Quick Start Guide

for Objectives Key Results (OKR)

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Objectives Key Results (OKRs) is a popular goal management framework for delivering exceptional performance. It allows the organization to implement strategies most efficiently by rendering a reliable process for creating, communicating and evaluating business goals and results.

Some of the world's most successful organisations use OKRs to maximise performance including Accenture, Adobe, Amazon, Deloitte, Baidu, Facebook, Google, Netflix, Oracle, Salesforce and Samsung to name a few.

The approach strives to connect the organization, its departments and teams along with their personal objectives in a manner that increases transparency and enables all employees to work together towards a unified goal.

In this article, we will walk you through an overview of OKRs, its history, methodology, benefits, and an understanding of how an OKR execution might look.

Read on, and you will also find the tool that can help you in OKR implementation.

OKR's In A Nutshell

An OKR consists of an Objective and **5 Key Results** (numerical-based expressions) that measure the progress towards the objective.

It can also have initiatives that describe the work you are required to achieve the key results.
In comparison to the key results, initiatives are just a hypothesis for what can deliver the biggest impact.

- **Objectives:** An objective is a vision that needs to be achieved in the future. It sets you in a clear direction and motivates you to attain them. This is how an objective looks like: Where do I hope to see my business in 5 years from now?

- **Key Results:** The key results are a response to objective and let you gauge the process in regard to it. They simply work as the measurements of success. For example: what can be done this year to take a step towards my objective?

- **Initiatives:** It is the work or tasks you do to achieve your key results. They do not have a direct connection to the objective, but it describes the action that you will take to reach there.

OKR also includes a number of rules that help the employees to focus, measure, and prioritize the outcome of their tasks.

The concept may seem straightforward to you, but it is actually an effective form of performance management for any size business who seek to continually improve performance.

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Quick Look On The History

The concept of OKRs was invented in 1968 at the Intel Corporation by Andy Grove, the "Father of OKRs."
In 1974, John Doerr joined Intel and learned about OKR during in his tenure. Later, he went on to join Kleiner Perkins Caufield & Buyers, and then became an advisor to Google.

He introduced the concept of OKR to the founders of Google, Sergey Brin and Larry Page, who implemented the concept, and transformed Google from its roots into something that influences the entire world today.

These days, OKRs are also used by Intel, Linkedin, Sears, Oracle, Zynga, Twitter, and other well-known brands.

What Is OKR Methodology?

Objective Key Results (OKRs) have a unique methodology and belief system that distinguishes it from other goal management framework.

- **Ambitious:** 'Objectives' are set beyond the threshold of what seems possible.
- **Measurable:** 'Key Results' and metrics are measured.
- **Transparent:** OKRs are shared across the organization, from CEOs to leaders, interns, and co-workers.

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How Do You Set The Objectives Key Results (OKRs)?

As stated above, the OKRs need to be ambitious, measurable, and transparent.

When it comes to their set up, it can be owned by an individual or team. Depending on the size of the company you can consider assigning Objective Key Results to the teams in their planning period.

Here is how you can set the Objective Key Results for a business:

● **Select a pilot group**

To set up OKR, select a group of people who will help you with the adoption of this concept in the company. Define the length of the OKR pilot and then look for the criteria that will make it a successful decision.

● **Take inputs from your teammates or colleagues**

Whether you are adopting OKRs or any other process, acquaint a few teammates with the process and get the required support from them. Now, put a few of them in charge of the rules to use them during the OKRs implementation.

● **Set the basic rules**

When it comes to the OKR setup, there are a number of rules. But we have listed the most important aspects that will help you define the OKR process.

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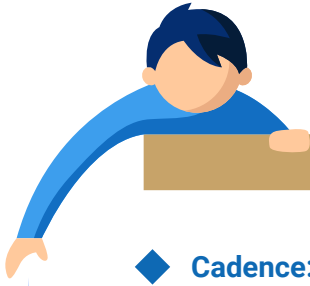
- ◆ **Cadence:** Define the time period of the OKRs. Usually, companies work on quarterly goals, but we recommend going for 4, 6, or 8 weeks.
- ◆ **Check-ins:** Determine how frequently the OKRs should be updated.
- ◆ **Maximum number of objectives:** Define the number of objectives that your team can own.
- ◆ **Maximum number of key results:** Now, select the number of key results that should be attached to the objective.

Once you are done, define how often the team should discuss the progress on their OKRs.

When it comes to the set-up process of OKRs, here are the three approaches that you can consider:

- ◆ **Top-Down Approach:** All the objectives are set by the manager, supervisor or CEO. This approach leads to quick planning and also enhances the alignment, within the organization.
- ◆ **Bottom-Up Approach:** Employees set their own OKRs, based on what they think can be accomplished. This method does enhance the engagement but requires a bit of co-ordination.
- ◆ **Negotiation:** Both the manager and employees discuss and negotiate on OKRs. As you set it up, make sure a person has 3 objectives and 5 key results per planning period. However, a well-designed OKR has just 3 results.

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● **Appoint OKRs leader**
Select a leader (can be a person in your team) who makes sure that the OKRs are implemented seamlessly.

● **Define mission and vision**
Without a proper mission and vision, your team won't be able to come up with meaningful objectives. So, it is necessary to define them and spread it across the enterprise that is adopting OKRs.

● **Define company OKRs**
Before you start to set individual or team objectives, ensure that you set up the company objectives. It can be either an annual objective or a quarterly one, but the company objective should be in place.

● **Set-up regular OKRs review meetings**
To drive performance through OKRs, it is important to review the progress on it regularly. You can set up a weekly, discuss the progress on objectives, and then set priorities for the next week.

● **Review your first OKR session**
Now, when you are done with the planning and setting up the OKRs, plan a review of your first OKR session. This review serves as a great opportunity to check how the company is performing on objectives, credit the people with excellent results, and learn where things did not go in your favor.

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Common Mistakes That You Need To Avoid

While you set up, adapt, and implement the OKRs, here are the common mistakes that you need to avoid:

- Setting up too many ambitious objectives or the objectives that are not challenging enough.
- Performing the non-OKR activities and other unimportant tasks along with the OKRs.
- Not measuring the key results regularly.
- Performing the OKR as tasks.
- Forcing the metrics or not using any of them.
- Using the wrong OKR guidelines.

As you work with the OKRs, ensure that have 3-4 objectives per level and 3-5 key results per objective. Moreover, work through the cadences and don't forget to weekly review the OKRs.
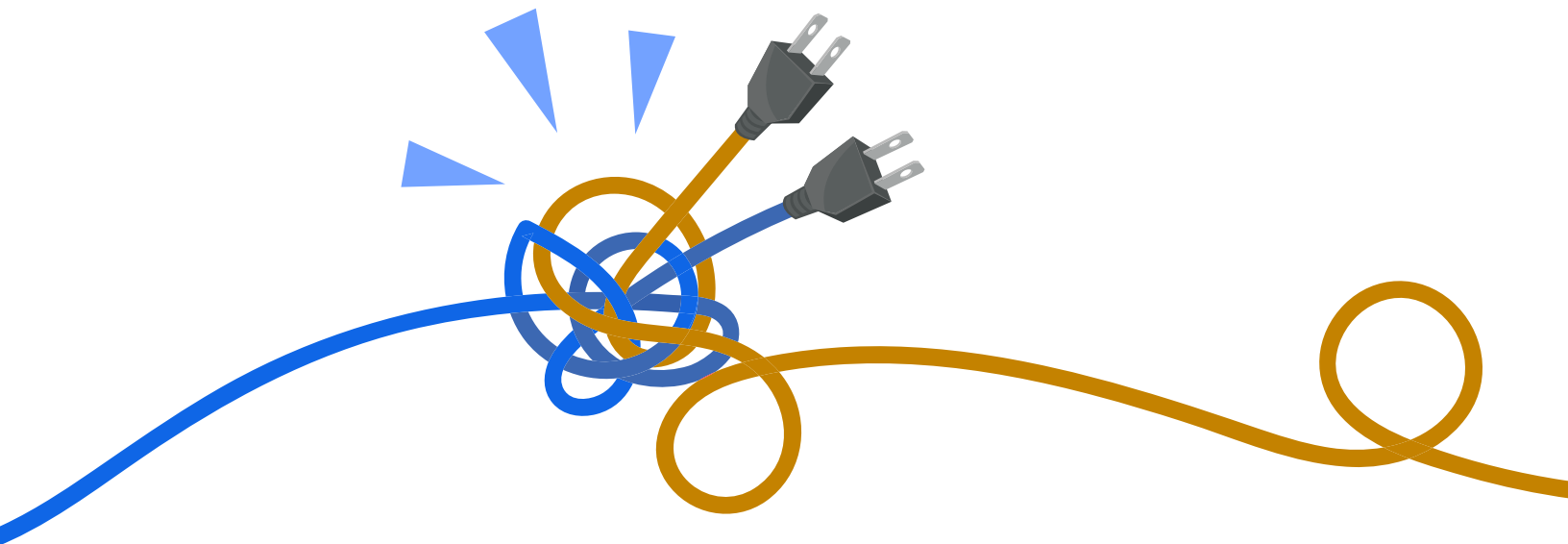
What Does A Good And Bad OKR Looks Like?

If you are planning to implement OKRs into your business, here is how a good and bad OKR looks like:

Good OKR: Your objective is to become a market leader. The key result for this should is to get a market valuation of a set figure. The initiative you need to take is to appoint a new CMO.

Bad OKR: Your objective is to improve customer service. The key results include improving phone system, CSR training, and change call script. Further, the initiative you took is hiring new call executives.

In this case, the objective should be to improve the customer service such that the business does not have any unsatisfied ratings. The key results should be that upgrade the phone system to a new version, identify the top 10 complaints and resolve them. The initiative should be to give at least two training sessions for each customer service representative.

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How Does OKRs Benefit Your Business?
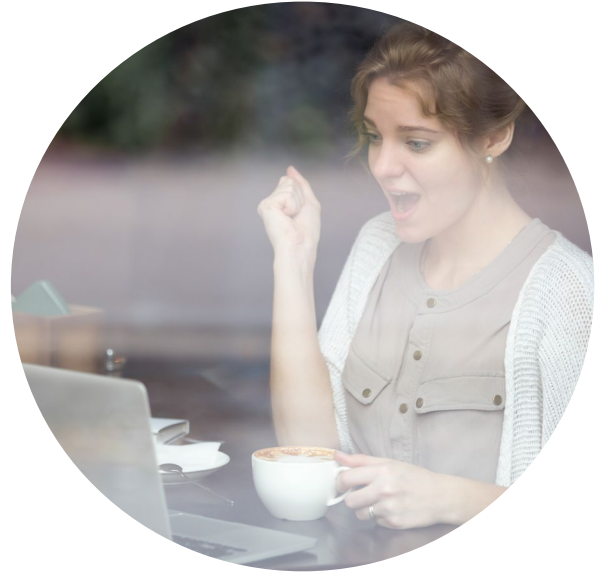
Objective Key Results helps the business in 5 ways:

- **Gives Your Business A Strategic Alignment**
  OKRs work as a management framework and connect both team and individual to the company's objectives. It aligns the work they do and ensures that everyone is moving in the same direction.

- **Lets You Focus On What Matters**
  According to the OKR framework, each level of an organization should have 3-5 objectives. This approach encourages them to prioritize the objectives, and focus on what has the biggest business impact.

- **Gives You Engaged Employees**
  OKR helps the employees to discuss and execute the strategies in a way such that everyone understands the objectives. With this, there is an increase in **employee engagement**, and they also start to achieve the key results, as they are tied to a purpose.

- **Provides Increased Transparency**
  Objective Key Results let the organization have a transparent culture as everyone knows, how each individual is contributing to achieve an objective.

  Not only does this builds trust, but also paves a way to gain a better understanding of what other departments are doing.

- **Lets You Accomplish The Unexpected**
  The objectives are always set beyond the capacity of what can be achieved, which allows the company to deliver unexpected results.

With all these benefits, we can say that the **business should definitely have its own OKRs**. But to implement the OKR, you also need to have the right tools at your disposal.

StaffCircle provides one of the most comprehensive and flexible OKR platforms on the market. It enables everyone to manage and update their own objectives progress with a personal dashboard on any device. You can either update the objective yourself or let the third party or system do it. Moreover, managers can also see their team's objectives in real time and Leaders can see the entire picture.
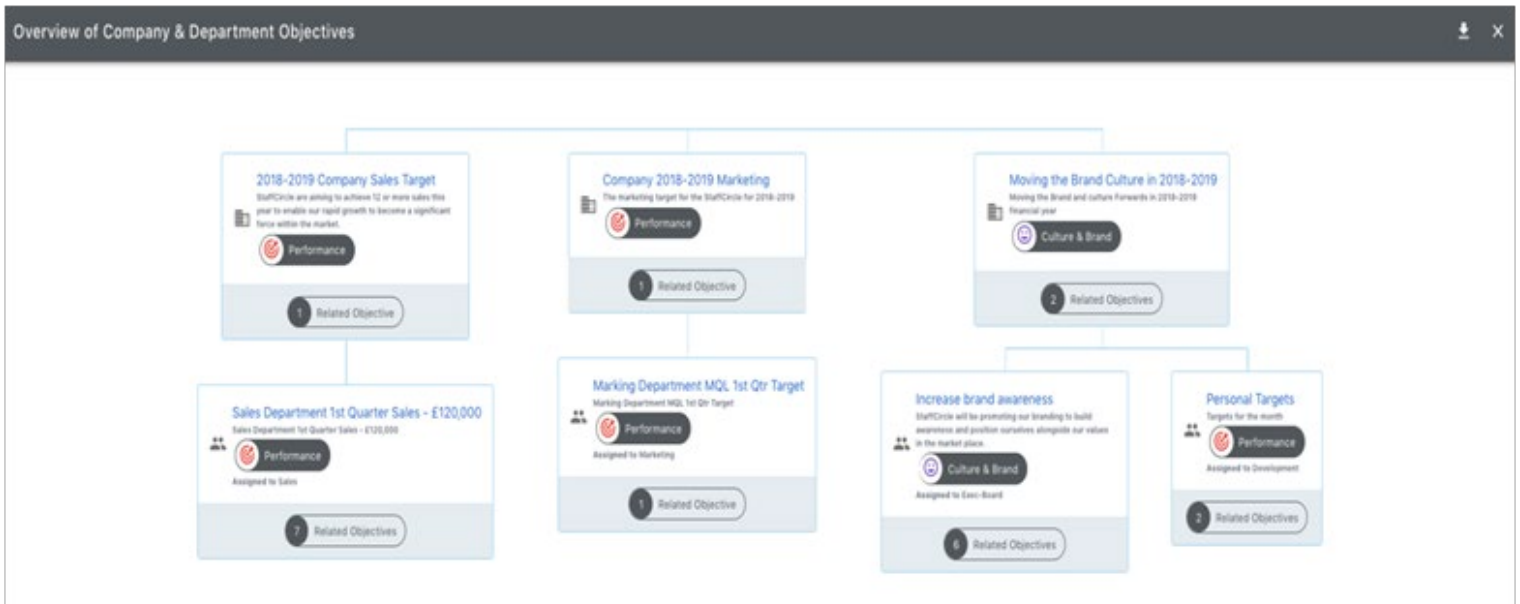
We visualize people's KPIs on their mobile and smart devices so they can easily review the performance and leave feedback on it. OKR software also checks an individual's key performance indicators not only for the sales and service but also for non-desk-based roles like FM services, logistics, and construction, where 360-feedback can include the customers as well.

We also recognize employee's performance with **awards and incentives**. Our point-based-awards system allows you to define any type of recognition, be it an employee of the year award or a digital career promotion.

Further, the reward system provides an easy way to calculate the financial incentives, including annual bonus, commission or a simple bonus for the team.
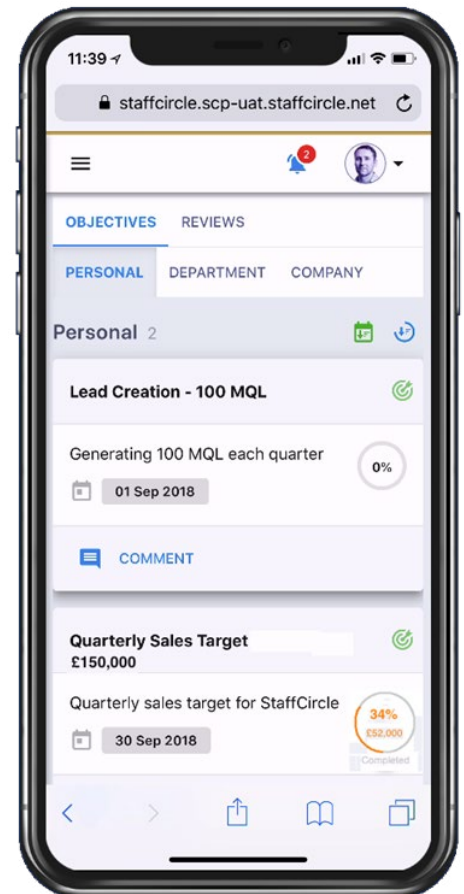
Benefits Of Linking Company Objectives Into Personal Objectives

Setting objectives help an organization and its employees to focus on their priorities. With this, it also becomes important that each employee is aware of what must be done each day for the organization to meet its goals.

According to a blog on McKinsey, when employees understand their role in the bigger picture, **91% of them will work towards success**.

So, as they work towards success, they produce better outcomes and also **improve their performance**, at the same time.

The other benefits of linking company objectives into personal ones include:

- Gives employees the vision to see their objectives.

- Lets them prioritize how they can achieve the key results.

- Enables the leaders to focus daily on the most important goals.

- Employees know what is expected of them.

- Helps the employees to understand their importance to the business objectives.

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In Summary

You can also set the objectives or goals by using OKR's framework. It will help you define the objective, key results and implement the various business strategies through measurable actions.

It also improves employee engagement in a way that elevates their performance and benefits the organization. Moreover, the OKRs process involves employees from start to end, links individual goals to business objectives, and motivates them to perform well.

Next Steps

To adopt OKR in your organization and make it work to your benefit, all you need is the right tool.
Click here for a **free demo today**!