

OCB Services Overview Risk Management – Creating and Managing Organisation Policies

Context:

Central to organisational culture is what people believe, the way they think and how they behave in relation to it. The extent to which they agree, obey and align with stated values, standards and practices, will be reflected their attitudes, choices and behaviours.

Guidance around conduct and expectations are important to have at work to make sure your business is compliant with applicable local laws and regulations (risk management), to provide a platform for fair and equitable treatment (engagement) and to strengthen culture and targeted business outcomes (performance). To be effective, policies must be clearly written, transparent, understood, living and breathing in every team and interaction.

Policies are an important way to explain to employees what the organisation stands for, how it values its people and customers, how certain behaviours are encouraged and rewarded. Policies also provide firm guidance on what is, and what is not accepted and it may have negative consequences for the employee if or when they don't 'do the right thing.' Policies establish expectation from the Executive, through leaders, teams and individuals to review organisational instructions. Employees decide on actions that will either support - or contravene - the required standards, procedures or practices and in doing so, should consider the risks and benefits of their chosen behaviour.

What needs to be considered to create and manage policies?

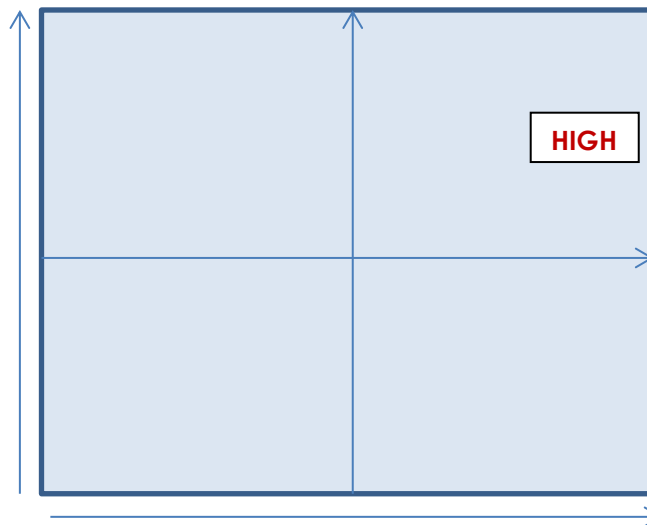
1. **Formal Program led by a Policy Group.** With any formal implementation, change or program introduction, a committee or group should exist that represents stakeholders, interprets the goals, manages governance, evaluates impact and needs of the stakeholder and monitors results in order for the program to be successful. Usually, this 'Policy Group' will meet regularly to review/create/update policies and be led by a representative of the function this policy will mostly impact (e.g. HR, Finance, Legal, Marketing/Communications etc.). For the purpose of this guidance, we will focus on creating and managing HR/People and Culture related policies.
2. **Determine Policy Priority.** Using a simple importance/impact grid, evaluate the degree of importance the policy has on compliance, performance or engagement and the relative impact the policy would have on results in these areas. For example, a policy relating to Health & Safety would likely look like this:

E.g. Health and Safety Policy considerations:

IMPORTANCE:

- Need to be compliant with industry regulations on H&S standards
- Need to create a safe and healthy work culture to attract and retain top talent
- Managers/supervisors need to be educated on risk taking measures to optimise performance without injury.
- Moderate number of functions / teams / individuals most at risk of accident & injury at

Health and Safety Policies would be prioritised highly due to the level of importance it has on compliance, human health/wellbeing and business performance.



IMPACT:

- Possible Death, TPD long term injury
- H&S breaches are costly (financial, reputational)
- Injury increases workplace insurance premiums
- Accidents cause loss to productivity

3. **Follow a formal Policy Implementation and Records Management process.** Treat any new policy or update the same as any program implementation. Follow common transformation guidelines (see [Transformation Tools](#)) to support stakeholder engagement in and commitment to policy outcomes. In brief, this should include an outline of group member roles and responsibilities, a robust stakeholder impact evaluation, stakeholder management plan, review, alignment (with stakeholder representatives and to existing policies and practices), communications and education plans.
4. **Monitor Performance/Effectiveness.** If the policy was created or updated to more effectively manage risks associated with regulations, compliance or behavioural conduct, ensure you capture information relating to the effectiveness of the policy relating to performance, such as frequency and volume of use, ease of interpretation and use by managers and employees, breaches averted and decisions resulting in reward or consequences.

Please refer to the following pages for an example policy templates:

A) Template for creating and reviewing organisational policies:

#	Policy Action	Person(s) Responsible	Action Detail	Completion & Review Notes
1	Review XX Policy			
2	Prioritisation Analysis. (Use a scale e.g. 1-5)		Impact: Importance: Decision:	
3	Reason for creation/update e.g. - Change in legislation - Occurrences of misconduct - Current policy requires more detail/info - Contradiction with other policies - Volume of requests to add/update - Scale of risk if left unchanged - Up-weighted focus in culture			
4	Stakeholder Impact Analysis			
5	Key stakeholders affected- Target behaviour and outcomes			
6	Legal/Regulatory/Standard compliance requirements			
7	Educational component requirements			
8	Leadership expectations			
9	Employee expectations			
10	Business metrics supported by policy (define targets for monitoring performance)			
11	Links to Capability Framework			
12	Link to guidelines and procedure manuals			
13	Links to other Policies			
14	Policy Drafting			
15	Policy Review – key stakeholders		e.g. HR Expert/IT/Finance/Brand	
16	Post review amendments			
17	Policy Sign-off			
18	Policy Implementation		Communication Plan: Education Plan: Program Review: Program completion sign off:	
19	Enforce and monitor performance			
20	Manage content and issues log		e.g. Policy File location: Issue: Outcome:	

B) Template for specific policy content:

Policy Item	Sample Description
Title	XX Policy
Date	Created/Updated/ Effective from Day/Month/Year
Ownership	The XX Function is responsible for the content, update and administration of this policy. For more information or guidance, please contact:
Purpose	XXX (Organisation) is committed to (intent and values statement relating to policy).
Overview	<i>(Provide a brief description of what the policy includes)</i>
Definitions	<i>(Provide clear and standard description for key terms and references included in the policy)</i>
Relevant Legislation/Acts	<i>(Reference applicable legislation and/or acts that the policy refers to or abides by)</i>
Scope & Application	e.g. This policy applies to all full time, part time, casual and contracted employees who have a requirement to directly deliver operational outcomes to (the organisation).
Roles and Responsibilities	Executive: HR: Leaders and Managers: Individual Contributors:
Procedures (or link to formal instruction)	e.g. Reporting Procedures: Information capture procedures: Privacy Procedures: Complaints procedures:
Reward and Consequences	e.g. The offender will be issued with a written warning, depending on the outcome of the investigation. Serious misconduct may result in dismissal from the organisation.
Record Management	e.g. All notes and responses will be captured by the manager of the employee being investigated and forwarded to the relevant HR associate for reference.