

# Implementing Inspirational Performance Management: Performance Appraisal is Dead; Long Live Performance Contracting

## An Exploration Dialogue

**You**



My people hate performance appraisals.

Managers dislike doing them.

Staff resent the ratings they get.

Is there a better way to manage performance?

So, what is it?

Why does it work?

**Me**



Yes, there is.

I have implemented forward looking performance contracting in every organization I led for over 15 years.

The results were impressive. We simply did more, better.

At the same time, our staff satisfaction / morale results consistently improved.

Performance contracting is a process by which a manager and a direct report negotiate and sign a performance contract for the next performance period, whether it be a project, or a year, or a part of a year.

It looks ahead and clarifies what is needed in the future. It stops looking back to what had been done in the past.

Performance contracting treats staff as adults, capable of the dialogue needed to clarify what they are supposed to

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do, and of understanding the way in which their success or lack of success at delivering those performance elements will be measured.

Staff engagement as measured by our staff satisfaction surveys improved a great deal as a result.

What problems did you run into while implementing it?

Surprisingly, many of the managers I led had to learn two important things. We cascaded this learning down the organization over time, from the top to the bottom management layers.

What happened with your managers?

*First*, managers of others had to get clear on how they were going to measure each of their direct reports' performance. Many managers had never acquired this skill as a part of their supervisory development training. They needed to learn how to set performance metrics their direct reports could understand and to which direct reports could agree.

Often, this process gives managers insights into how their direct reports were looking to 'self evaluate' their performance against such metrics so that they could improve.

That's surprising. I thought that is what manager did implicitly.

What else did they have to learn?

*Second*, they had to learn to negotiate performance with their direct reports, and the importance of actually entering into a contract with those people to produce that performance. They had to move from 'position power – I am your boss' to 'competency power – I know how to manage your performance and coach you on achieving it'.

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So, you went through a managerial real culture shift, did you?

What about the staff people themselves – how did they react?

So, what's involved in implementing it?

**Me**

Many of the folks I led thought being a manager was simply a matter of rank - of telling others things, not dialoguing with them in ways which inspired and coached them.

Such managers consistently got the lowest 'being a good manager' ratings on our staff satisfaction surveys. We got insight into parts of our managerial culture which were not inspiring people to perform.

The managers who learned how to negotiate and to coach performance against agreed upon metrics got better 'being a good manager' ratings after they did this. The staff satisfaction ratings on the survey showed remarkable positive changes.

The good and great performers loved it. They took to it like a duck takes to water.

Some of our poorer performers started to see that they could use the performance contracting and their regular review progress review with their managers to identify places and ways in which they needed to improve their skills and performances.

Others in the poorer performance group resented performance contracting. They could no longer not deliver on results and depend on their ability 'snooze and soothe' the boss. They actually had to deliver. We encouraged such people to leave us and find other places to work over time.

That is what this coaching program is all about. You can get a good handle on this by having a look at the e-book

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below. By clicking on book cover, you will get a url to a PDF copy of it. In return, you will need to join The Life Long Learning community. You can of course opt out any time.

Or you can use the button below to set up a discovery Zoom meeting with me. We can chat about this in more depth. Once you click on the link, just pick the 'Performance Contracting Coaching service, and follow the next steps.

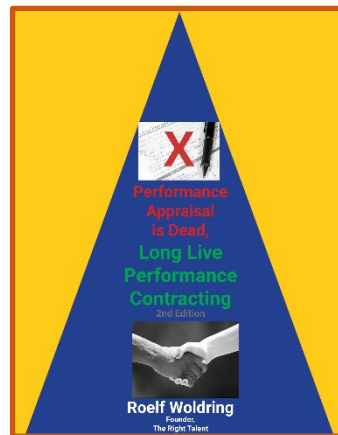
Looking forward to talking to you over Zoom.

Finally, you can click on the presentation to scroll through a short PDF presentation which describes the power of performance contracting, and relates it to performance appraisal.

*Click on the button to book a Zoom discovery meeting - choose Performance Contracting from the list of services and follow the steps*



*Click on the Book Cover to get access to a PDF download of it*



*Scroll through a short PDF presentation on Performance Contracting vs Performance Appraisal*

