy *shape*, some ideas are:

1. Which *criteria* will be used to guide decision-making?
2. *How* will a decision be made?
3. *Who* will make the decision?
4. Is a new or refined *system* needed to implement the policy?

▼ **Step 8: Circulate**

Write up the policy (see: "Section 6: Writing up the policy") and circulate copies to everyone who will be affected by it.

▼ **Step 9: Review**

Review the policy as necessary.

▶ **Step 5: Scope**

What will the policy cover... or not? Which areas? Which people?

■ *Output*
The scope is stated.

Example: a per diem policy
This per diem policy only applies to those staff who are required to be away from home overnight for work purposes. It does not apply when staff are on a learning programme (conference, seminar, workshop). The limit is £x per night in line with the non-taxable limit set by the Revenue Service. It can be claimed before or after the period of being away.

▶ **Step 6: Principles**

Draw out the key principles that will underpin the policy.

■ *Output*
A set of agreed principles that underpin the policy.

Example: Learning and development policy
1. The needs of the organisation, as determined by the aims and objectives, will have priority over individual needs.
2. Wherever possible, an attempt will be made to incorporate individual needs within organisational needs.
3. Where the effectiveness of the organisation is not compromised, affirmative action will favour disadvantaged groups.
4. Training and development will also be available to members of the Board where this serves the aims and objectives of the organisation.
5. Training and development will include attendance at conferences where input will contribute to useful learning for the organisation.

Stop Reflect Review

Then...
Are we on the right track? Do we have enough?
Get agreement so far.

Section I: What is Policy?

Policy...
"a course or principle of action adopted or proposed by a government, party, business or individual"
"prudent conduct"
Oxford Dictionary

When answering the question: "What is policy?" it is useful to firstly distinguish policy from the *legal documents* typically found in not-for-profit organisations.

There are three important categories of legal documents that underpin the identity and life of an organisation.

1. The document that outlines the legal status of the organisation, such as a **Constitution** for an Association not-for-gain, or a **Trust Deed** for a Trust, or a **Memorandum of Association** for a Section 21(a) company not-for-profit.

2. The **Conditions of Service** (also known as **Working Conditions**) which outline the conditions for employment of staff in the organisation.

3. A range of **Contracts** including contracts for the employment of staff, contracts with donors for grants and contracts with suppliers such as equipment and property leases.

Policy is different. It is developed in different ways, by different people, for different elements of organisational life. A useful way of understanding policy is to see it in relation to other elements of organisational life (see page 8).

Some important points...

1. Although we have presented these concepts diagrammatically (page 8) to show the links between them, in real life, they relate in a much more dynamic way.
   ▼ It is often from practice that we become aware that a policy is needed.
   ▼ In a conflict situation we realise that we do not share certain values and that work is needed in this area.
   ▼ We say we believe in participation, but tend to impose our own ideas. What needs to change? Our values and principles, or our practice?
2. All of these elements – values, principles, policy, procedure and practice – should relate to each other so that our stated values and principles are visible in our practice.
3. A good place to start is at the level of values and then work from there. A policy, delinked from the shared values of people in an organisation, is not likely to be effective. Look for contradictions in your organisation: How close is *what you do* and *how you do it*, linked to *what you say you do?*

4. Even when our policies and principles are coherent and link to our practice, we may get demands from our users or clients that challenge these. We then need to ask ourselves if the service we provide is indeed relevant, or if the client or user is being unrealistic or opportunistic. For example, we might believe in and practice participatory development, but our clients often want "a quick-fix".

5. Our collection of values, principles and policies contribute to organisational identity – who we are and what we stand for. Furthermore, they express and develop the culture of the organisation.

	Definition	Examples
VALUES	What we believe about the world, organisations and people.	*"people are born good"* *"the world is what we make it"*
SHARED VALUES	The values which underpin our work together and our relationship with our clients or target group.	*"transparency"* *"equal participation"* *"diversity is creative not problematic"*
PRINCIPLES	The specific statements, rooted in our shared values, that guide us in our work. They set limits or boundaries.	
organisational principles	Express what we value, what we do together and how we relate to the world out there.	*"all organisational decisions include all staff"* *"our resources are assets and will not be abused"*
operational principles	Express how we go about our work and how we conduct ourselves.	*"we always consult our users when we shift strategy"* *"we work in teams to develop leadership"*
POLICY	An agreed set of principles and guidelines for a key area of activities.	*Finances, recruitment, use of resources.*
PROCEDURE	The set of steps for implementing the policy.	
PRACTICE	How we conduct ourselves and do our work in reality.	

(Thanks to Gawlinski, G. and L. Graessle. 1988. Planning Together - The art of Effective Teamwork. NCVO Publications: London. p. 44 for inspiration for the above chart.)

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put a policy on the use of office e-mail and staff training in e-mail in place.

▼ **Step 2: The current situation**
What policy (or agreements) do we have that relates to the issue? What other policies does the policy we are developing now, relate to?

■ *Output*
A paragraph that contextualises the policy in the organisation and its relationship to current or intended policies.

■ *Example: a vehicle policy*
Our organisation has had a policy that provides financing for staff who qualify (in terms of some criteria) to purchase their own vehicles, which they then make available for work purposes. We have also financed the operating costs for business mileage. Vehicles are our second most expensive cost after salaries and it is essential, in terms of respect for our mission, clients, beneficiaries and donors, that we manage these costs carefully and responsibly.

▼ **Step 3: Definitions**
What are our definitions of key terms?

■ *Output*
Definitions are understood and written up, e.g. affirmative action.

■ *Example: an affirmative action policy*
"Affirmative action" is taken to mean the process of giving certain groups (or members of such groups), who have been historically disadvantaged, an advantage over other groups or individuals in getting access to opportunities.

▼ **Step 4: Objectives**
What is the objective of the policy? What should the policy achieve?

■ *Output*
The objectives are stated.

■ *Example: a salary policy*
The objectives of the Pay and Job Evaluation Policy are:
1. To ensure that all staff members are fairly rewarded, according to a systematic set of principles.
2. To ensure that members of staff understand the way in which salaries are determined.
3. To ensure that the organisation is able to attract and retain skilled staff.

Section 5: An exercise in policy development

In this exercise we offer some steps to guide the process of policy development. This exercise assumes that policy is developed in a workshop situation.

The examples we mention relate to a number of different policy development contexts and situations. Drawing from "Section 4: Getting Ready", here is a short reminder of some preparatory questions:

- Who needs to be there?
- Do we have enough information and knowledge about the issue?
- Do we need an external facilitator? If not, who is the most appropriate person to lead the discussion?
- How much time do we have?

Some process considerations

▼ If the group is large (more than 10 people) then it may be useful to work in smaller groups and synthesise findings in a plenary session.

▼ The steps outlined below can be juggled around. Consider the best set of steps for the policy being developed.

▼ Not all the steps are necessary for all policies. Select those which make sense to you.

▼ Encourage a wide range of ideas before calling for agreement. Encourage people to draw from their experience *and* to realise that the policy will continue to apply after they have left the organisation. Consequently, they should seek to suspend their personal interests.

The exercise:

▼ **Step 1: Rationale**

Why do we need this policy? Why do we need it now?

■ *Output*
A paragraph or 4 - 5 statements that describes the rationale for the policy.

■ *Example: An e-mail policy*
We are making increasing use of e-mail in communicating with clients and donors. Recently some e-mails were misdirected, resulting in a misunderstanding and some conflict between a donor and our organisation. In order to prevent miscommunication and damage to our relationships with clients and donors, we need to

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Identity...

On the one hand, the identity of an organisation is created by the coming together of the collective will and abilities of a group of people to do something specific in the world.

On the other hand, it is created by the need in the world for that which the group wants to deliver. The identity grows out of a vision of the world becoming a different place through the efforts of the organisation, out of shared values and out of finding a specific need that the organisation is in a unique position to satisfy.

James Taylor, 1995, "In search of ID - the guts of an organisation" in ODdebate, Vol.2 No.2. Olive Publications: Durban, pp.6-7.

Culture...

The historically transmitted beliefs, symbols, behaviour and values of our organisation.

A focus on policy

Firstly, a useful way of linking values to policy is to state the principles that you would draw from your values. For example, if "participation" is a value in the organisation, what specific statements might we make about this to inform policy?

▼ In relation to *staff* it may be:
"All staff affected by a decision will be involved in making the decision."

▼ In relation to our *work with users* or clients:
"We always consult and involve our users or clients when we realise we need to shift strategy."

▼ In relation to the *governance structure*:
"We consult our Board on any major management decision to ensure their future support."

These principles are fundamental in guiding policy development. They are more specific than values and together form the basis of policy.

Secondly, some features of policy and policy development to keep in mind are:

▼ **Policy should express the fairest way of dealing with an issue, in general.**

No policy suits everyone. Think of government policy. With a defined budget, what are the best things to do that will positively affect the most people and bring about the change that is sought? There will always be some people who are left out, some issues that cannot be covered and some areas that get more or less attention, depending on the need or intent.

So too in organisations. Not everyone will have all their needs, concerns and aspirations met within a particular policy. Be sure people realise this, and encourage them in the art of finding fairness.

▼ **Policy should have a broad application and reflect the interests beyond those of the group that developed it.**

It is shortsighted to develop policy that only suits the current group of people and that only reflects their set of interests. A useful approach when developing policy is to:

■ Think of the issues, factors and conditions that led the group to develop the policy. Look at past experience.

■ Imagine the organisation without the current group of people and think of policy that will reflect and defend the values and culture of the organisation in the future.

▼ **Policy should take a range of interests into account.**

Depending on the policy, this could be the staff, the Board and the users, the lower and higher earning groups, the newer and the older staff, the single and married staff, etc.

Some organisational policies may need to take account of:

■ donors and contractual agreements
■ the legislation of the day (if it is fair)
■ environmental factors
■ political and social issues in society
■ economic and financial considerations (equity, affordability, redistribution)

▼ **Policy should be durable.**

It should "last longer than a day". On the other hand, however, it should be reviewed and amended as conditions change.

Have we developed the procedures to enable implementation?
■ Are they simple?
■ Are they cost effective?
■ Are they communicated well?
■ Are they documented?

▼ **Monitor**

Who will monitor that:
■ The policy is implemented?
■ The policy is effective?
How will this be done? Who takes final responsibility?

▼ **Review**

How often should we review the policy? Who will do this? How will this be done?

▼ **Amend or revise**

If the policy is outdated, how will it be amended?

▼ **… and so the cycle begins again!**

Sometimes one can complete this cycle in a meeting if it is a minor issue which applies to those in the meeting, and does not require any special expertise or the approval of the Board. On other occasions, the policy development process might take some weeks, even months, as it requires careful thought, everyone's input, specialist assistance and approval at Board level.

Make your own judgement. But remember, policy should be durable and effective.

Policy… should be durable and effective.
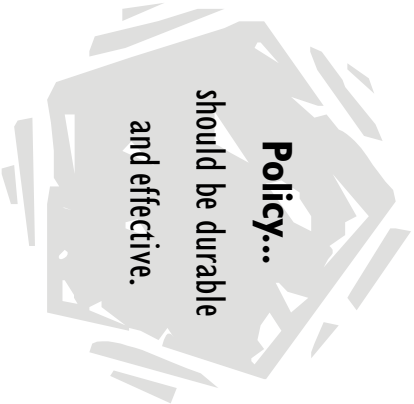
Some questions to consider along the way

▼ **Is there a problem or a need?**

What has motivated the need for a policy? Is it really needed? Why? Why now? Who has raised the need (a staff member... a member of the board... a particular group...)? Does the need emerge from a personal position, an organisational concern, or the broader environment?

▼ **Conceptualise**

What policy is currently in place with regard to this issue? If we are going to embark on a process to develop a policy:

- Who needs to be involved?
- How will we go about it?
- When, and how long will it take?

▼ **Research**

Do we know enough about this area? Who can help? Where might we find an existing policy to use as a reference?

▼ **Consult**

Who needs to be consulted on the issue? How will we do this? In a meeting? Through a memo? Through interviews?

▼ **Develop**

How will we develop the policy? What steps will we take?

- Use an outside "expert"?
- Form a team to develop a draft?
- Have the Director or a member of the Board develop a draft?
- Have a workshop to open up the issue and explore it?

▼ **Refine**

What steps will we take to refine the policy?

- Does it need to go to all staff?
- Does it need to go to the Board?
- Do we need legal advice?
- Do we need other specialist advice?

▼ **Approve**

Where does this policy need to be approved? Is it a management issue that can be decided by staff? Is it a far more extensive issue that requires the approval of the Board?

▼ **Implement**

Who is responsible to implement the policy?

- One person?
- All staff?
- A particular team or project?

The purpose...

why the organisation exists

and what it is trying to do in the world

and strategy...

the unique way in which the organisation

achieves its purpose with its special

competence

...cannot be separated from the values, principles and policies of an organisation.

Thirdly, and most importantly, the development of policy should be firmly located in, and linked to, the organisation's purpose or mission. The diagram below aims to capture these relationships.

In the process of policy development, ensure that the purpose, the strategy, and the values and principles of the organisation inform the emerging policy.

PURPOSE

Strategy

Policy

Principles

VALUES

Organisation identity
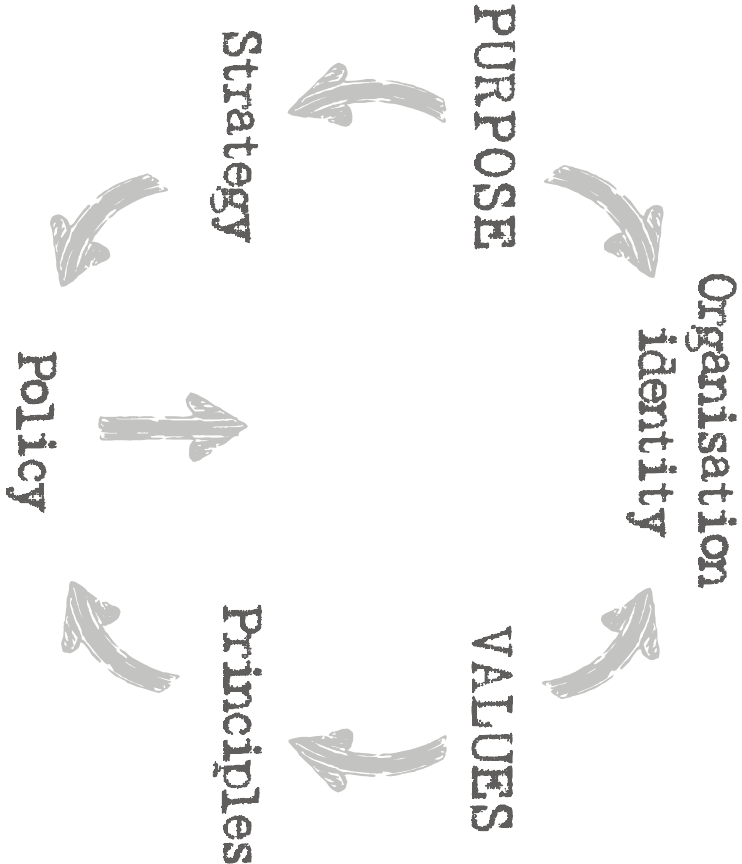
Section 2: Why develop policy?

Sometimes a bureaucratic orientation results in countless policies that govern organisational life. This orientation tends toward the belief that there *should* be a policy covering a wide range of issues (see "Section 3: What kinds of policy are there?"), simply because this is *"as it should be".*

There is, however, another approach: *Policy is developed because it is needed, now.*

Some motivations for developing or amending organisational policy are:

▼ The stage of the organisation's life.

▼ A particular experience throws up the need for a policy:

▼ An emerging issue in the environment compels or encourages the need for a policy:

> **Policy...** is developed because it is needed... now.

1. **The stage of the organisation's life.**

   If you have read the *Ideas for a Change* series, you will be familiar with "Phases of Organisation Development" (See *Ideas for a Change* Part 2: Organisation Diagnosis, pp. 24-27). Briefly, the theory suggests that organisations move from a pioneer phase, through a more differentiated or more rational phase and then into a mature phase of its life.

The pioneer phase is characterised by charismatic leadership, a high level of informality, few systems, policies or procedures, strong shared values and vision, and high personal energy to contribute to the purpose and to make a change in the world.

The organisation will face a crisis if:

▼ it grows and the way of being and doing described above cannot embrace the needs and concerns of new people who were not part of its founding; and/or;

▼ the leader leaves, or dies, and the energy, values and imagination of this person is lost.

The particular nature of this crisis throws up key features and questions:

■ In the absence of the "glue" of the previous leader, what holds the organisation together?

▼ The new staff may be asking questions such as:

  ■ How are salaries determined?

  ■ What is my job description and how is my job different from yours?

Section 4: Getting ready

In this section we look at:

▼ **The cycle of policy making.**

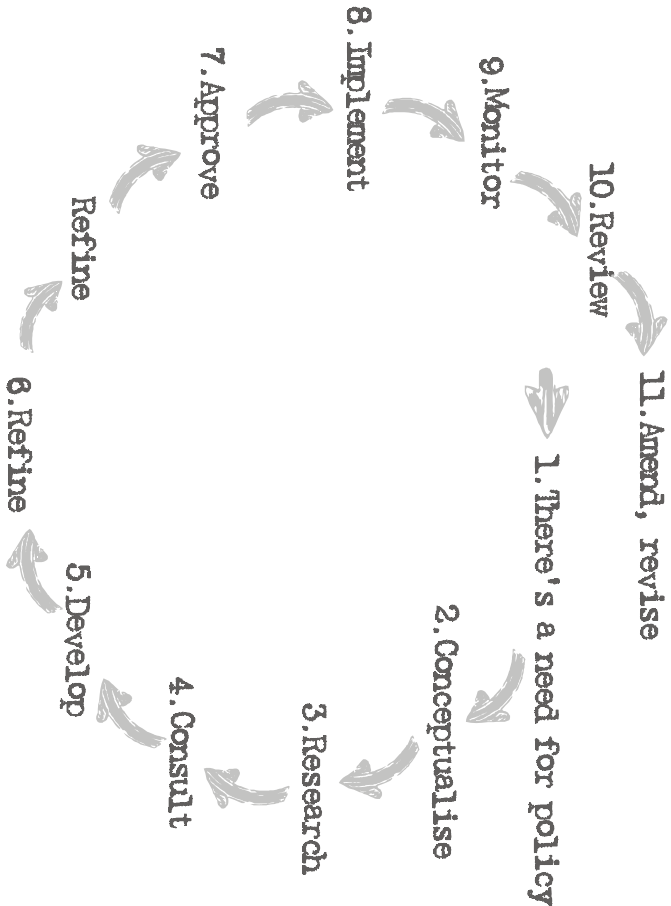▼ **Some questions to consider along the way.**

Different policies require different approaches. For example, a full scale finance policy may need the services of a finance specialist, a policy on the use of a piece of equipment could be agreed in a meeting, while a conflictual issue may need the participation of the Board.

There is no *one* way of going about policy development. Think through what the best way might be to ensure that:

■ It is fair.

■ Policy matches legislative requirements.

■ People do not feel excluded from the process.

■ It is a thorough piece of work.

■ It takes account of the features outlined in Section 1 under the heading: "A focus on policy".

■ It is realistic and can be implemented.

■ It is affordable.

The cycle of policy development

Below is a diagram which points to key stages in policy development.

1. There's a need for policy
2. Conceptualise
3. Research
4. Consult
5. Develop
6. Refine
7. Approve
8. Implement
9. Monitor
10. Review
11. Amend, revise

Refine

2. Organisational policies

Organisational policies are closely linked to the organisation's identity. They include verbal or written agreements that locate the limits, or boundaries, on:

▼ What the organisation *does* or *does not* do. This is sometimes expressed in a mission or purpose statement.

▼ What issues the organisation takes up and how it works with these issues. Some examples are gender, HIV/AIDS, unfair trade, corruption, political issues and health. The extent to which certain issues are taken up often depends upon the nature of the organisation's work.

3. Operating policies

Operating policy guides the Board and staff, in particular, on *how* they go about implementing their work. Again it provides boundaries for action and informs the particular *approach* that the organisation takes in the world.

Operating policies could relate to:

▼ How the Board conducts itself, its meetings and its decision making. These are usually captured in the Constitution, Trust document or Memorandum of Association. These are legal documents rather than "policy".

▼ How staff relate to the client or target group of the organisation. A range of principles would inform such a policy (we respond to demand *or* intervene; we consult *or* impose; we encourage ownership *or* we "fast-track delivery"; we work to their brief *or* we negotiate the brief). In practice, these translate into the approach of the organisation.

▼ How we organise ourselves. Are we a hierarchy? Do we work in teams or are we self-managed professionals? Do we have departments, project teams or do we have no boundaries?

▼ How we organise our work. Do we have job descriptions or do we have multiple roles in response to client needs? Do we plan? Do we monitor and evaluate? How do we go about developing our strategies or implementing our work?

▼ How we make decisions. What decisions does the Board take? What decisions does the Director take? What decisions can each staff member take? Which decisions must staff take together? How do we go about taking decisions? Do we vote? Nod? Do we insist on consensus or majority decision-making?

▼ What is our policy regarding internal communication? When do we meet? How often and for what purpose? Do we have a notice board? Do we use memos? What are regarded as acceptable or unacceptable ways of communicating?

▼ Is there a policy for vehicle usage?
   ■ How do I approach the client?

▼ Nothing is written down, although some agreements are implicit but hard to discover.

Embedded in this crisis is "a call for law and order", a need for differentiation of jobs, and a new kind of glue to hold and reflect the values of the organisation.

Here, then, is one motivation for the development of policy. Policy can bring a coherence to the organisation in the absence of pioneer leadership.

2. A particular experience throws up the need for a policy.

Over time, an organisation may have developed a wide range of policies based on need, demand or legislative requirements.

However, one can't think of everything! And why should one? After all, it is of little use to have a policy where there has been no occasion to implement it thus far.

Then, one day, something happens and there is no policy to underpin a response. Often these are unpleasant experiences and by working through the problem consciously and timeously, the organisation can develop a policy to guide its future responses.

The examples outlined below are drawn from Olive's experience with organisations.

▼ **The death of a staff member.**
   ■ Do our staff have insurance policies?
   ■ How do we respond to the family?
   ■ Will we need to take a lead in organising the funeral, protecting the person's assets or dealing with the estate?
   ■ Do we have the finances to make any contributions as an organisation?

▼ **A burglary or break-in results in theft of key resources (equipment, personal effects, materials).**
   ■ Do we have insurance? If we do, is it updated and sufficient to cover losses? Is it in our budget?
   ■ Who is responsible for security of various kinds?
   ■ Are personal goods covered in our policy?
   ■ What is the procedure should this happen again?
   ■ What if someone was hurt?

▼ **After contracting a new staff member, it's discovered that s/he carries a gun at work.**
  ▪ Can we allow this?
  ▪ Under what conditions would we permit the carrying of weapons?
  ▪ What do we do if we find this situation unacceptable?
  ▪ What does legislation say?

▼ **One staff member physically attacks another, but not during work hours.**
  ▪ Is it our business? Can we do anything?
  ▪ What does the law say?
  ▪ Should we suspend the person?
  ▪ What if the victim does not lay a charge?
  ▪ How will we deal with such high level conflict if the attacked staff member does not lay a charge?

- Call people together and allow them to "ventilate", to express how they feel within themselves and about the occurrence.

▼ Allow people time to come to terms with the horror, pain or fear they feel.

▼ Once people have owned their feelings and reactions, encourage them to move beyond these and to focus on what they think the organisation should do, not only in this case, but should the incident happen again.

▼ Draw out principles from the experience that could guide people should it occur again.

▼ Request assistance from Board members or a facilitator to draw this into a draft policy for staff to consider and amend, or agree upon.

These may be difficult and painful situations, but are, unfortunately, very real. Situations such as these highlight the need for policy. However, before developing policy, it is important to take some other steps.

Not all experiences that lead to new policy are as dire as these, but these situations can, and do, happen and no amount of policy development will cover every issue or occurrence. Thus, from time to time, policy is developed in direct response to specific experiences in the organisation.

3. **An emerging issue in the environment compels or encourages the need for a policy.**
Conditions in the broader environment are changing constantly and organisations need to respond to these in order to remain relevant, responsive, and in some instances, legal.

▼ In South Africa, the changes in labour legislation (the Labour Relations Act, the Basic Conditions of Employment Act and the Employment

▼ An overall **Financial Resources policy** would include a range of policies which relate to particular areas, for example:
  ▪ donor or income policies
  ▪ budgeting policy
  ▪ financial management
  ▪ expenditure policies (which would relate to the budget)
  ▪ auditing policies

Often organisations compile a manual "Finance Policies and Procedures" which is based on the organisation's values and "Generally Accepted Accounting Policies and Practices (GAAPP)" drawn from the profession of accounting.

Clear guidelines and procedures are important to either prevent financial corruption, or enable action, should this take place.

▼ An **Assets policy** would cover the range of organisational policies that intend to ensure fair purchasing and usage of (often) scarce physical resources. These might include:
  ▪ purchasing policy
  ▪ utilisation policies
  ▪ maintenance of assets
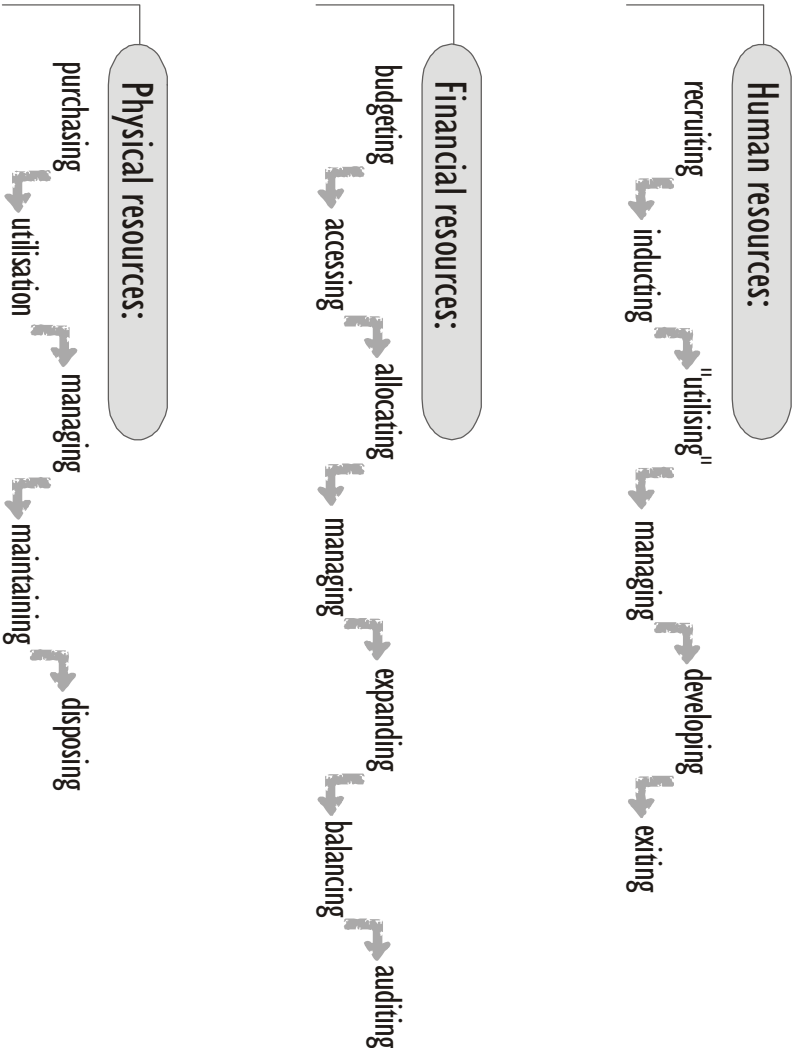 ▪ disposal of assets

Some thoughts here are:

▪ Do we have an assets register which documents all purchases (dates and costs)?

▪ How will we ensure that the use of assets (vehicles, computers, photocopiers, other equipment) is fairly allocated and that assets are not abused (use of vehicles for personal use; personal use of telephone, photocopier, etc.)?

▪ Do we have a policy for the continuous maintenance of our assets with clarity on who is responsible? Is there a budget for this?

▪ What is our policy for the disposal of assets? Can staff purchase these? Who determines a price? And how do we ensure it is fair? When do we repair or dispose of a particular asset?

Developing policy in the area of resources is important. The Board is responsible for an organisation's resources, staff need these for their daily work, and a fair allocation of resources for key areas of work is critical.

Curtailing or avoiding abuse of people, money and assets is fundamental to healthy organisational life, and to fairness.

The governing body of an organisation should be concerned that basic policies relating to resources are in place. As "custodians" of an organisation, they are responsible for the proper and fair use of the organisation's resources.

A useful way of thinking about our resources is to imagine their "usage" over time.

Human resources:
recruiting → inducting → "utilising" → managing → developing → exiting

Financial resources:
budgeting → accessing → allocating → managing → expanding → balancing → auditing

Physical resources:
purchasing → utilisation → managing → maintaining → disposing

▼ An overall **Human Resources (HR) policy** would include a number of policies which relate to particular areas, for example:
■ recruitment and selection policy
■ induction policy
■ learning and development policy
■ exiting policy

All these would be grounded in a legal document often referred to as "Conditions of Service" or "Working Conditions" (see the Appendix for the typical sections of such a document).

These policies guide the employer on fair working conditions. A grievance and disciplinary procedure should accompany these to ensure every staff member is aware of the limits, and of the grounds for a grievance procedure or a disciplinary procedure.

Equity Act) have compelled organisations to revise much of their Human Resources policy to ensure compliance with the new regulations.

▼ **The high and increasing incidence of HIV/AIDS has also challenged organisations to develop policy that relates to the disease in a number of areas:**
■ HR policy for an organisation's own staff should someone be diagnosed HIV positive.
■ Operating policy to guide the organisation on how it should work with a target grouping that has a high incidence of HIV positive people.
■ Organisational policy that reflects how the organisation does or does not educate, inform, support or counsel around the issue of HIV/AIDS in its daily work.

▼ **The Y2K (Year 2000) "bug".**
The Y2K issue challenges organisations to think through how they plan to be Y2K compliant with regard to computers, banking services, communication and other factors. New short-term policies, which carry a cost, need to be developed to ensure continuity in work and the safeguarding of documentation and systems.

▼ **The trend toward gender as a policy issue for organisations calls on people to think about the gender principles that inform:**
■ their HR policy (selection, working conditions, harassment...)
■ their approach in training
■ their selection of trainees, target groups or clients
■ their advocacy work

The development of policy can be motivated by a bureaucratic mindset, or it can be motivated by the need for a policy... now. The three motivations suggested above are typical of organisations in the not-for-profit sector in particular.

The value of policy

A further question relates to the **value** of policy itself. What role does policy play and why have it?

▼ **Policy enables decision-making to become increasingly devolved to smaller groups and individuals and away from a situation in which the leader makes all decisions.**

▼ **Policy eases decision-making.**
Instead of having to take a decision around every incident, the organisation develops a policy to cover a wide range of incidences in the same area to guide staff and Board members in their decision making
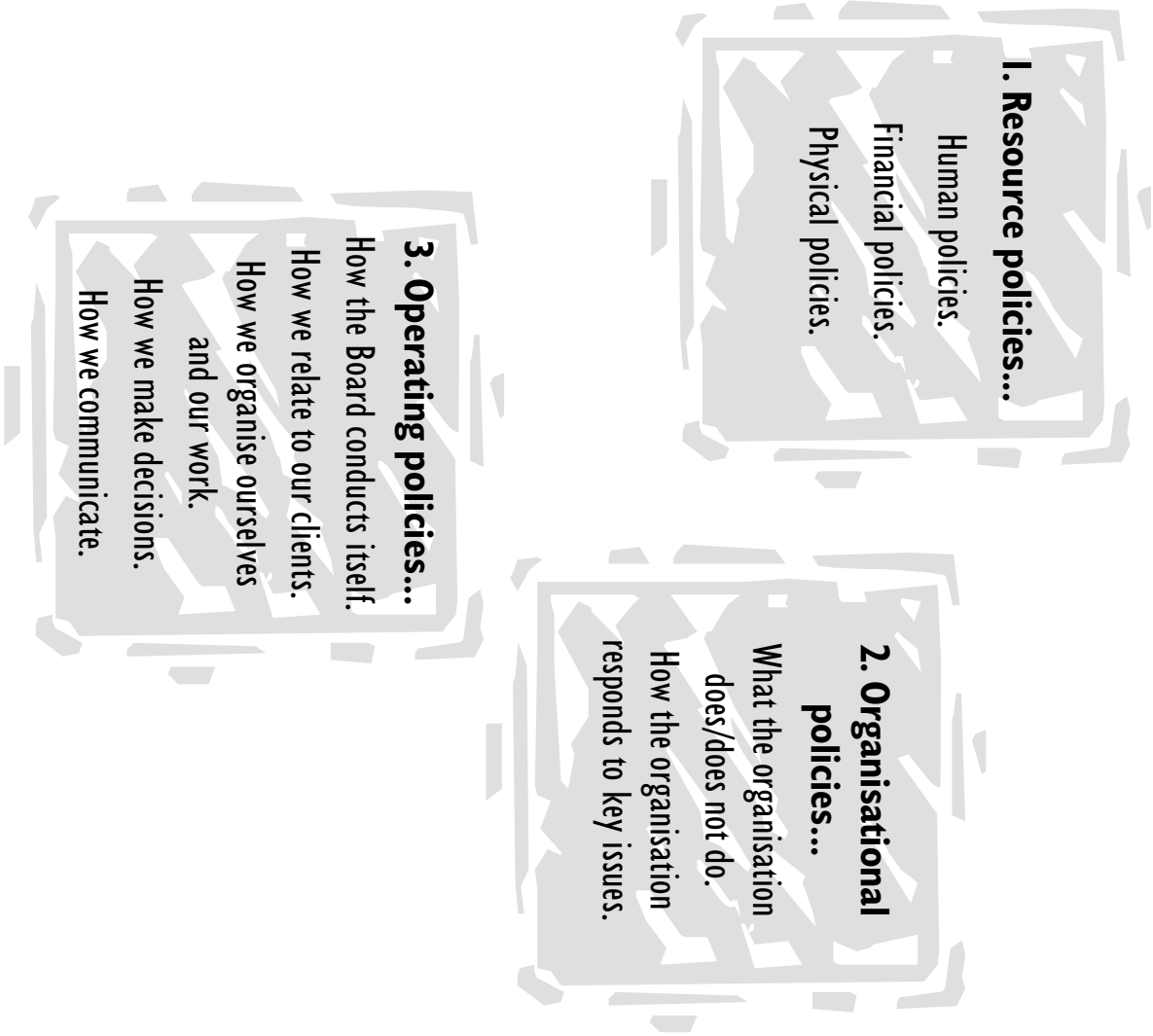
▶ Policy contributes to more coherent and shared practice in how one does things, conducts oneself and approaches particular problems.

▼ Policy ensures a higher level of fairness across all staff and in their actions.

▼ Policy helps to keep the organisation legal!

▼ Policy can contribute to the standards of work and performance of people in an organisation, and so ensure that they are offering the best they can in a given set of circumstances.

Policy is a good thing... if it is thoughtful, responsive and fair. In Section 3 we explore the different areas of policy.

Policy...
is a good thing
...if is it thoughtful,
responsive and fair.

Section 3: What kinds of policies are there?

There are many ways of categorising areas of policy. We offer one way:

1. Resource policies...
Human policies.
Financial policies.
Physical policies.

2. Organisational policies...
What the organisation does/does not do.
How the organisation responds to key issues.

3. Operating policies...
How the Board conducts itself.
How we relate to our clients.
How we organise ourselves and our work.
How we make decisions.
How we communicate.

1. Resource policies

Resource policies relate to an organisation's key resources:

▼ **People** (often referred to as human resources[1])

▼ **Money** (financial resources)

▼ **Assets** (physical resources)

1. While we prefer to think of people as "people" rather than as "human resources", the latter term is widely used. We think of people as extremely important assets in an organisation and not as being "used". For the purposes of this explanation we do, however, use these terms.