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Creating Great
Company Policies

10 Tips for Better Policy Management

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Base your compliance program on clear, consistent policies.

Imagine two different company policies: One was written years ago and is bound and printed and sitting on a shelf in an HR office. Another was just updated and is hosted in an online database so it's available to everyone. This policy is also paired with a training program that enables you to see how well employees scored on a test before agreeing to the policy.

Which policy do you think would do a better job laying out the rules and expectations for employee behavior? Which policy would give you more confidence that your compliance program can actually prevent incidents from happening?

Having clear company policies is incredibly important. But it's just as important to ensure that those policies aren't just static documents. To make the most of your policies, you need to actively integrate them into every aspect of your compliance program: They have to address external laws and regulations as well as internal ethics and values. They provide the basis for training and education programs, while also playing an integral role in incident investigations.

Because policies play this crucial role, any improvements you make in your policy development and management process can improve your overall compliance program. That's why we're highlighting 10 tips for creating better policies and using them effectively. We selected these examples from our hands-on experience investigating workplace incidents, training companies on organizational ethics and consulting on policy development.

Some of the lessons are related to policy lifecycle management, such as knowing what policies your company needs and identifying when those policies should be updated. Others provide writing tips that result in policies that are easier for your employees to understand and follow. And some lessons will help you fully integrate policies with your company's values and ethics, training programs and compliance efforts.

Taken together, these lessons will help you build a compliance program on a solid foundation of policies that are clear, concise and consistently applied. Then, you can manage those policies in a way that measures their effectiveness and allows for continuous improvement.

10 TIPS FOR BETTER POLICY MANAGEMENT

Tip #1: Designate policy owners to avoid policy gaps

Company growth and changes to laws and regulations often make it necessary for companies to create new policies. But it can be tough to keep up with all of these changes, leading many companies to overlook an important policy that should be in place.

To assess which policies you need, consider the major rules, risks and behaviors your company needs to address in order to create a safe, healthy workplace and a productive business. These can include everything from broad topics like "privacy" to more targeted issues such as workplace violence. Then, designate an "owner" for each risk area or regulation; this person will be in charge of managing any related policies. Good policy management software can help here. For example, Convercent's Policy Center makes it easy to create a list of all company policies and assign an owner to each one.

Owners can then map your company's policies against existing regulations to determine if you have any gaps to fill. For example, the owner of "Privacy" might look for company policies that address regulations such as HIPAA and U.S. and EU data privacy laws.

Tip #2: Link policies to company values and ethics

Employees are more likely to understand and adhere to policies if they know why those policies are in place. So, while it's essential to write policies that address laws and regulations, you should also make the connection between those policies and the organization's core values.

Clearly stating your values helps employees understand what's expected of them. Then, you can position your policies as specific advice for how employees can meet those behavioral standards.

To integrate your company values into your policy development and writing process, start with a code of conduct or mission statement that outlines your business' core values and your expectations for employee behavior. Then, write your policies in a way that clearly ties the rules back to one or more specific values.

For example, your company might have a values statement that includes "treat all people with respect and dignity," which could be referenced in your policy about sexual harassment. A value such as "We will conduct our business with uncompromising integrity" could be referenced in policies about theft and fraud.

Remember that values and ethics shouldn't just be words in a mission statement. Anything you can do to demonstrate how your company lives up to those ambitions will help employees remember those values long after they've read and agreed to a policy. That's why we developed Convercent's Values Portal. It's a platform where you can explain your company values, share them with your employees and initiate discussions and activities that make those values more concrete.

Tip #3: Maintain consistent policies across the entire organization

Managing policies becomes more difficult as companies grow, and it's common for inconsistencies to pop up. Policies might be written in different styles by different individuals. Some offices or divisions may be operating under out-of-date policies or different sets of rules than the rest of the company. Certain employees who are covered by a policy might not even receive a copy or agree to it.

To create a compliance program that prevents workplace incidents—rather than just reacting to them—you need a consistent set of policies in place for all employees across your company. You can achieve this by creating and maintaining a central policy library.

Your policy library should contain the current versions of all policies, along with past versions, revisions and exceptions. Then, track the distribution of those policies and individual employee agreements to ensure that everyone has received and signed the proper version of a policy.

Next, make sure you don't manage your policies in a silo separated from the rest of your compliance efforts. Instead, link each policy to your training programs and compliance activities, such as issues and investigations. Convercent's solution simplifies this process by integrating values, policy learning and case management all on one platform. That way, you can monitor how employee training is administered and how your company handles issues and investigations to ensure there's a consistent approach across your entire organization.

Tip #4: Generate policies with employee input

Good policies reflect the real working conditions that employees face, especially those related to issues like safe machinery operation or working overseas. You also want employees to feel a sense of ownership about company policies—which comes when they feel their voices and opinions are valued.

To achieve these goals, don't dictate policies from the top down. Instead, assemble a policy development team that includes a range of stakeholders, including HR, legal, executive management, supervisors and employees. Seek input directly from all stakeholders when drafting new policies, and ask for feedback on existing policies that are under review. Good policy management software can do some of the heavy lifting here. For example, Convercent allows users to designate both policy owners and stakeholders, and assign specific tasks such as reviewing policies or drafting new language.

The policy owner doesn't have to accept every suggestion from employees—particularly if there are legal restrictions that dictate key parts of a policy. But getting employees involved in the process and applying their suggestions when feasible can go a long way toward better engagement and understanding of those policies.

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Tip #5: Integrate policies and training

One of the best ways to help employees uphold your policies is to make sure they truly understand the rules and expectations. The key is providing sufficient training around policies and managing the policy distribution process in a way that gives you confidence in an employee's understanding.

If you integrate your training programs directly with your policy distribution process, you can easily assign training to the same individuals who must agree to a specific policy. For example, Convercent users can distribute policies along with the specific training module that employees must complete before agreeing to the policy. Then, they can receive an individual's agreement alongside their training scores to gauge whether the employee understands the policy or needs additional follow-up.

Tip #6: Keep policies and protocols separate

Some companies write policies that specify how supervisors or HR must respond to an incident. For example, a sexual harassment policy might list several steps that a supervisor is supposed to take in response to an employee's harassment allegation.

Although you do want to standardize the incident response protocol, these details aren't necessary in the policy itself. They create confusion that can often lead to more violations if investigators find that managers skipped steps or failed to perform a certain task as they tried to address a potential harassment issue.

Policies only need to explain what's expected of employees and describe the behavior or actions that are not permitted. Think of speed limit laws: All a driver needs to know is that the speed limit is 65 m.p.h. and that they may receive a ticket for

going faster. The law doesn't need to specify that violators may be pulled over by a police officer who then must ask for a driver's license and registration, review the driver's criminal background, provide a verbal warning in specific circumstances, and so on.

Instead, develop separate protocols outside of the policy to guide your company's response process. For example, you should develop a standard process for all investigations related to potential policy violations.

Policies only need to explain what's expected of employees, not how the company will respond to incidents.

Tip #7: Write policies that preserve management's discretion

Policies need to be clear about prohibited behavior, but they also need to allow for mitigating circumstances. You can throw your policies out of balance by adopting "get tough" approaches, such as zero-tolerance stances for certain infractions or using strict terminology such as "An employee shall never run on the shop floor" or "Managers must always report incidents immediately."

What if an employee was running on the shop floor because of an emergency, or the manager received notice of an incident late at night and waited until the next morning to report it? According to the language of the policies, both incidents are violations.

Zero-tolerance policies, on the other hand, can cause actual violations to go unreported. Employees are less likely to report their colleagues for bad behavior if they know the person will probably lose his or her job because of it.

Best practices, then, are to avoid zero-tolerance policies and to write all policies in a way that preserves managers' prerogative to address the unique circumstances surrounding an incident. Use words like "may" and "in some cases" instead of "shall," "never" and "always."

To protect your company from inconsistent application of policies, implement better training programs for employees and managers—and remove supervisors from the investigation and disciplinary process. Instead, create separate teams that investigate incidents and discipline employees, eliminating the chance for supervisors to play favorites when administering punishments.

Tip #8: Preserve flexibility with disciplinary action

It's important to note in your policies that violations may result in disciplinary action. But because each incident is different, you want to retain the ability to decide on a corrective action that's best suited to the circumstances.

Some companies box themselves in by writing policies that include an escalating series of potential punishments, such as "first offence results in a verbal warning; second offence results in a suspension; third offence results in termination." But what if the first violation was particularly egregious and warranted a more substantial punishment?

A better approach is to craft a statement for the introduction of your company policy manual that

describes the general rules around disciplinary action. For example, "Violations of these policies will be investigated and may be addressed with disciplinary action up to and including discharge. We will consider any mitigating circumstances and judge each infraction on its evidence."

Don't box yourself in by writing policies that specify an escalating series of punishments.

Tip #9: Track incidents back to policies

Bad things can happen in any company—even those with the best compliance programs. When you analyze how or why an incident occurred, you stand a better chance of preventing similar problems in the future. In some cases, issues and incidents may be occurring due to problems with your policies, not your employees.

To perform this analysis, track the history of issues and investigations related to every policy, and measure how often violations are happening. One or two issues related to a policy might be the result of a bad actor or two. But several issues related to the same policy might signal that there's something fundamentally flawed with the policy itself. Perhaps the rules aren't specific enough, or the expectations aren't clear. It's helpful to use an integrated governance, risk and compliance (GRC) application like Convercent, which provides analytics and reporting that illustrate the relationships between issues, investigations and policies.

Tip #10: Review policies regularly

Policies must evolve over time and in response to internal and external factors. State and federal laws and regulations frequently change. Businesses can acquire other companies, requiring the firms to reconcile two sets of policies, or expand overseas and expose themselves to new rules and regulations.

To better adapt policies for changes in your business environment, develop a policy lifecycle management process that includes reminders to proactively review and update your policies. You should review your policies annually, at a minimum. More frequent, unscheduled reviews may be required in response to major regulatory changes or significant business events such as an acquisition or an overseas expansion.

Review policies annually, at a minimum, and in response to any major company or regulatory changes.

Again, good policy management software can make this task simpler. For example, Convercent users can assign tasks to policy owners and stakeholders that specify the dates for regular policy reviews and updates. Or, users can create tasks for ad hoc reviews that are triggered by unpredictable events, such as when the U.S. Department of Justice released a clarifying document on the Foreign Corrupt Practices Act in November 2012.

Conclusion

Once you recognize how policies connect to every aspect of your compliance program, you can develop a policy management process that's well integrated with other compliance activities.

By starting with your company's ethics and values, you can build those values into your policies and train your employees to uphold them. Understanding your issue management and investigation process will help you write policies that support those activities. And measuring key metrics related to those policies across the compliance continuum—from employee agreements to training scores to issues and investigations—will help you identify ways to create better policies and a more consistent policy management process. The result: A more effective compliance program.

Visit convercent.com to watch a two-minute video demonstration of our software.

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Convercent is turning compliance on its head. Through the industry's first intelligent dashboard, we give you multi-dimensional insight into your company's health. Our integrated compliance and analytics solution builds healthy organizations by continuously assessing and managing company policies, tracking employee education and streamlining case management—all while keeping a solid emphasis on your company values. The cloud-based solution is fast to set up, easy to use and accessible from any device or location. It's an interactive approach to turning insight into improvement and awareness into alignment. Changing your view of compliance can transform your organization.

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