

Writing Position Agreements



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The Position Agreement is a crucial management tool that creates a solid foundation for managers and employees to work together.

Position Agreements are written agreements between managers and the employees who report to them. Unlike job descriptions, Position Agreements outline specific work your employees agree to do as part of their job and are organized so they know *exactly* what their responsibilities are. With **Result Statements, Work Listings, and Standards**, you take the guess work out of every teammates' role, so you can build a solid foundation for them to work together—and ensure *you* get the results you want.

You don't need to create a Position Agreement for every employee right away. Your first priority should be creating agreements for employees who aren't performing well and for positions you're actively hiring for. Eventually, you'll also want to think about creating agreements for positions you'd like to fill in the future.

There are so many ways to approach writing Position Agreements. You can ask your managers to write them for positions that report to them, your employees can start the process by drafting their own, or you can begin by starting at the top or bottom of your [organization chart](#). You might even find it more effective for one person or a small team of people to write agreements for the entire company.

It's important to keep employees' Position Agreements updated to reflect your current organization chart and the positions you plan to add in the future. The goal is to eventually create a complete management system, ultimately resulting in a team of high-performing employees. Whereas your org chart outlines the functions of your business and the roles it needs, your Position Agreements take your system further by adding more detail. This will allow you to measure your team's performance against clearly outlined standards and produce a system for introducing new hires to their roles.

The Position Agreement contains five parts:

- 1 POSITION IDENTIFICATION:**
The titles of the position, the manager's position, and all reporting positions. The position identification shows where the employee fits in your organization chart and includes their official title in your company. For managers, consider adding the titles and result statements of their reporting employees as well, so they know how they can support their team.
- 2 RESULT STATEMENT:**
This defines the *result* the position is required to produce. The result statement indicates what you want to have happen and why. It keeps everyone focused on the expected results of their positions.
- 3 WORK LISTING:**
This itemizes the work to be performed by the person occupying the position. It includes some combination of **strategic** and **tactical** work.
- 4 STANDARDS:**
Requirements for *how* an employee should achieve the result and perform the work they're responsible for. Consider the position and ask yourself what does and doesn't work as the employee performs this role. Draw on past experiences, and use your frustrations and successes as reference points to inspire your standards.
- 5 SIGNATURES:**
Both the manager and the employee should sign the Position Agreement. This indicates the employee's agreement to accomplish the results and the manager's agreement to support their employee in achieving them. Keep your company's agreements consistent in their format and language.

Position Identification and Result Statement: The Big Picture

These sections (templated below) are essentially a fill-in-the-blank exercise. The position title, manager's position and any reporting employees' positions come directly from your organization chart. The results statements come from your understanding of the results you want this position to produce. You can modify the company-wide rules to fit your culture, or you can use the ones we've provided as a guideline.

Example

POSITION TITLE: *Manager, Accounts Payable*

RESULT STATEMENT: **Define the result this position is accountable for producing.**

To optimize the 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.

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 bill 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.

Example

STANDARDS: List quantity, quality, and behavior standards for which this position is accountable. Don't include those that are detailed thoroughly on any system-specific action plans you've developed.

- Position-Specific:**
1. Vendor discounts for early payment will be accepted 75 percent 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 the company's creditworthiness.

- Company-wide:**
1. All work will be performed according to company policies and standards, in the spirit of the company's Vision.
 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.

SIGNATURES: Statement of the position holder:

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

Date: _____

Signature: _____ 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.

Date: _____

Signature: _____ Printed/typed name: _____