Stop Managing People, Start Managing Agreements – 15081

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ABSTRACT

One definition of management in business and organizations is: "the function that coordinates the efforts of people to accomplish goals and objectives using available resources efficiently and effectively." Unfortunately, what it takes to coordinate (literally, to create order together) is beyond the scope of today's management tools. The top five management tools in the world, according to a Bain 2013 survey (1), are: Strategic Planning; Customer Relationship Management; Employee Engagement Surveys; Benchmarking; and Balanced Scorecard. These are useful tools in business and organizations, but do not help managers coordinate the complex performance networks of agreements with resource providers, team members, and internal and external user-customers and authorities required to accomplish group or organizational goals.

How *do* we manage such a network? While coordination is increasingly necessary in today's world of work, it is also a much neglected area of serious study because it is, almost literally, an invisible phenomenon. We can observe people inside groups, as well as their activities and results, but coordination is a product of managing what is going on *between* groups, not inside them. The challenge is making that *in-between* visible and actionable, not just "white space".

A solution: define a Team's performance as agreements – and deliveries on the agreements – for products, services, and communications – the things moving *between* a Team and its immediate circle of resource providers, customers, and authorities relevant to a goal. This approach has been shown to reduce operational costs while also increasing team members' recognition of their interdependent responsibilities. Managers and Team leaders can then turn any Team goal into an opportunity for accomplishment in three steps:
1. Define "performance" in terms of deliverable products, services, and communications for every goal;
2. Keep performance status current and visible to all team members; and
3. Debrief and update performance status routinely.

Teamwork and engagement in goal accomplishment require a focus on Sender-Receiver agreements, productive communication, and timely and accurate status-tracking and feedback. Sustaining the context for accomplishment is not about managing people – it requires supporting coordination for the network of agreements in which people operate.

INTRODUCTION

Management may be simple – a goal, a plan, good measures, and a solid set of tools and practices. But it is not easy. First, the hierarchical model of organization does not provide a framework for management. Second, the definitions of what is meant by "performance" are

varied and subject to misunderstanding. Third, management communications are often unproductive and misleading.

The diagrams in Figure 1 sharpen a way to define and manage performance: rather than focusing on people and work inside the "boxes" of an organization chart, shift attention to the goal-relevant products, services, and communications that move *between* Senders and Receivers. These deliverables, clarified in advance of the delivery, set up agreements for performance.

The entire network of agreements for any goal becomes a performance network. Managing this network of agreements on exactly what-when-why deliverables should be delivered becomes a matter of the integrity with which agreements are kept. This shifts management, referring to Figure 1 again, from managing the boxes of people and work to managing the arrows of agreed deliverable performance.

The basic principles of performance network management, suggest three "structural tools" and four communication practices that help keep a Team engaged and progressing to goal ownership and accomplishment. These are explored, followed by a comparison of the Boss Manager (who uses the hierarchical model of management) and the Performance Network Manager (who manages performance agreements).

MANAGEMENT IS SIMPLE

Management – whether of safety, finance, or a nuclear waste facility – is simple: create a game and set it up so participants can win, including the Team that is accountable for goal accomplishment. There are four primary ingredients in the recipe for good management:
1. A goal, objective, or destination for the Team's focus;
2. A plan – a course of actions and interactions for scoring points to reach the goal;
3. Success measures for tracking progress toward the goal; and
4. A set of tools and practices to keep the "goal game" viable.

A Team Goal

A clear goal, objective, or destination is important because it sets up the start of a game, telling the Team *what* end result to work toward, *when* it should happen, and *why* it matters. This "what-when-why" formula is useful for reinforcing teamwork, reminding people of the bigger picture that puts seemingly insignificant tasks or occasional inconveniences into perspective. Some managers are overseeing people who are "doing things" without relating them to goals or objectives. But many managers are responsible for multiple goals and objectives and like to keep the "what-when-why" formula in front of their Teams in every meeting. Having a goal gives people a context and adds purpose to their work.

The Goal Plan

A plan is a course of actions and interactions designed to reach a goal. There are three important elements:

1. Players: Who else is involved in goal success? Identify all of the groups, internal and external, who have a direct role in the success of reaching the goal. They may be resource-suppliers, user-customers, or authorities, decision makers or stakeholders needed to solve problems and facilitate success. Who are they; where are they; and how are agreements going to be made with them for the resources, feedback, and assistance the Team needs? This "who-where-how" formula creates a playing field on which a Team can work toward the goal.
2. Deliverables: What do we need from the other players? What do they need from us? Identify as thoroughly as possible all of the products, services, and communications needed by the Team and by each goal-relevant player. Specify as many attributes of these deliverables as possible: what is it, when is it needed, why does it matter, and what else is known about its specifications? This is another application of the "what-when-why" formula.
3. Timelines: When will the goal be reached? When are the deliverables due? A plan includes the timelines of steps and processes to reach the goal, as well as the timelines associated with the goal-relevant products, services, and communications to be delivered to and from the Team.

Plans are malleable, because these three ingredients evolve from their "first draft", created in Team discussions launching the game. Communications with players to specify needs and expectations for deliverables can frequently update the plan with new information. For example, new players may be identified and old ones removed from the roster. The knowledge of deliverables will also evolve as Team-player agreements are finalized. The timelines may also change as the realities of production and service delivery become evident. This evolutionary nature of the plan is valuable because it reminds Team members to have regular discussion to maintain a shared understanding of the game.

The Measures of Successful Performance

Success measures are more fixed than plans, because once the "first draft" is established in the Team's launching discussions there may be less need for revision or refinement. But measures still need routine review to ensure that all areas of performance are addressed appropriately as the game plan evolves. The goal itself needs success measures, and so do relationships with players. Productive relationships between Team and players are usually measured by the success of satisfying agreements for deliverable products, services, and communications that move between them. Timelines, if they are defined as due dates for deliverables, are themselves a measure of success: on-time delivery, i.e., delivery as promised, is a win.

The Tools and Practices for Goal Accomplishment

A few tools and practices for goal accomplishment are intended to support both the manager and all Team members in producing goal-relevant results. Structural tools such as a "performance circle" sketch or list of all goal-relevant players and deliverable agreements, a visible scoreboard, and regular Team meetings to update goal status are useful to keep the team on track. Communication practices related to each management tool ensure that the Team is staying current with the status of goal-relevant requests, promises, and agreements.

There are three guidelines for assembling the tools and using the practices that make the Team actually work:

1. Define "performance" in terms of deliverable products, services, and communications for every goal;
2. Keep performance status current and visible to all team members; and
3. Debrief and update performance status routinely.

Therein lies the management problem.

MANAGEMENT IS NOT EASY

Three concepts make management difficult: the hierarchical of authority, performance, and communication. First, the hierarchy serves a valuable function, but does not provide a useful framework for management. Second, there are too many viewpoints about what "performance" really means, and the evaluator and the evaluated do not always agree on the definition. And finally, that lack of agreement plays a part in the multitude of ideas about what "good communication" means.

Hierarchy vs. Performance Network

The hierarchical model of the organization has traditionally been accepted as the framework for management. Dating back to Alfred Sloan's presidency of General Motors in 1923 (2), many managers still see the divisional organization and layers of authority as containing a prescription for management: orders and directions are passed downward, and performance is monitored at the top. The hierarchical model, while useful in many ways, does not support good management in most of today's organizations.

First, the hierarchical structure represents only the organization, and is not designed to include recognition of its external suppliers and user-customers. Further, the hierarchy suggests by its very structure – boxes in layers of authority and silos of functions and geographies – that both management and performance happen only inside those boxes. As a result, traditional management tends to put the most attention on managing people (the most visible and demanding resource) and on managing work (the most visible and important activity). The hierarchy serves the purpose of defining organization structure, but managers must look elsewhere for guidance on how to coordinate Team members and the many products, services, and communications coming and going within the Team and with goal-relevant resource providers, user-customers and decision makers.

An alternative model of organization, called a performance network, shows all players that have a role in accomplishing a specific goal, and includes organizational units outside the Team, i.e., suppliers, customers, regulators and others that have a stake or a say-so in goal performance. The relations between these players are be characterized in terms of agreements for deliverables, the products, services, and communications that move between them. Sample diagrams of both organizational models are shown in Figure 1.
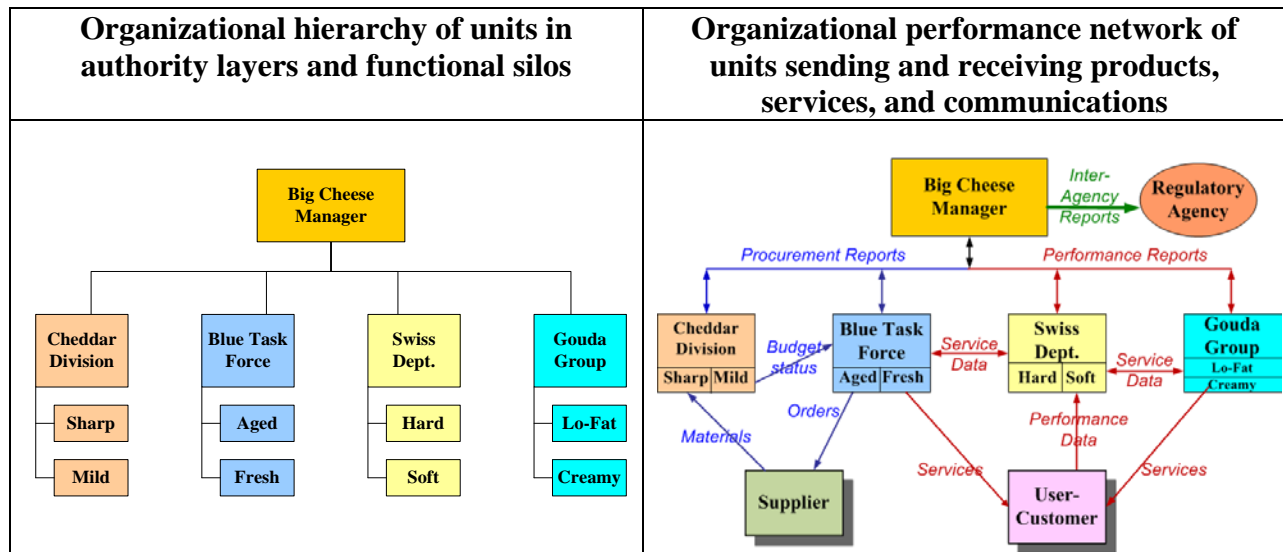
Figure 1. An Organizational Hierarchy and an Organizational Performance Network

A traditional hierarchical structure, shown on the left, is composed of boxes that represent people and their work responsibilities, and lines that represent managerial reporting or authority relationships. It is natural with this view of organization to manage people and work based on authority relationships, because that is visible in the organizational model.

A network structure is shown on the right: the same boxes are there, representing the same groups of people doing the same kinds of work. But two things are very different. First, new boxes for supplier(s), user-customers, and other decision authorities (in this case, a regulator) have been added. Second, the lines no longer represent authority relationships; they have become arrows indicating the movement of resources, outputs, and feedback, i.e. deliverables, between internal and external Senders and Receivers. This view of the organization allows people to consider performance in two distinct locations: (a) Inside the boxes, and (b) On the arrows between any Sender-Receiver pair. This, in turn, provides four distinct types and measurements of performance.

Network Performance and Performance Measurement

Boxes in a performance network are treated as Senders or Receivers of deliverable products, services, and/or communications. Arrows represent the agreements for deliverables and the direction of deliverables between them. The arrows are not indicative of social or influence relations, nor are they cause-effect connections, as sometimes shown in process or procedure diagrams to indicate progression from a Step-1 box to a Step 2 box.

In traditional management, definitions of performance are sometimes vague or subjective and occasionally changed without proper notice. Performance, if we can trust the origin of the word, is fundamentally a measure of whether an individual or group has "thoroughly provided utility, profit, and/or gain" to another. But traditional management often has difficulty stating exactly what gain is to be provided – to whom and by whom – in a way that different groups can be both

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responsible and rewarded for good performance. A good understanding of what is meant by performance toward any goal, and when, where, and how to measure it is a vital element of management.

In a performance network, performance is neither vague nor subjective. Performance is always located on the arrows, always evaluated *between* a Sender and Receiver, and is ideally defined by a "deliverable agreement" between the Sender and Receiver. The Sender-Receiver agreement spells out exactly what, when, and why any product(s), service(s), and/or communication will be delivered in either direction.

The network performance structure is independent of the larger organization's reporting structure and it most often includes groups beyond the traditional boundaries of the organization, its silos, and the levels of authority. The delivery-connection property of a performance network, with its emphasis on arrows over boxes, can be understood in terms of four different types of performance, each measured by information on the arrows:

1. Efficiency/Productivity Performance – Also called "Resource Performance", a measure of the value of people and their work inside a Sender or Receiver's box can be measured as a ratio of the *outgoing arrow's deliverables* and the *incoming arrow's resources* utilized to produce those outputs. Sample measures may include the number of hours worked or dollars of resources utilized per output unit and other "input-process-output" statistics.
2. Quantity/Quality/Timeliness Performance – Also called "Product Performance", a measure of the value of the *deliverables on the arrow exiting a Sender* "box" can be measured by comparing their quantity, quality, and/or timeliness to a set of Sender-developed or independently developed standards. Sample metrics can include the numbers of output defects, on-time statistics, and costs of re-work needed to get outputs up to specifications.
3. Effectiveness/Impact Performance – Also called "User-Customer Performance", a measure of the value of the deliverables provided by a Sender as perceived by a Receiver, can be measured by using evaluation feedback on *the arrow coming from the Receiver* back to the Sender. After a Sender's products, services, and communications have left the Sender's hands (or mouths, email systems, or loading docks), a feedback mechanism between Sender and Receiver returns the assessment of the Receiver regarding the effectiveness and/or impact of the deliverable they received from the Sender. Sample metrics may include customer satisfaction survey results and customer performance assessments based on customer-shared or public information.
4. Agreement Integrity Performance – Also called "Agreed Deliverable Performance", this is a measure of the conformance of output-deliverables to their specifications agreed between Sender and Receiver *before* the deliverable is produced and transmitted. Viewed by some managers as an unnecessary expenditure of time and energy, it is praised by others as a way to reduce unnecessary expenditures and re-work, shifting the focus of Team members away from a people-and-process view of management to focus on results and high-performance relationships. Sample metrics are the number of goal-relevant agreements established and the percent of them satisfied with minimal modification.

Once a manager has specified what type of performance is wanted, s/he has also chosen what to manage: (1) People and work, (2) Outputs, (3) Customer feedback, or (4) Agreements with all goal-relevant players. Therefore, a manager or Team must define the goal in a way that is consistent with the method(s) for measuring performance, an important parameter of the game.

Management Communication

It has been said that "talk is the lifeblood of managerial work" (3). Articulating goals, creating plans, using appropriate measures, and customizing management tools and practices – all of these happen as a product of communication. Some are more difficult than others, depending on the history, culture, and special circumstances of an organization. In any case, the job of management entails creating effective agreements for productive relationships between goal-relevant vertical layers and horizontal silos in an organization as well as between goal-relevant groups both inside the organization and outside resource suppliers, user-customers, regulators, and others. Agreements are a product of productive communication and support productive relationships.

There are four distinct conversations that have been shown to be useful for producing results and building productive relationships (4). These conversations can be deployed to support effective management tools and practices.

1. *Initiative Conversations* are formulated to speak a desired future and articulate a goal, establishing a context for the Team's work and its interactions with others outside the group. The emphasis is on "what do we want, when do we want it, and why does it matter?" They are often seen as conversations for launching an endeavor, but are useful to repeat often to keep the context in view.
2. *Understanding Conversations* engage Team members and other players in a dialogue of asking and answering questions and sharing perspectives and ideas. Products of these conversations are group results that may (a) finalize a goal statement; (b) formulate a goal-achievement plan that identifies goal-relevant players, necessary deliverables, and timelines for goal phases and deliveries, (c) defining useful success measures for the goal and deliverables, and (d) developing and implementing tools and practices to manage progress for goal accomplishment.
3. *Performance Conversations* are built from requests and promises to create agreements. Most agreements are for what, when, and why specific products, services, and communications will be delivered between the Team and other players. These conversations and the agreements create the foundation for performance delivery.
4. *Closure Conversations* are the second half of what is required for accountability. Performance conversations set up the agreements between Sender-Receiver pairs, and Closure conversations follow up to see what performance on the agreement actually looked like. These conversations are used to debrief and acknowledge the facts of the current status including successes and failures; appreciate the people involved for their efforts and results; recognize mistakes and misunderstandings that have occurred; and update agreements as needed. Closure conversations are used to close out the past and enable moving on to what's next. Many managers chose to have these conversations as a

method for creating a fresh start with an organization or group they have worked with in the past on other goals, to create a clean slate for new work together.

These four conversations can be used in various sequences and combinations to facilitate the work of managing a performance network.

PERFORMANCE NETWORK MANAGEMENT: THE BASICS

Three Principles

Managing a network means managing the connections between the nodes, i.e., allowing the facts of – and the demands for – effective connections to define what happens in the nodes. There are three basic principles for managing a performance network of agreements and deliverables to reach a specified goal.
1. Performance happens on the arrows, not in the boxes. Move performance outside the box where everyone can see it, by defining performance in terms of Sender-Receiver agreements for every goal.
2. Visible performance is manageable performance. Current performance status of delivery agreements and Team assignments are maintained and made visible to provide "big-picture" availability for all Team members.
3. Full-Team reviews of performance status boost coordination and momentum. Debrief the performance status of delivery agreements and Team member assignments in routine meetings.

Three Structural Tools

1. *"Performance Circle"* is the name for the list or diagram of all goal-relevant players inside and outside the organization *and* the necessary goal-relevant deliverables that will travel between them and the goal owner (the Team and/or the Team manager). Sometimes sketched as a hub-and-spoke model, as in the example shown in Figure 2, the relationships required to support achieving a particular goal are displayed and the relationship's deliverables named. This diagram is a first-draft product of Team discussion, and is supplemented by further development of a spreadsheet or memoranda that spell out the details of the agreements for what each deliverable needs to look like, along with its due date(s) and content requirements. Goal performance will be meeting those agreements and delivering the products, services, and communications as specified.
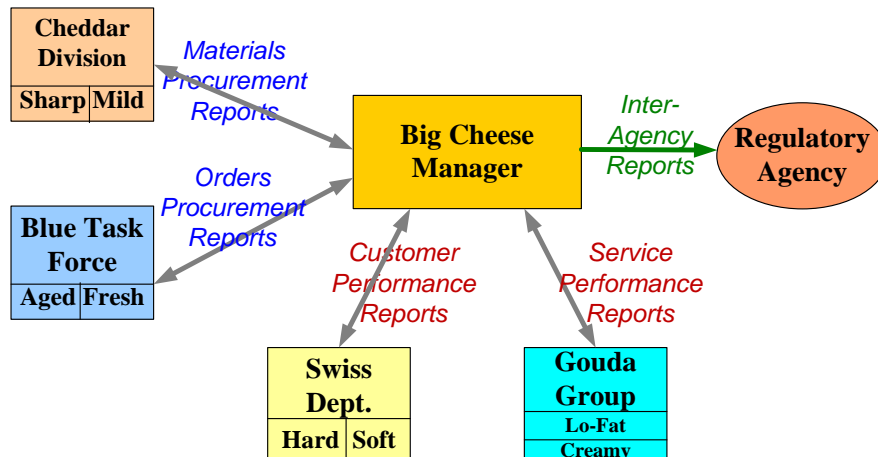
Figure 2. Sample Performance Circle for Agency Reporting Goal

The hub-and-spoke diagram and/or the table listing all goal-relevant players and deliverables is designed for all Team members to *see* the full playing field and take responsibility for operating effectively in a network of agreements. A Team working together to develop this list and create a first draft of the agreements needed for success develops the one thing they need most to be powerfully engaged in performance for the goal: a map of what to deliver, to whom, and when.

2. *Visible Scoreboard(s)*: Scoreboards support Team members (and others as appropriate) in *seeing* progress toward the goal, i.e. the status of goal-relevant agreements and deliverables. Without a scoreboard, there is no game; without a game, there is no possibility, opportunity, or urgency; and without those, participation will be weak and results unreliable. A sample "Agreement Scoreboard" for the Performance Circle in Figure 2 is shown in Table 1.

In addition to the Agreement Scoreboard of performance status with goal-relevant players, an Assignment Scoreboard has been proven valuable to display Team member responsibilities with respect to the goal. Team members may be assigned to establish the deliverable agreements with certain players, and/or to produce or manage the production or delivery of products, services, and communications. An Assignment Scoreboard that shows the status of those assignments can be a simple display visible to all Team members, which supports flexibility in making assignment changes as needed. This scoreboard contributes to group awareness of the big picture, which in turn reduces redundancy, rework, and delays due to misdirected communications.

Other visible scoreboards can be designed to support Team performance in other ways, such as Timeline and Milestone charts of due dates and stages of the goal plan. All scoreboards, however, may be online, or on paper, or on a whiteboard in the conference room. The idea is to make "performance" visible to all Team members, and afford them the opportunity to update their own elements as needed.

Deliverable	Delivery FROM	Delivery TO	Agreement in Place?	Agreement Status
What: Materials Procurement Report **When:** Last business day of Month **Other Specs:** Use BCM template	Cheddar	BCM	Yes	2/14/2015 40%
What: Orders Procurement Report **When:** Last business day of Month **Other Specs:** Use BCM template	Blue	BCM	Yes	2/14/2015 30%
What: Customer Performance Report **When:** Last business day of Month **Other Specs:** Use BCM template	Swiss	BCM	Yes	2/14/2015 45%
What: Customer Service Report **When:** Last business day of Month **Other Specs:** Use BCM template	Gouda	BCM	Yes	2/14/2015 50%
What: Interagency Report **When:** Last business day of Quarter **Other Specs:** Use Agency template	BCM	Regulator	Yes	2/14/2015 30%

Table 1. Agreement Scoreboard for Figure 2's Performance Circle

3. *Structured Team meetings:* As much as people complain about meetings, they are critically important gatherings that keep different people with different responsibilities on the same page. This is especially true when people are working on very different pieces of a large or complex goal or are located in different departments or geographic areas inside or outside of the organization.

   Team meetings are most effective when they have a reliable structure, e.g., a regular schedule and a standard agenda. The reliable schedule supports Team members in arranging their calendars to accommodate a standard meeting time, whether the meeting is held face-to-face, via Skype, conference calls, or other media. The meeting itself needs to accommodate the scoreboard visibility. If the only scoreboards are located on the conference room whiteboard, then a conference-call meeting would need to include video to allow others to see the status and contribute update information.

   The meeting agenda is straightforward: use the scoreboards as the discussion list. Review the status of performance agreements for deliverables and Team member assignments. Each item needs to be updated weekly, bi-weekly, or monthly depending on the temporality of the goal. Customizing the agenda is part of the Team's goal-launching conversations. For example, Team members may opt to update the status of their accountabilities prior to the meeting or during the meeting.

Four Communication Practices

1. *Practice Performance Circle definition and development*: Practice creating, displaying, and maintaining the goal's Performance Circle sketch or list and keeping it current. The initial discussions, where Team members determine how to go about reaching the goal, are the best opportunity to do this, but it is important to remember that this discussion is

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iterative: the Performance Circle for any goal should be expected to change over time as unanticipated events require additions, deletions, and other updates. Creating the Performance Circle display is usually a productive conversation best done with an actual or online version of a whiteboard to allow Team members to contribute their ideas about who belongs in the Performance Circle – and what the Team will send or receive to/from them.

Once a first-draft Performance Circle has been created, a decision will be needed on how it will be revised: as part of the regular Team meetings, prior to meetings, etc. It will also be important to identify who will be updating which items, because some items will "belong" to certain Team members while others may not. Finally, decisions will be made for what will make it visible to all Team members and accessible for them to update their portions of it, will also be made. The maintenance of accurate and up-to-date performance status is worked out with respect to the display method selected.

2. *Practice establishing Sender-Receiver agreements*: Team members are likely to have different levels of skill and experience in making agreements for the specifications of deliverable products, services, and communications. The practice of establishing good agreements with performance specifications, due dates, and follow-up schedules for feedback and updates is likely not familiar to everyone on the Team. It does take practice to get "performance" spelled out in agreements for on-time, on-budget, and goal-relevant products, services, and communications.

   Some managers prefer to use a very few Team members who are experienced in defining deliverable agreements with other players. Other managers are willing to assign the responsibility for establishing and maintaining productive Team relationships with other players as a way of developing all Team members. The strongest support for building Team expertise in creating deliverable agreements is the routine Team meeting where the status of agreements is reviewed and there is an opportunity to discuss problems and provide assistance as needed. The meetings are where Team members can practice establishing Sender-Receiver agreements with one another.

3. *Practice using scoreboards*: The practice of creating, displaying, and maintaining accurate and up-to-date scoreboards is not part of every Team's current mode of operations. Many managers are more comfortable with a looser method of managing assignments and relations with suppliers, user-customers, and decision authorities. The value of the scoreboard is the benefit it provides the Team: greater efficiency and effectiveness, and a grasp of the value of their work. It is worthwhile practicing the use of scoreboards, starting small if necessary.

4. *Practice productive Team meetings*: The first rule of productive Team meetings is to establish a routine schedule and a routine agenda for the discussion. While the first meeting may seem chaotic, the second will be less so, and the third will begin a shift into a pattern of talking and responding that is more efficient. Meetings to reviewing progress

may also begin to identify changes to scoreboard displays that will make communication easier, or update methods that will improve coordination.

One sample "Scoreboard Meeting" agenda is:
a) Updates to Performance Circle players, i.e., add, change, or delete players
b) Updates to agreements or communications with players
c) Updates to delivery agreements, i.e., status, successes, failures, problems
d) Updates to overall goal status, noting successes, failures, problems
e) Special situations/solutions needed
f) Updates to assignments for Team members
g) Other business

Team meetings are the opportunity to create, manage, and update "outside-the-box" agreements with other players for deliverables, and "inside-the-box" assignments for Team members. The meetings also provide an opportunity to practice supporting collaboration and mutual support among Team members, agreement integrity, and Team accountability.

BOSS MANAGER OR PERFORMANCE NETWORK MANAGER?

The work of developing a goal, a plan, and success measures may be substantial, so it is no surprise that many managers are unwilling to do what seems to be "extra work" to create and manage a performance network. But today's workplaces are increasingly diverse, with specializations of talents and technologies in communication, information, and logistics, as well as more traditional manufacturing and service operations. Workplaces today are also more distributed: geographic proximity is no longer required for connection or collaboration. Communication has become the greatest management challenge, and every manager needs to choose: Should I be only a Boss Manager or also a Performance Network Manager?

The Boss Manager

The difference between traditional and performance network management is visible in the two diagrams of Figure 1. The traditional manager – a Boss Manager – operates using the hierarchical-authority model of organization, often keeping a tight rein on cross-boundary communications and watching authority and jurisdiction outside their box. Such managers may disagree over whose budget pays for certain kinds of work, and which sort of tasks belong in which department. Boss Managers are likely to give assignments downward and monitor performance from the top, rather than having those things be part of a group process. The emphasis in the hierarchical model is on the Boxes: tracking what people are doing, when they are doing it, and how long it takes (5).

Boss Managers are usually required to do "performance reviews" of individual Team members and their work, but few of them enjoy it, do it on time, or do it in a way that will be useful to them in the future. These performance evaluations may be complicated by outdated or nonexistent job descriptions, which are further supports for jurisdictional issues ("It's not my job"). The problem is that the reviews are designed to evaluate individuals, not Teams, and so

the Boss Manager may prefer to reduce the friction of people who are difficult or upset about an assessment of their performance. The solution can be to avoid confrontation and let things ride.

Boss managers tend to prefer performance measured as efficiency and productivity, which can be tracked by looking at budgets and production reports without having to deal too closely with what some managers refer to as "people stuff". Especially in an organization that places value on individual development and personal interaction issues – such as behavior, attitude, morale, and conflict resolution – the manager who is unskilled in these areas may prefer to avoid them. The narrow focus means less attention by everyone on goal performance, and more attention given to people issues and authority or territory.

The individual performance assessment problem is confounded by the habit of many Boss Managers to have one-on-one meetings with their Team members rather than using the structural tools and communication practices that develop Team performance. This means that the Boss Manager can see the big picture, but Team members often cannot articulate the goal and have little idea of the network of communications and agreements that will support its accomplishment. People who can see only a small slice of the job are unable to bring efficiencies or collaboration into the workplace. They are not likely to be encouraged to make or maintain deliverable agreements with user-customers or others "outside the box".

Finally, Boss Managers are watching results, but not recognizing or strengthening the transactions that produce those results. They may prefer a more directive way of relating to personnel than using goals or scoreboards to contextualize and coordinate Team members' work. This deepens a negative habit of recognizing performance only as what people are *doing* rather than what is being delivered *between* goal-relevant Senders and Receivers.

The Performance Network Manager

While the Boss Manager models management on the hierarchical model, the Performance Network Manager recognizes the hierarchy and incorporates it into a bigger picture that is more oriented to goal accomplishment than to maintaining his or her turf. This manager operates using a Sender-Receiver model of performance that emphasizes deliverables moving between groups, including cross-border ones. A Team's performance is understood to be based on the performance of goal-relevant products, services, and communications as they match the Sender-Receiver agreements for them. This approach has been shown to reduce operational costs while also increasing Team members' recognition of their interdependent responsibilities.

A Performance Network Manager directs Team attention outward, where its performance connections will be, and supports the development of the goal, the plan, and the measures in terms of what will be delivered and when in order to reach the goal. This manager's job is not to manage the people or the work required to produce, send, and receive those deliverables, but rather to manage deliverable agreements and their performance. *Agreement-performance trumps people-performance*: it is objective and observable for everyone and substantially reduces redundancies and misdirected communications.

Establishing deliverable agreements with the goal-relevant Performance Circle players clarifies exactly what, when, and why each deliverable will be sent and received. This goes beyond the usual guessing-hoping kind of planning to create a high level of certainty. Getting input from both the Sender and Receiver to clarify deliverable specifics is more effective than simply focusing on the work to be done inside the Team. No more hoping for the right resources – both Sender and Receiver know what will come in and when it will be there. No more hoping the products and services will meet the needs of the user-customer – the Sender knows what is wanted and needed and will be able to prepare to produce and deliver it.

The practice of tracking agreement and deliverable performance is new to some managers, but a small amount of persistence over several Team meetings quickly reinforces its utility for everyone. This is also true of the shift in Team meetings from information-sharing and problem-solving occasions to focusing on managing agreements. This takes practice because people in organizations are accustomed to managing people and their work. The basic rule of performance management is to focus on the agreements for products, services, and communications that go *between* people, and track whether, when, and how those agreements are met. Authority is not sufficient to coordinate Teams, goals, and resources in networks that cross silos, departments and organizational boundaries.

Agreements: it's what to manage.

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