



“Shape the Future,
don’t appraise the past”™



Why Performance Contracting?

Performance Item:

Develop and negotiate a performance contract for a specified period for a specific C-Level Leader in a specific organization.

Metric:

A Performance Contract document signed by both the C-Level Leader and the Leader’s superior (CEO or Board Members) exists.

Roelf Woldring
WeCrut3.com

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Performance Appraisal:

- **Chokes performance** rather than **liberates it**
- Is about **relative power and position in the hierarchy** more than it is about **personal performance**
- Satisfies the **needs of “record keepers”** rather than meeting the needs of bosses and reports **to talk about what needs to be done**
- **Creates anxiety** rather than **energizes performance**

Why Bother?



“We have a perfectly good performance appraisal system, so why bother to change?”



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Why Performance Contracting Works?

<p>What you “should do” as the “Boss”</p>	<p>Performance Contracting</p> 	<p>Performance Appraisal</p> 
<p>Clarify what the individual is expected to do</p>	<p>You talk about this before the fact, using a structured process.</p>	<p>The organization has a general planning process. Based on this, the superior and the individual may talk in general terms about general goals and objectives.</p> <p>The superior hopes that the subordinate can translate appropriate parts of such general goals into effective personal actions.</p>
<p>Provide feedback that lets the person know how she or he is doing</p>	<p>The metrics that provide feedback have been clarified ahead of time.</p> <p>You both have access to them.</p>	<p>Any feedback dialogue that does happen occurs almost by chance.</p> <p>The individual must overcome personal anxiety to raise issues with the superior when things are not going well.</p> <p>The superior must be able to “raise” issues in a way that leads to open problem solving, not defensiveness.</p>
<p>Coach the individual to do better when things go “off track”</p>	<p>When things go “off track”, you become a joint problem solving team to get them back on-track.</p>	<p>1) The “after the fact dialogue”, 2) the fear of the consequences of personal performance failure, and 3) the need to justify away past performance problems all interact to undermine joint problem solving.</p>



C-Level Performance Contracting Liberates Leaders to Perform.



**C-Level Leaders with
clear, future looking performance contracts
put all of their personal energy
into shaping the future and getting things done.**

**They know exactly what they have to do.
They know precisely how they will be measured
on their performance.**

**They can focus
all of their personal creativity and ability
on how to get things done.**

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Contact me at ...

Roelf Woldring

Cell: 416-427-1567

Office: 519-846-0100

roelf.woldring@wecrut3.com

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