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# Is 'policy' the best honesty? Or do you just mean 'practice'?

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In many business settings, employees often use a sentence that can either lead to concluding a discussion or conversation or produce a conflict and a confrontation.

That sentence is, "It is our policy to \_\_\_\_\_." Employees often use it with colleagues, and more importantly with customers.

I'm not going to minimize the importance of having company policy clearly written for the benefit of employees and customers. And, in many respects, the larger the company the more important is it to have clearly written policies. What I want to caution, however, is the habit of using the sentence when such a policy might not actually exist.

All of us should be aware of the difference between corporate policy and common practice. And we should be sure every one of our employees knows the difference in order to avoid possible conflicts with customers.

A couple of brief definitions are in order.

In business settings, "policy" is a formal decision made and agreed to by management on how elements of a business will be implemented. The statements are specific and are included in some formal publication such as a policy manual, corporate minutes or an employee handbook.

"Practice," on the other hand, reflects the way things have been done in the past. They are behaviors that have become commonplace and habitual. They are informal and aren't usually in print, so they are often subject to broad and, sometimes, convenient interpretations.

Here's an example of why understanding the difference between "policy" and "practice" is so important. This event happened recently in a major retail department store, and a simple transaction turned into a major confrontation.

A customer was purchasing an item as a gift and asked the clerk to mail it out of state. So far, simple.

When the clerk totaled the cost, she included the state sales tax, and the customer reminded her that no sales tax should be considered because the item was being mailed to a state that had no sales tax. That, indeed, was true at that location at the time of the purchase.

There was a brief exchange of the "Yes it is -- no it isn't" variety between clerk and customer. Such exchanges, of course, never go anywhere.

The clerk finally announced quite strongly, "We charge the sales tax. That's our policy."

The red flag went up for the customer! The situation wasn't quite so simple any more.

The customer then said, "If that's your company policy, show it to me. If it's policy, it's written down somewhere."

When the clerk couldn't produce the policy she called her manager for help. The manager also quickly informed the customer it was company "policy," but he couldn't produce it in writing either.

By now the conversation had grown louder, and a small group of other interested shoppers had gathered around to observe what had become a confrontation.

In time, the manager authorized the sale without the tax. The customer paid and left saying she would never shop in the store again.

I have no way of knowing if she ever did return, but at the moment she made the comment, she was angry enough to keep that promise.

A customer relationship had been jeopardized because of a "policy" that no one could find. It was the practice of the store to charge the sales tax, and as far as the clerk and the manager were concerned, that's how it was done.

Their quick use of the word "policy" and their inability to produce it when challenged resulted in losing at least one customer -- maybe more. That's a pretty high price to pay for choosing an incorrect word.

The "takeaway" here is this. Be sure all of your employees know the difference between "policy" and "practice."

Many employees are tempted to use the work "policy" because it sounds strong, puts them in a power position, and often intimidates customers.

It might conclude a conversation, but if a customer demands documentation, the clerk will lose credibility, and the company may suffer the loss of a customer.

Make sure an inaccurate word doesn't provoke a costly confrontation. It isn't worth it.

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