

HUBBARD COMMUNICATIONS OFFICE  
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 25 NOVEMBER 1970

Remimeo

(Corrected and Reissued 27 Nov 1970)

*Org Series 16*

**POLICY & ORDERS**

Probably the greatest single confusion that can exist in the subject of Organizing is the reversal of "policy" and "orders".

When definitions of these two things are not clearly understood they can be identified as the same thing or even reversed.

When they are not understood plainly then staff members set their own policy and demand orders from top management, totally reversing the roles.

Confusion thus generated can be so great as to make an organization unmanageable. It becomes impossible for staff to do its job and management cannot wear its hat.

People in an organization obsessively demand orders from policy source and then act on their own policy. This exactly reverses matters and can be a continual cause of disorganization.

As policy is the basis of group agreement, unknown policy or policy set by the wrong source leads to disagreement and discord.

Demanding or looking for orders from policy source and accepting policy from unauthorized sources of course turns the whole organization upside down. The bottom of the org board becomes the top of the org bd. And the top is forced to act at lower levels (order issue) which pulls it down the org bd.

But this is not strange as we are dealing here with principles rather new in the field of organization, principles which have not been crisply stated. THERE IS NO EXACT ENGLISH WORD for either of these two functions.

POLICY as a word has many definitions in current dictionaries amongst which only one is partially correct: "A definite course or method of action to guide and determine future decisions." It is also "prudence or wisdom" "a course of action" and a lot of other things according to the dictionary. It even is said to be laid down at the top.

Therefore the word has so many other meanings that the language itself has become confused.

Yet, regardless of dictionary fog, the word means an exact thing in the specialized field of management and organization.

POLICY MEANS THE PRINCIPLE EVOLVED AND ISSUED BY TOP MANAGEMENT FOR A SPECIFIC ACTIVITY TO GUIDE PLANNING AND PROGRAMMING AND AUTHORIZE THE ISSUANCE OF PROJECTS BY EXECUTIVES WHICH IN TURN PERMIT THE ISSUANCE AND ENFORCEMENT OF ORDERS THAT DIRECT THE ACTIVITY OF PERSONNEL IN ACHIEVING PRODUCTION AND VIABILITY.

POLICY is therefore a principle by which the conduct of affairs can be guided.

A policy exists or should exist, for each broad field or activity in which an organization is involved.

Example: The company has a lunchroom for its employees. Top policy concerning it might be "To provide the employees cheaply with good food and clean fast service." From this the lunchroom manager could plan up and program how he was going to do this. With these approved they form the basis of the orders he issues.

Now let us say the manager of the lunchroom did not know organization and that he did not try to get a policy set or find if there was one and made up his own policy and planned and programmed and issued his orders on that. Only the policy *he* makes up is "To make dough for the company."

Now the wild melee begins.

Top management (the lunchroom manager's highest boss) sees stenos eating cold lunches brought from home at their desks. And begins to investigate. How come? Stenos then say "We find it cheaper to eat our own lunches." Top management finds coffee in the lunchroom is terrible and costs several shillings. Dried out sandwiches cost a fortune. There is no place to sit. . . .etc. So top management issues *orders* (not policy). "Feed that staff!" But nothing happens because the lunchroom manager can't and still "make dough for the company". Top management issues more *orders*. The lunchroom manager thinks they must be crazy at board level. How can you make dough and still feed the whole staff? And top management thinks the lunchroom manager is crazy or a crook.

Now you multiply this several times over in an organization and you get bad feeling, tension and chaos.

Let us say top management had issued policy: "Establish and run a lunchroom to provide the employees cheaply with good food and clean fast service." But the lunchroom manager hired knew nothing of organization, heard it, didn't realize what policy was and classified it as a "good idea". Idealistic, probably issued for PR with employees. "But as an experienced lunchroom man I know what they really want. So we'll make a lot of dough for the company!"

He thereafter bases *all* his orders on this principle. He buys lousy food cheap, reduces quality, increase prices, cuts down cost by no hiring and does make money. But the company gets its income from happy customers who are handled by happy staff members. So the lunchroom manager effectively reduces the real company income by failing to cater to staff morale as was intended.

#### UNPREDICTABLE

It is a complete fact that no top management can predict WHAT policy will be set by its juniors.

The curse of this is that Top Management depends on "common sense" and grants greater knowledge of affairs to others at times than is justified. "Of course anybody would know that the paper knives we make are supposed to cut paper." But the plant manager operates on the policy that the plant is supposed to provide employment for the village. You can imagine the squabble when the paper knives which do NOT cut paper fail to sell and a threatened layoff occurs.

Nearly all labor-management hurricanes blow up over this fact of ignorance of policy. It is not actually a knowing conflict over different policies. It's a conflict occurring on the unknown basic of unknown or unset policy of top management and the setting of policy at an unauthorized level.

"Order" takes up two small print columns of the two ton dictionaries.

The simple definition is:

AN ORDER IS THE DIRECTION OR COMMAND ISSUED BY AN AUTHORIZED PERSON TO A PERSON OR GROUP WITHIN THE SPHERE OF THE AUTHORIZED PERSON'S AUTHORITY.

By implication an ORDER goes from a senior to juniors.

Those persons who do not conceive of an organization larger than a few people tend to lump all seniors into order-issuers, tend to lump anything such a senior says into the category of order and tend to lump all juniors into order receivers.

This is a simple way of life, one must say.

Actually it makes all seniors bosses or sergeants and all juniors into workers or privates. It is a very simple arrangement. It does not in any way stretch the imagination or sprain any mental muscles.

Unfortunately such an organized arrangement holds good for the metal section of the shop or a platoon or squad. It fails to take into account more sophisticated or more complex organizations. And it unfortunately requires a more complex organization to get anything done.

Where one has squad mentality in a plant or firm, one easily gets all manner of conflict.

Few shop foremen or sergeants or Chief Clerks ever waste any time in trying to tell the "rank and file" what the policy is. "Ours was not to reason why" was the death song of the Light Brigade. And also the open door to Communism.

Communism is unlikely to produce a good society because it is based on squad mentality. Capitalism has declined not because it was fought but because it could not cope with squad mentality. The policies of both are insufficiently embracive of the needs of the planet to achieve total acceptability.

An order can be issued solely and only because its issuer has in some fashion attained the right to issue the instruction and to expect compliance.

The officer, the Chief Clerk, the shop steward, the sergeant, each one has a license, a warrant, a "fiat" from a higher authority which entitles him to issue an *order* to those who are answerable to him.

So where does this authority to issue orders come from?

The head of state, the government, the board of directors, the town council, such bodies as one could consider top management in a state or firm, issues the authority to issue orders.

Yet such top persons usually do not issue authority to issue orders without designating what the sphere of orders will be and what they will be about.

This is the Policy making—appointment making level at work.

All this is so poorly and grossly defined in the language itself that very odd meanings are conceived of "Policy" and "Orders".

Unless precise meanings are given, then organization becomes a very confused activity.

Understood in this way, the following sentence becomes very silly: "The board of directors issued orders to load the van and the driver was glad to see his policy of interstate commerce followed."

Yet a group will do this to its board of directors constantly. "You did not issue orders. . . ." "We were waiting for orders. . . ." "I know we should have opened the doors but we had no order from the Council. . . ."

The same group members, waiting for orders to sit or stand by special board resolution will yet set policy continually. "We are trying to let others do their jobs without interference." "I am now operating to make each member of my department happy." "I am running this division to prevent quarrels."

Ask officers, secretaries, in charges "What policy are you operating on?" and you will get a quick answer that usually is in total conflict or divergence from any board policy. And you will get a complaint often that nobody issues their division orders so they don't know what to do!

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The fact is that POLICY gives the right to issue orders upon it to get it in, followed and the job done.

A group of officers, each one issuing policy madly while waiting for the head of the firm to give them orders is a scene of mix-up and catastrophe in the making.

Policy is a long long range guiding principle.

An order is a short term direction given to implement a policy or the plans or programs which develop from policy.

"People should be seated in comfortable chairs in the waiting room" is a policy.

"Sit down," is an order.

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If policy is understood to authorize people to issue orders, the picture becomes much clearer.

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"Clearing post purpose" is another way of saying "Get the policy that establishes this post and its duties known and understood."

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Unless an organization gets this quite straight, it will work in tension and in internal conflict.

When an organization gets these two things completely clear, it will be a pleasant and effective group.

L. RON HUBBARD  
Founder

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