



Formulation of Policies in Management

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DESCRIPTION

Policy formation process creating organizational policies is an integral part of the planning process. To ensure the smooth running of the organization, managers must develop appropriate policies. However, there is a whole process involved in creating the most appropriate policies for an organization. Therefore, the process mentioned below should be followed by managers when creating policies for their organizations.

Quite simply, policies are perpetual plans that provide guidelines for decision making. They are thought guidelines that set boundaries or limits within which decisions must be made. Within this limit, a judgment must be made. The degree of discretion allowed will vary between policies. Some policies are quite broad and take a long time, while others are narrowly formulated and do not have much room for judgment. For example, a policy that selects the most qualified candidate for a management position allows more decision-making power than a policy that promotes the most qualified candidate in an organization. The second policy is a narrower one because it limits choice to current employees. Of course, an organizational promotion policy based on standardized test scores and seniority would be a more restrictive policy.

To better understand the nature of policies, it is helpful to distinguish them from other long-term plans, i.e. plans designed to deal with recurring problems, such as rules, standard operating procedures and standard methods. Rules are specific statements about what should or should not be done in a given situation. Unlike policies, they leave no room for management. "No smoking in the work area" and "Wash your hands before leaving the restroom" are examples of company rules. In essence, rules are designed to suppress thinking while policies require varying degrees of judgment.

Standard Operating Procedures (SOPs) are step-by-step instructions for performing a particular operation. They specify an exact chronological sequence of steps to follow and leave little room for decision. Most procedures cross departments and involve multiple employees. SOPs are often used to support the implementation of major policies. For example, a policy of

buying from a qualified contractor for the lowest price can be systematically implemented through a regulated SOP.

Policies serve several important functions within an organization. Above all, they simplify decision making. They demarcate the search for possible alternatives and eliminate the need for in-depth analysis and repetition of the same repetitive problems. Therefore, they promote effective use of time management.

Policies can appear in four very different ways. First, and most often, they can be created by management. Managers create policies to ensure that decisions within the organization will align with its goals. Usually, these are written down and included in the company's policy handbook, if it has one.

The second way the policy is realized is through appeals. The appeals process usually works like this. A situation develops in which a leader is uncertain whether he or she has enough power to make a decision. So he or she will appeal to the superior for the decision. Once a decision is made, it sets a precedent for similar decisions in the future. The process is similar to how common law evolved in the Anglo-American legal system. However, there is a danger in allowing too many policies to be applied. A set of unwritten, incomplete, and uncoordinated policies may arise because different decisions can be made based on individual interests in particular situations without consider their broader effects.

Although there are differences of opinion regarding SMH, it has played an important role in urban policy making for several decades. Policies to address spatial mismatches involve efforts to bring people and work closer together or improve the linkages between them. Three general types of policies have been proposed. First, "economic development" policies aimed at creating jobs in the city centres. These location-based policies include public works programs and provide subsidies, training, and infrastructure to attract new industries to the inner city. The policies have gone by various names - now "the corporate sector" - and they have had limited success. Many have been unable to create decent and long-lasting jobs because they have not changed the profitability of inner-city positions and benefits have flowed from neighbourhoods in the city to other areas.

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Received: 07-Feb-2022, Manuscript No. RPAM-22-15961; **Editor assigned:** 10-Feb-2022, PreQC No. RPAM-22-15961 (PQ); **Reviewed:** 23-Feb-2022, QC No. RPAM-22-15961; **Revised:** 02-Mar-2022, Manuscript No. RPAM-22-15961 (R); **Published:** 09-Mar-2022, DOI: 10.35248/2315-7844.22.10.326

Citation: Corson CS (2022) Formulation of Policies in Management. Review Pub Administration Manag. 10:326

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