

POLICIES, PROCEDURE AND STRATEGY

POLICIES

Policies are general statements or understandings that guide managers' thinking in decision making. They usually do not require action but are intended to guide managers in their commitment to the decision they ultimately make.

Process of policy formulation

The first step in the process of policy formulation, is to **capture the values or principles** that will guide the rest of the process and form the basis on which to produce a statement of issues.

The **statement of issues** involves identifying the opportunities and constraints thoroughly analyzing the housing market. The statement of issues will provide the basis for the formulation of a set of housing goals and objectives, designed to address the problems identified and to exploit the opportunities which present themselves. The next step is to **identify and analyze the various policy options** which can be applied to achieve the set of goals and objectives.

An **implementation** program the policy recommendations must then be prepared, addressing budgetary requirements, and allocating roles and responsibilities. Finally, the implementation of the housing strategy needs to be systematically **monitored and evaluated** against the stated goals and objectives.

Essentials of Policy Formulation

- A policy should be definite, positive and clear. It should be understood by everyone in the organization.
- A policy should be translatable into the practices.
- A policy should be flexible and at the same time have a high degree of permanency.
- A policy should be formulated to cover all reasonable anticipatable conditions.
- A policy should be founded upon facts and sound judgment.
- A policy should conform to economic principles, statutes and regulations.
- A policy should be a general statement of the established rule.

Importance of Policies

- They provide guides to thinking and action and provide support to the subordinates.
- They delimit the area within which a decision is to be made.
- They save time and effort by pre-deciding problems and
- They permit delegation of authority to managers at the lower levels.

PROCEDURE

A procedure is a type of "standing plan" that provides a chronological, step-by-step sequence of actions required to perform a specific task.

While a policy tells you what the rules are, a procedure tells you exactly how to implement them.

Key Characteristics of Procedures

- * Chronological Order: Procedures are linear. They follow a specific "First, do A; then, do B" format.
- * Action-Oriented: They focus on physical or administrative tasks rather than abstract ideas.
- * Detail-Specific: They leave little room for individual interpretation, ensuring that a task is done the same way every time, regardless of who is doing it.
- * Operational Level: Procedures are most common at the operational or supervisory level of an organization.

Policy vs. Procedure: The Main Difference

General guide to thinking/decision-making. Allows for some managerial discretion.

Specific guide to action. Rigid; must be followed step-by-step.

Example: "Our company has a 'Safety First' policy."

"The 10 steps procedure to shut down the machinery during an emergency."

Importance of Procedures

- * Consistency & Quality: They ensure that the output is identical every time.
- * Efficiency: They eliminate the need for employees to "reinvent the wheel" or stop to make decisions for routine tasks.
- * Training: They act as a manual for new employees, speeding up the onboarding process.
- * Accountability: If something goes wrong, managers can check if the established procedure was followed correctly.

STRATEGY

Strategy is the bridge between a high-level vision and actionable daily tasks. While a "plan" is often a fixed set of steps, a "strategy" is the logic, rationale, and flexible approach used to achieve a goal.

A strategy is a flexible blueprint; if an obstacle appears, you change your strategy. A plan is a rigid schedule; if it fails, you often switch to "Plan B."

Strategies and plans work in a symbiotic cycle. A strategy without a plan is just an idea; a plan without a strategy is "busy work" without a clear direction.

- * Strategy (The Framework): Focuses on positioning the organization within its environment. It is broad, abstract, and long-term.

- * Planning (The Execution): Translates that strategy into concrete resource allocations, deadlines, and responsibilities.

Strategic Planning Process

1. Environmental Scanning (Research): Before planning, you strategize by looking at the world. You use tools like SWOT (Internal) or PESTLE (External) to see where you stand.

2. Strategy Formulation: Based on the research, you choose your "Competitive Advantage." Will you be the cheapest (Cost Leadership) or the most unique (Differentiation)?

3. Strategy-to-Plan Translation: This is where the scope of planning narrows. You turn the strategy into SMART goals (Specific, Measurable, Achievable, Relevant, Time-bound).

4. Resource Allocation: You decide which departments get the budget and manpower to execute the chosen strategy.

5. Monitoring & Pivoting: Strategy is flexible. If the market

changes, the strategy is adjusted, which in turn changes the operational plans.

Levels of Strategy in Planning

Corporate

- For Diversification, Mergers, Industry entry.

Strategic Plan: 5-10 year roadmap for the whole company.

Business

- For Competitive tactics, Market share, Customer niche. Tactical Plan: 1-3 year departmental goals.

Functional

- For Marketing, HR, Finance. efficiency.

Operational Plan: Quarterly/Monthly task lists.

Operational

- For Day-to-day workflow and task management.

Daily/Weekly "To-Do" lists and shifts.

*** Mission: Why we exist.**

*** Objectives: What we want to achieve.**

*** Strategies: The broad plan to achieve objectives.**

*** Policies: The rules we follow while executing strategies.**

*** Procedures: The step-by-step instructions for tasks.**

*** Rules: Specific constraints (e.g., "No smoking").**