

Position Contracts

Creating the road maps for your employees' success



SNAPSHOT

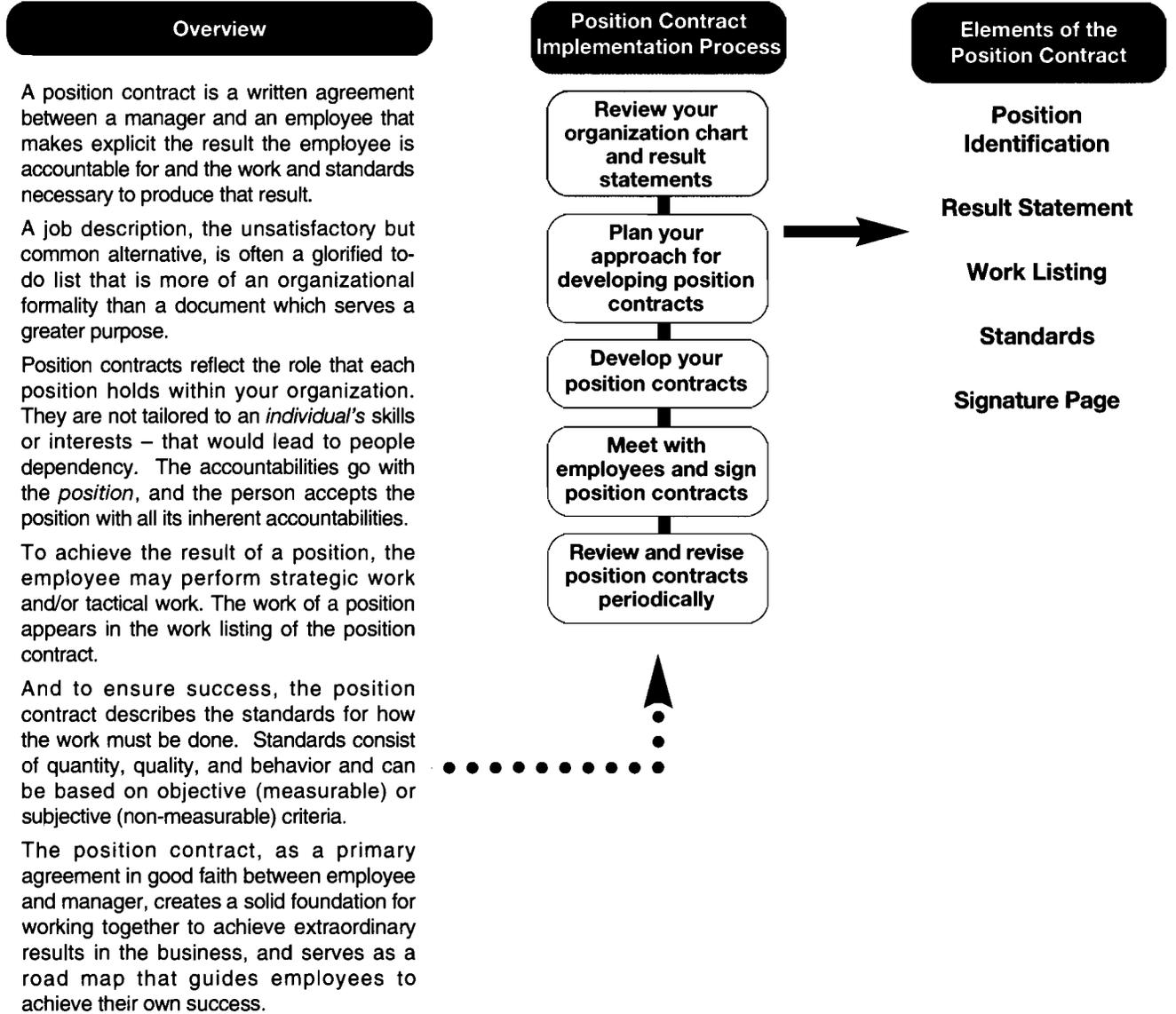
The E-Myth Mastery Program

Module 4: Foundations of E-Myth Management

Business Development Process: MG-0050

“It is not enough to be busy; so are the ants. The question is: What are we busy about?”

– Henry David Thoreau, U.S. naturalist and author



A Business Development Publication of

E-Myth Worldwide

Putting the Pieces Together™

Santa Rosa, California, USA

Copyright © 1984, 1994, 1997 by E-Myth Worldwide. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any information storage and retrieval system, without permission in writing from E-Myth Worldwide.

Position Contracts

Creating the road maps for your employees' success

“It is not enough to be busy; so are the ants. The question is: What are we busy about?”

– Henry David Thoreau, U.S. naturalist and author

Position Contracts Are All about Accountability

What is it that your employees are doing all day, every day? How are they spending their time? Are they doing what you're paying them to do? What *are* you paying them to do?

In the busy, “doin’ it, doin’ it, doin’ it” of our daily lives, we can often forget that each person in the business is there to do one thing: to produce a result! That’s why one of the most fruitful endeavors you will undertake in your business is to put systems in place that help people produce the best results possible. That’s what The E-Myth Mastery Program™ is all about.

Taking on the accountability to produce a result is the essence of what every person in your company did, whether they realized it or not, the moment they walked in the door on their first day of work. And position contracts identify the essence of that accountability.

Position contracts are written agreements between managers and the employees who report to them. They’re agreements between responsible adults, grounded in mutual respect and a clear understanding of what has to be accomplished. The basic idea is simple: the position contract lays out the employee’s accountabilities, the employee agrees to them, and the manager agrees to support the employee.

How does a position contract help employees be accountable for achieving the results of their positions? By capturing in a clear, orchestrated way, three specific elements:

- the result statement, which tells an employee *why* that position exists in the company;
- the work listing, which specifies exactly *what* work is required to produce the result; and
- the standards, which describe *how* the work should be performed.

The position contract is the road map that the company gives each employee so that everyone can do the right work and get the right results.

Some companies give their employees “job descriptions” during the hiring process or on the first day of work. While it’s better than nothing, a job description is little more than a glorified “to-do” list.

Often, a job description is something kept on file in the personnel office to meet legal requirements of labor laws. When used on the job at all, it's usually a formality or a demand handed down from a "boss" to a "subordinate." A job description is not an agreement, and contains too much of the wrong information, information that doesn't help anyone actually accomplish anything. It lacks the results orientation that keeps people on track, the *right* track. Your people deserve better. They deserve a real tool that will help them be successful at work by helping them understand what it means to be accountable.

Accountability is an interesting concept. When you have an accountability, you're responsible for producing a result. You may do the work to get the result yourself, or delegate some or all of the work to someone who reports to you. When you delegate in this way, you haven't given your accountability away, you've created a new accountability for someone else. Your employee is now accountable for producing a certain result associated with the work items you've delegated. But you remain accountable for the overall result. This concept is clearly seen in the result statements written in conjunction with your company's organization chart, where the result of each employee "feeds into" or is a sub-set of the result at the next level, ultimately becoming part of your company's Strategic Objective.

Linking Your People to Your Strategic Objective

Your Strategic Objective tells everyone what the future of your business looks like. It shapes your organizational strategy and the business systems your organization will be operating. Position contracts put your people into that picture – where they fit into the organization, which business systems they'll be accountable for, and what results they'll be producing.

Position contracts link everyone in your business, top to bottom and sideways, directly with your Strategic Objective. The person at the top, the president or chief executive officer, has the overall accountability for achieving the Strategic Objective. Results and work necessary to achieve the Strategic Objective are identified and delegated to senior managers, who in turn delegate to lower level positions, and on down the organization chart so that everyone is accountable for producing results that directly contribute to the company's success. There is no abdication of accountability. No one can hand off their accountabilities and then ignore them. Everyone does their own work, monitors the work of those who report to them, and reports their results to those above

them. The links binding the organization into an integrated organism (rather than a fragmented group of workers) are the position contracts and each individual's agreement to achieve the result inherent in it.

There's no uncertainty. No misunderstanding. No doubt. Every employee with a position contract knows exactly what he has to accomplish and how it must be accomplished. That kind of clarity is a blessing. It sets the tone for working relationships that are professional and productive, while at the same time warm and respectful, and it places your people on the path where you need them to be, contributing directly and effectively to your vision for the future of your business.

Position Contracts Are Not Negotiable

A position contract is shaped by the owner's vision for the business, by the systems the business operates as it serves its customers, and by the organizational strategy. It cannot be the result of give-and-take negotiations between manager and employee based on their personal needs and preferences. It defines a position based on the needs of the business to produce results that contribute to the greater purpose.

That's not to say position contracts are cast in concrete. They're not. After their initial writing, they must be revised periodically to respond to changing circumstances, as the business grows and adapts to its markets. And the employees who occupy the positions are often the first ones to detect the need for change and to make specific suggestions in that regard. It's all part of the innovation that's part and parcel of a business that works.

Changes in position contracts over time are the result of cooperation and agreement between managers and employees, but the manager has the accountability for making the decision to change the position contract. It's not put to a vote. It's decided upon by the manager. The process is one of exchanging ideas and fully discussing alternatives until it is time for the manager to make the decision. Then, no compromises, no votes, no shaping the position to the individual's tastes and personal needs. The decision is made by the manager *based on the needs of the business*, and the employee agrees to the revised position contract. Or he doesn't, in which case there is a reassignment or an amicable parting of the ways – two adults making rational decisions.

Elements of the Position Contract – an Overview

Elements of the Position Contract

Position Identification

Result Statement

Work Listing

Standards

Signature Page

Worksheets showing the format and contents of position contracts are provided in the Worksheets section of this process. The position contract is a written document with five parts:

Position identification. The title of this position, the title of the position to which this position reports (manager's position), and the titles of all positions reporting to this position (reporting employees' positions), if any. The position identification locates this position within the organization chart by showing the positions "above" it and "below" it. The result statements of the positions reporting to this position are shown along with their titles, because a manager needs to always be aware of the results s/he is supporting employees to achieve.

Result statement. A statement of the result this position is required to produce. It should be the same as the result statement established for the position when developing the organizational strategy (review your work in process MG-0020, Your Organizational Strategy). The result statement indicates what you want to have happen and why, to keep everyone focused on the result of their position.

Work listing. A list of the work to be performed by the person occupying the position. It will include some combination of strategic and tactical work. Inherent in each work item listed is a system for how to perform the work.

Standards. Requirements for achieving the result and performing the work, including quantity (how much), quality (how good), and behavior (the manner or conditions under which the work is done). Standards are easiest to come to when you consider a given position and ask yourself what works and what doesn't work as the employee performs in this role.

Signatures. Both the manager and the employee accepting the position sign the position contract. By doing so, employees indicate their agreement to accomplish the result in the manner required by the work and standards set forth, and managers agree to support their employees to achieve their result. Although accountability rests squarely on the shoulders of the employee, the position contract encourages a team approach and discourages an "us versus them" mentality.

All position contracts have these same elements, and the development of your company's position contracts should be orchestrated so that format and language conventions are used consistently. We offer a model for format and language that you

can adopt intact or modify to suit your particular needs or preferences. Beginning all result statements with the word “to,” as discussed in MG-0020, Your Organizational Strategy, is one such language convention (as in a bookkeeper’s result: To maintain the company’s financial records.).

There are differences among position contracts, in addition to their unique content. Since non-managers don’t have other positions reporting to them, their position contracts will not list the titles and results of any reporting positions. You should leave the “Reporting Positions” formatting entirely out of your position contract template for non-managerial positions. The other key difference is in the relative “mix” of strategic and tactical work. More on this later in this process.

Let’s take a closer look at these elements and build a simple position contract for the position of Manager, Accounts Payable, as we go.

Position Identification and Result Statement – The “Bigger” Picture

These sections are easy; they’re essentially a “fill in the blanks” exercise. The position titles for this position, the manager’s position and any reporting employees’ positions come directly from your organization chart. The results statements for this position and any reporting positions come from those you wrote when you prepared your organization chart and results listing.

POSITION TITLE:

Manager, Accounts Payable

Position Contract for:

MANAGER’S POSITION:

Director, Finance

RESULT STATEMENT: I AM ACCOUNTABLE FOR PRODUCING THE FOLLOWING RESULT:

To optimize company’s cash flow, protect its creditworthiness, and effectively manage vendor relationships, through the establishment and implementation of policies and systems for the payment of company liabilities.

REPORTING POSITIONS: THESE POSITIONS REPORT DIRECTLY TO ME AND ARE ACCOUNTABLE FOR PRODUCING THE INDICATED RESULT:

Position: ACCOUNTS PAYABLE ASSOCIATE

Result: *To assist in maintaining an optimal and orderly cash flow by tracking company liabilities and preparing payments.*

Position:

Result:

Work Listing – Strategic and Tactical Work

The E-Myth Point of View speaks to the distinction between working *on* your business and working *in* your business – of the “strategic” work of shaping the business enterprise itself and how that contrasts dramatically with the “tactical” work of producing and delivering your products and services and performing the administrative work required to support your business.

In The E-Myth Point of View, we talk of the mind sets of the entrepreneur, the manager, and the technician, and the fact that small business owners usually have some of each mind set. Your internal entrepreneur is the part of you that sees the opportunities, has the vision of what the business could be, and understands all its many possibilities. Your internal manager is the part of you that creates order, does the planning, directs the activities of others, and is the pragmatist within you. And your internal technician is the part of you that does the work of your business, the hands-on, do-it-yourself worker.

Now it’s time to see how those ideas can be put to use in your business and how the position contract is an important tool for doing so.

Strategic work is entrepreneurial. Think of it this way. The principle accountability of all business owners is (or should be) to develop their business and shape it to match their “entrepreneur’s dream” and the Strategic Objective that gives shape and dimension to the dream. It’s strategic work that is also entrepreneurial work. Entrepreneurial work is creating the vision and the Strategic Objective for the business. This includes establishing high level “rules for your game” and policies for the business, and developing strategies that shape the business. This type of work is the work of the owner and later, those who also inhabit the president’s position. To a much lesser extent, strategic work that is entrepreneurial is also the accountability of senior-level managers. Senior-level managers work on high-level tactics for achieving the owner’s vision.

Strategic work is also managerial. It’s the work of getting results through others. It includes work such as the development of specific business systems, planning, organizing, supervising, mentoring and training, setting goals and standards, budgeting – any kind of work that directs, regulates, and elevates the work of others and develops and installs systems that are operated by others.

Much of the work that managers do is generic to all managers and can be built into all your managerial position contracts as such. See the *Strategic Work Listing* at the back of this process booklet.

Tactical work is the actual hands-on, “direct” work of producing and delivering your company’s products and services, or doing the administrative and support work of your business. So, doing the bookkeeping, ordering the office supplies, baking the cookies, assembling the bicycles, delivering the pizzas, restocking the shelves, tailoring the suits, paying the payables, collecting the receivables, writing the advertising copy, handling customer complaints – doing the work and operating the systems of the business – are tactical work. Tactical work is the work of the technician or non-manager. Tactical work is specific to the particular technician’s position, but includes items from generic categories (e.g. production processes, administrative processes, etc.)

Shaping the business is entrepreneurial work, doing the hands-on work is technical work, and managerial work is the bridge between the two. Anyone in the business can do any type of work, but in a well-run business, each position has its own particular focus of attention, depending upon its level in the organization.

To give you some perspective, here is an indication – a rough, subjective indication – of the distribution of accountabilities in a well-developed, successful business:

POSITION TYPE	STRATEGIC WORK		TACTICAL WORK
	ENTREPRENEURIAL	MANAGERIAL	TECHNICAL
	“VISION”	“GETTING IT DONE”	“DOING IT”
Owner or President	80%	20%	–
Senior Managers	20%	80%	–
Managers	–	80%	20%
Other employees	–	–	100%

In a startup business, or one that is very small, or one whose owner doesn't understand business development, the mix is very different. Often, the owner will do almost no entrepreneurial work, not much management work, and mostly technical work. It's the curse of the "entrepreneurial seizure" (when a technically competent person thinks technical expertise is all that's needed to run a business and doesn't recognize that business development and management are distinct, and *essential* skills).

Position Contract for:

POSITION TITLE:

Manager, Accounts Payable

WORK LISTING: LIST ALL STRATEGIC AND TACTICAL WORK FOR WHICH THIS POSITION IS ACCOUNTABLE.

Strategic Work:

1. Evaluate the quantification related to accounts payable systems.
2. Evaluate the performance and results of the accounts payable function.
3. Recommend and develop improved systems, policies, and procedures for the accounts payable function.
4. Plan and implement work schedules.
5. Hire and train people in the Accounts Payable Associate position.
6. Manage and coach all Accounts Payable Associates.
7. Prepare and deliver performance evaluations to all Accounts Payable Associates.
8. Provide input and assistance to other members of the Finance Department toward the achievement of the department's overall result.
9. Provide information and assistance related to accounts payable to company employees.

Tactical Work:

1. Review and approve all invoices received by the company.
2. Code, allocate, and voucher all invoices, check requests, and expense reports.
3. Prepare all checks for payment of the company's liabilities.
4. Prepare and deliver accounts payable reports and related information and documentation.
5. Review, complete, and submit government agency reports.

The example shows the recommended formatting and language conventions for the work listing section of your position contracts:

- For clarity, separate sections for strategic and tactical work. Eliminate sections that don't apply, such as strategic work for non-managerial positions.

If you have a relatively long list of work items, you might also create separate sections for different sub-categories of work. For example, a salesperson's work might be divided into: customer service, product, and administrative. Sub-dividing lists into categories helps you in writing the position contract, and also helps the employee make sense of its contents. Do what makes the most sense in your environment, just be sure to maintain as much consistency as possible throughout your company.

- Start each work item with an action verb, because work is most clearly expressed as "doing." In our example, this is evidenced by such words as: evaluate, review, recommend, plan, hire, prepare, code, and provide.
- Number or letter each work item to make it easy to reference.
- Write the work listing to a broad, high level of detail, not narrow and specific. Use titles of systems for which the position is accountable. For example, contrast the work listing in our example with this:
 - Access the accounts payable system.
 - Enter the vendor code for the payment being prepared.
 - Secure a signature on each check.
 - Seal envelopes with payments enclosed.

These entries, while they do describe work related to the accounts payable function, are much too specific for a position contract. They belong to the orchestration of the actual accounts payable systems and will be included in your systems documentation.

Standards – Quantity, Quality, Behavior

Standards for achieving the result and doing the work of the position focus on how much you do (*quantity*), how well you do it (*quality*) and on exhibiting appropriate *behavior* on the job. They complete the picture of the position by describing how work is to be done.

Not only do standards help insure that your people will produce the required results, but the vast majority of people truly appreciate having clear, specific standards because they provide a sense of clarity and direction. No more need to “read the boss’s mind” or to figure out “what’s expected of me.” It’s all clearly spelled out in the position contract.

Quantity. There are two main ways to specify quantity – stating the actual numerical standard (95% of current liabilities will be paid within 30 days of the invoice) or referring to one that’s explicitly stated elsewhere (current liabilities will be paid according to the monthly cash plan).

When it’s possible and makes sense, it helps to have the quantity standard clearly written into the position contract. But in many cases, it’s best not to include the specific numerical standards in the position contract, generally because quantity standards can change periodically, or even frequently, depending on the needs or conditions occurring in the business at any particular time. Instead, refer to “established” sales, production, lead generation, and other quantified standards. The actual numbers should be documented in system action plans, budgets, marketing plans, and production plans. The position contract would then state the general standard and refer to the document(s) that specifies the actual numbers. For instance, one of the standards for a toy assembly worker could be: “Minimum daily production of flimberwidgets and maximum rejected units will be in accordance with current production plans.” Or a standard for a department manager might be: “Personnel headcount and department expenses may not exceed approved monthly budget levels.”

The idea is that position contracts should be relatively stable, changing only with significant changes in the business itself but not with short-term shifts in sales, profitability, cost and quality requirements. That’s what budgets, marketing plans, production plans and the like are for.

Quality. Standards for quality include the quality of products and services, of course, and they also include standards for the intangible characteristics of your business and your products. A tangible quality standard might be something like: “Customer inquiries will be answered accurately and during the initial contact whenever possible. An intangible quality standard might be something like: “We will treat customers in a polite, friendly and respectful manner and will never ignore them.”

Behavior. Behavioral standards have to do with the manner in which work is done or the conditions under which it is done.

This can take many forms. Here are some examples:

- appearance (describe dress, cleanliness, grooming requirements)
- honesty and ethics (“the confidentiality of client and company information will be maintained”)
- affect and interpersonal skills (describe traits that impact others, such as tone of voice, use of language, positive attitude)
- personal performance (such as communication skills, punctuality, level of participation, willingness to give extra effort, demonstration of commitment, helpfulness)

What standards do we want our Manager, Accounts Payable to exhibit?

Position Contract for:

POSITION TITLE:

Manager, Accounts Payable

STANDARDS:

Position-Specific:

1. Vendor discounts for early payment will be taken 75% of the time in any quarter.
2. All invoices will be checked for approval and accuracy prior to payment.
3. All accounting entries will be thoroughly documented to create an effective audit trail.
4. Late payments will be reported to the vendor by telephone or fax no later than one business day following the due date and preferably prior to the due date, to protect company's creditworthiness.

Company-Wide:

1. All work will be performed according to company policies and standards, as well as in the spirit of the company's strategic objective.
2. All work will be orchestrated and quantified when appropriate.
3. All telephone calls, both internal and external, will be returned within two hours whenever possible, and within one business day at the latest.
4. All proprietary company information will be held as strictly confidential outside the company.
5. Immediate manager will be notified of any issues that cannot be resolved, or deadlines that cannot be met within a reasonable time frame, and before the deadline has arrived.
6. The company's dress code will be followed at all times.

The conventions for writing Standards are:

- Write standards in the passive voice, using “will be,” whenever possible, as you see in the above examples. This level of consistency is very helpful for both writing and understanding position contracts, and clearly distinguishes standards from work. But, make sure the standard isn’t just a restatement of a work item.
- As with the work listing, keep your standards at a high level and general, rather than too specific. Very detailed or specific standards usually belong in your specific system action plans rather than in your position contracts.
- As demonstrated in our example and in the template provided, use separate sub-sections for “position-specific” standards and “company-wide” standards. If you have a lot of common standards for managers, you might even create a sub-section for “managerial” standards. Otherwise, you can include them in either the position specific or general standards.

The variety of standards is virtually infinite. The trick is to be as complete, specific, and detailed as possible, yet not overwhelm people with a huge volume of trivial or narrowly applied standards. So strike a balance by asking yourself what is most important, what must occur, what would be the most troublesome if it were not done right? There’s no rule of thumb, so let your common sense and judgment be your guide.

Signatures – Getting the Commitment, Securing the Agreement

The final element of the position contract is getting the employee’s commitment to be accountable for the result of his position. In return, the manager also pledges her commitment to support the employee in accomplishing the result successfully and in a way that provides the employee with pride and personal satisfaction. We’re ready to formalize our agreement to work together. Let’s sign!

Position Contract for:

POSITION TITLE:
Manager, Accounts Payable

SIGNATURES:

STATEMENT OF THE POSITION HOLDER:

I accept the accountabilities of this position and agree to produce the result, perform the work, and meet the standards set forth in this position contract.

April 3, 2002
Date

Daniel Sanchez
Signature

DANIEL SANCHEZ
Printed/typed name

STATEMENT OF THE POSITION HOLDER'S MANAGER:

I agree to provide a working environment, necessary resources, and appropriate training to enable the accountabilities of this position (result, work, standards) to be accomplished.

April 3, 2002
Date

Pamela Monroe
Signature

Pamela Monroe
Printed/typed name

Now What?

How does all this background about results, work, and standards, and even position identification and signatures, help you manage your business? It gives you a way to fine-tune your organizational structure and create position contracts to get the results you want by directing your peoples' activities for the maximum effectiveness and personal satisfaction. And it helps you decide the skill sets you're looking for in the people you recruit into your business.

Implementing Position Contracts in Your Business

Now that you've had an in-depth look at what position contracts are and why they're so important for getting the results you want, you're ready to create and then implement them.

1 Review your organization chart and result statements.
Your organization chart contains “the list” of every position in your company and, therefore, tells you all the position contracts you’ll need to develop. You should also access the result statements for each position because, as you’ve already seen in this process, they are a key element of your position contracts. If either your organization chart or result statements needs modifying, now’s the time to do it – before you begin writing.

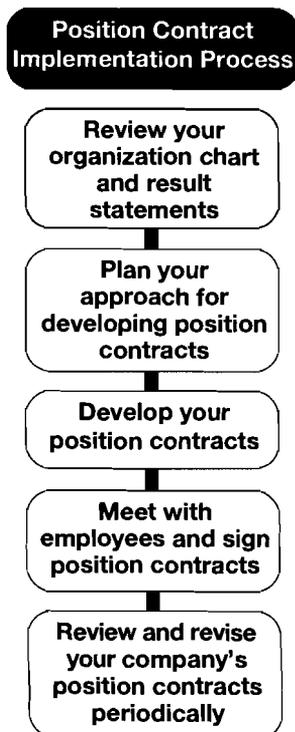
2 Plan your approach for developing position contracts.
As you begin this process, there are three questions that will immediately come to mind. Who will write all these position contracts? Do they all have to be done at once? In what order should they be written?

There are any number of approaches that will work well. A lot depends on your particular situation. While the task may seem formidable at first, a momentum quickly develops as you “get on a roll.” So try to keep the process moving quickly and don’t let it drag on. Here are two ways you might approach it:

The Centralized Approach:

Have one person (you or someone else) or a small team of people write all the position contracts for the entire company. The main benefit to this approach is the consistency in the final product. Within this approach, there are three ways to sequence the writing of the position contracts:

- The “top down” approach. Start at the top of your organization chart, with the president’s position, and work your way down. This is a good conceptual approach, because you’re starting with the Strategic Objective as the result of the president’s position, and all the other results and work are derived from the Strategic Objective.
- The “bottom up” approach. This is the opposite of top down. You start with your non-managerial positions and work your way up the organization chart. This approach has appeal because some people find it easier to write position contracts for positions that have the most technical work.
- The “needs based” approach. Here you look at every position and evaluate how urgently you need to have a written position contract – urgent, near-term or low priority. The urgent priority includes all the positions that you are actively recruiting for now and those that are currently occupied where the incur



is not performing well. Position contracts are a must for effective hiring and for helping people get back on track with the accountabilities of their job.

The near-term priority includes those positions not yet occupied, but which you intend to fill in the near future. Prioritize them chronologically in the order you expect to hire the people who will fill them. Near term also includes all other positions currently occupied, which you can prioritize in either a top down or bottom up fashion.

Finally are the low priority, those positions currently unfilled and which are not likely to be filled for some time. You have some latitude here as to when to write these position contracts. The hiring plan you developed when you created your organization chart will help. For the most part, these can be written in any order as long as they are written before people are hired to fill them. But it's best to write them as soon as possible.

The Decentralized Approach:

The benefit of the decentralized approach is that you can get a lot of development done in a relatively short amount of time. There are two ways to go about this:

- The “manager” approach. Have every manager write the position contracts for all the positions that report directly to them. The president, in addition to the position contracts for his reporting positions, also writes his own.
- The “employee” approach. Have each person draft his own position contract and then the manager reviews and finalizes it.

If you prefer the decentralized approach, it's important to keep in mind that the content needed in the position contract may be different than what employees currently have in mind.

Managers, therefore, must shape the position contract draft to fit the vision of the Strategic Objective, of which individual employees might not be aware.

So, decide on which approach you want to use and assign the accountable person and due dates for each position contract. And there you have it – your Position Contract Development Plan. There's a format you can use in the Worksheets section.

One more important thing to remember regarding your initial development of position contracts: If your business is like

others, and especially if it's a startup business, you undoubtedly have people who occupy several positions at the same time. That's to be expected. As your organization develops and your business grows, these people will replace themselves with new people. But, do not write any "combined" position contracts or "temporary" position contracts. Write your position contracts to accurately reflect your organization chart. People who occupy more than one position will sign separate position contracts for *each* of the positions they hold.

3 Develop your position contracts. Now that you've planned your approach and identified who will write each position contract and when, use the managerial and non-managerial position contract templates and guidelines in this process booklet to make your own templates and then write! It's a good practice for you or one of your more senior managers to review all the position contracts and approve them before presenting them to employees.

4 Meet with employees and sign position contracts. Implementing position contracts with your people is a relatively straightforward matter. Essentially, managers will meet with each of their reporting employees, review and explain the position contract, obtain their agreement to the result, work, and standards, and finally both manager and employee sign, indicating their joint commitment.

For new employees, agreeing in principle to their position contract will become part of your hiring process. Getting their full commitment and signature then will become a routine part of beginning the relationship between new employees and their managers.

Existing employees require slightly different handling. First, make sure they understand what a position contract is and explain the underlying concepts of agreement, accountability, and mutual respect and trust. If the position is substantially unchanged in terms of the result, work, and standards expected, in other words, if the position contract reflects what is already familiar to the employee, there should be no problem getting their agreement and their signatures.

If there are substantial changes to some employees' accountabilities, you may have addressed them during individual meetings held in relation to your new organization chart. If you didn't address them then, or even if you did, seeing the new position contract document with its requirements in

“black and white,” may leave some employees feeling threatened, fearful or upset that you’ve changed the rules of the game on them. They may express some reluctance to agree and sign the position contract. That’s a normal, reasonable response for some people.

When faced with resistance or uncertainty, be understanding, respectful, reassuring, and willing to spend a reasonable amount of time discussing the position contract with them. Don’t forget to highlight how having the position contract is actually in the employee’s own self interest. You may have to give them some time to think about it. Be reasonable.

But, when all is said and done, you must be firm about your intentions to organize the company and create the positions to get the job done. Don’t allow their misgivings to sway you. If they can’t commit to the position and sign the contract, you may have to part company. They may not want to reaffirm their commitment. They may want to move on to something else. Encourage the pursuit of their Primary Aim and personal objectives; only then can you retain those who are truly committed.

5 Review and revise your company’s position contracts periodically. As we said earlier, these position contracts aren’t cast in concrete. They will need to be updated every once in a while as your business changes, or whenever you change your organization chart (which, hopefully, will not be too often). If your position contracts don’t keep pace with significant changes in your company, they will become obsolete, and you’ll lose the benefits of this wonderful management tool.

Position Contracts Mean Commitment

Position contracts are serious business. They’re not just paperwork, and they’re not a one-way mandate imposed on your employees. They are not legally binding, they are ethically binding. Position contracts are the tangible expression of a philosophy, a way of doing business. At their best, they embody the spirit of how people throughout an organization can work together to achieve their accountabilities and feel the power of their own, personal successes.

They focus on results, not just activity. And they *get* results, not just activity.

Position contracts are an invaluable tool that helps your people move together toward your vision in the most effective way. You'll no longer feel compelled to make sure your people stay "busy," because you'll know that they're engaged in something much more productive and much more satisfying for you and for them – the work that really creates a successful business!