

Open-Door Policy



Beyond The Lip Service



The Business Case

“I operate an open door policy,” declared the new manager, as he eagerly announced to his new team after being introduced by his immediate superior following his appointment as the new director of logistics. It was just a matter of time that his commitment to open and transparent communication would be challenged by circumstances at the work place. The refrain, “open door policy” has become one of the age old business adage which seeks to communicate management’s willingness to accommodate all shades of opinions and feedback relating to business operations or any extra-mural matter that may have business impact.

The challenge of strategy execution, is that most strategic plans excludes from the formulation process, the input of those who would implement the plans. Consequently, assumptions that are made about markets, consumer behavior, competitive response and many important issues, may be inaccurate, leading to missed targets and eventually, low returns on capital employed. Failure is almost certain when a company lacks a systematic mechanism for obtaining feedback from stakeholders of the business. One such essential feedback comes from employees and customers, through complaints and suggestions. Open door policy is therefore the general management approach and behavior towards feedback from stakeholders particularly employees. In the traditional sense, reference to “open door policy” is suggestive of an open and welcoming cultural environment that promotes

inclusion, dialogue and respect for people. In the case of the logistics director mentioned in the introduction, there was no reference to a specific policy document titled “Open Door Policy”, yet the general understanding was that “this new director must be a nice guy”. The history of use and abuse concerning open door policy declarations has started a new debate about whether or not companies and organizations in general should consider formalizing such policies as a way of demanding accountability from its management teams for compliance and/or breaches.

Scenario Review

A client I consulted with narrated a situation involving open door policy gone awry. In his narration, he did not clearly use the term “open-door policy” but the facts and manner in which events occurred leaves very little room to interpret otherwise.

The Facts – An employee confided in his colleague about work schedules, stress-levels and low compensation that in his opinion was affecting morale and output. For the purpose of preserving identities, I would refer to the complainant as George, and Jimmy, the confidante. In relaying this information to Jimmy, George asserted that, in his genuine attempt to take the manager on his much vaunted “open door policy”, he had mustered courage to go to the manager to discuss what he [George] thought might be of interest to the manager. Perhaps he may find proactive ways to re-ignite that team

camaraderie that use to keep the unit flame alit. To George's surprise, the manager feigned anger and rebuked George to "mind his business". After George pointed out to the manager, his own open door policy, he retorted, "open door does not mean everything, my friend! If people want to leave because of salary, they can go!" he added. To make matters worse, the unit manager had made it very clear to George, that he was only interested in things that would "benefit" the business and not personal matters. George then asserted to Jimmy that he thinks that "so-called open door policy" is a hypocritical farce. To an uncritical mind this real-life scenario may seem like another situation where a bad manager failed to recognize a coachable moment thereby exhibiting values that were incongruous to the company's stated core values and guiding principles. But to a thoughtful analyst, this situation brings to the fore deeper issues of organizational culture, policy clarity and systems for ensuring 360 degree accountability.

My own experience whilst managing a branch of a bank I once worked with, suggests to me that open door policy means different things to different people. It turns out my predecessor at this branch I refer to, had a practice of leaving his office door opened, literally. I imagined the purpose was to aid supervision and maybe also communicate an open door symbolic gesture. When I took over, I changed the practice of leaving the office door opened due to an observation I had made. I had observed that an increasing trend of certain customer age groups, had a habit of making social calls on the

"manager" even after they had completed their legitimate transactions. The resulting inefficient use to time was an opportunity cost of attending to other equally important customers with legitimate transaction concerns. So, just by shifting policy emphasis from form to substance, a decision as banal as closing an office door instead of leaving it opened went a long way to improve business outcomes without undermining the spirit of the policy. This notwithstanding, I came into sharp conflict with old guards who thought the old way was better. The management issue to consider is this; can such conflicts be minimized through standardization of policy, starting from the top?

The Core Values Angle

Architects of organizational design argue that an entity's sense of being and purpose is grounded its mission and core values. The mission provides a frame of what the organization exists to achieve and how it sees itself in the broader scheme of things. Core values define very clearly the specific ethos and virtues an organization considers as central guiding principles to aid corporate decision-making at all levels. The manner in which open-door policy is practiced in an organization would undoubtedly be influenced by how deeply held and widely shared its cultural (core) values are, across all levels.

O'Rielly, Chatman & Caldwell (1991) developed a model based on the belief that cultures can be distinguished by

values that are reinforced within organizations. Their Organizational Culture Profile Model (OCP) is a self-reporting tool which makes distinctions according to seven categories -

- ✚ Innovation
- ✚ Stability
- ✚ Respect for People
- ✚ Outcome Orientation
- ✚ Attention to Detail
- ✚ Team Orientation
- ✚ Aggressiveness.



Although not an absolute, the model serves as an instrumental framework for thinking about how culture is created and how to trouble-shoot when performance deteriorates. The value

“respect for people” is an essential driver of policy success in any corporate environment simply because it demands assumption of inherent human value and compels fair treatment regardless of personal bias. The cultural context for open-door policy is not different. Open-door attitude requires a genuine belief that people are intelligent, positive and when given the chance will perform excellently. In the case of George’s manager, a performance audit may be required to establish root cause in a bid to understand his negative response.

Management teams must appreciate the proven linkage between performance and culture. Performance here is used in the broader sense; systems, HR policies, operating models, etc. For

open-door policy to work effectively, the cultural construct has to be thoroughly thought through.

The Way forward

From experience, there are three ways to approach how open-door policy operates:

- 1) Policy is documented, widely disseminated throughout the company and mechanisms available to enforce it.
- 2) Policy is known but undocumented and no clear enforcement nor impact measurement done.
- 3) No clear policy on fostering open communication and information-sharing albeit attention is drawn to the need for it occasionally. In most cases, it happens after something goes wrong.

The immense benefits to be derived from operating effectively, an open-door policy, drives the business case for full adoption. The first approach (documentation-implementation-enforcement) represents the best option to maximize returns on investment in maintaining an open and tolerant culture that fosters dialogue and exchange.

For any company now considering how to structure an open-door policy document, the following ingredients are key essentials:

- a) Policy goal and purpose
- b) Guiding principles for decision-making

- c) Responsibilities of parties (manager, direct reports, employees, HR, etc.)
- d) Escalating procedures
- e) Reporting breaches
- f) Policy review schedules.

It is always good practice to structure timelines for measuring impact of any organizational policy whether open-door or any other legitimate policy.

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