

Performance contracting is a concept and a practice which was introduced so as to improve on service delivery. In the least developed world there was a lot of manpower wastage which led to slow growth especially in the Government offices. The practice was started way back in Pakistan and the Bretton Wood institutions borrowed heavily from it as they introduced structural adjustment programmes in the third world economies. Performance contracting main concern is the quality of the final product and not the process. As a practice it has its own challenges and paradoxes which also need to be looked on. Psychological contract is based on the belief which one has as pertains to the practice. How much is one convinced that given the resources and the support he will be able to deliver the necessary service within the stipulated time. The combination of the two concepts: performance and psychological has a common bearing since both are related to activities of mankind. This therefore brings on board the term perception, which ideally relies on the sensory inputs of hearing, seeing, touching, smelling and feeling. Can performance then be achieved without the necessary resources and conditions?