Why OKRs

A Leader’s Guide to evaluating OKRs

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Author's Note

Deployment of an organization's strategy is an evergreen topic of interest to business executives and leaders. The pursuit is to get things going on ground, beyond fancy presentation in the ivory towers. There have been different methods that have been tried and tested in the business arena over the past few decades, starting from the days of MBO. While Balanced Score Card (BSC) continue to remain the most favored tool in the industry, there are divergent opinion on its relevance in today's world.

In the era of great resignations where the real battles of growth are fought in the talent arena, the question one ponders is about the relevance of rigid and directed approaches like BSC in the age of Millennials & GenZ.

OKRs have picked up a lot of interest among new age corporations after Intel and Google saw remarkable success with it. OKRs brings in a talent management perspective to growth.

I have put together an e-book titled "Why OKRs?". The purpose of this book is to provide necessary knowledge and insights for a leader to decide if OKR or elements of OKRs will be useful to your organization. I can assure you that it will be a good starting point. From my experience, I can observe that OKR fills the gap in strategy implementation by providing a flexible and agile method to engage workforce in growth.

At this juncture, I would like to acknowledge the efforts of **Subashini** in compiling this work.

Further Assistance

I would be happy to talk to you regarding:

- Evaluating existing strategy implementation practices in your organization
- Guiding in annual strategy offsite
- Facilitating Goals & Strategies cascade vertically & horizontally
- Build cross functional ownership and accountability
- Strategy deployment
- Coaching on Execution Excellence to build strong second level teams for execution

All the best!

Nilakantasrinivasan J (Neil)

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Introduction to OKRs

Why some companies are gung-ho about OKRs?

If you've worked for a tech company, chances are you've heard of OKRs. They're all over the place these days. But what are they? And why do so many companies seem to be gung-ho about them? It turns out that while they might seem like just another management fad, OKRs have been around for decades and have been proven effective time and time again in large organizations. In fact, OKRs were first used by Intel in the 1970s to communicate goals across teams and align them.

History of OKR

The history of OKR (Objectives and Key Results) traces back to the 1970s when Andy Grove, the CEO of Intel at the time, sought a framework to align the company's efforts and focus on key priorities. Drawing inspiration from Peter Drucker's Management by Objectives (MBO), Grove introduced OKRs at Intel, where they were used to cascade objectives from the corporate level down to individual performance metrics. The success of OKRs at Intel caught the attention of other tech companies in Silicon Valley, leading to their adoption by firms like Google in the early 2000s. Google founders Larry Page and Sergey Brin embraced OKRs, which became ingrained in the company's culture, facilitating rapid growth while maintaining focus on key objectives. John Doerr, a venture capitalist who had been influenced by Andy Grove, played a pivotal role in introducing OKRs to Google. A few years later—in 2002—Amazon used them too. Then Facebook started using them in 2007, followed by Apple in 2011.

Today, OKRs are widely used across industries as a flexible and effective framework for setting ambitious goals and measuring progress, reflecting their evolution and adaptation from their origins at Intel to their modern-day adoption by organizations seeking to enhance goal-setting and performance management processes.

What are OKRs?

OKRs stand for Objectives and Key Results and are a way to measure, communicate, and align everyone on the same page. It is not a solution for everything, but it has proven itself over time as an effective tool for companies like Intel, Google, and LinkedIn. “It’s not the magic pill that’s going to make everything work, but what I have seen is that when you have OKRs in place, it helps you focus your energy on things that really matter.” says John Doerr, partner at Kleiner Perkins Caufield & Byers.

Most of the companies using OKRs do it for two main reasons: building accountability among employees and establishing performance measurement.

In addition to this, I see a strong alignment between objectives and how to measure our performance on those objectives as an advantage of OKRs.

Can OKRs help in business growth, if so, how?

OKRs (Objectives and Key Results) can definitely help in business growth. By setting clear and measurable goals, OKRs provide a framework for organizations to focus their efforts and align them with their overall strategy. This helps to ensure that all team members are working towards a common goal and are aware of their individual contributions to the organization's success. Some specific ways in which OKRs can help drive business growth include:

- Prioritizing efforts: OKRs allow organizations to identify and prioritize the most important initiatives and projects that will drive growth.
- Aligning teams: OKRs ensure that all teams and individuals within the organization are aligned and working towards the same objectives, which helps to improve collaboration and communication.
- Tracking progress: OKRs provide a way to track progress and measure the success of initiatives, which helps organizations to identify what is working and what needs to be improved.
- Holding teams accountable: OKRs make it clear who is responsible for achieving specific results, which helps to hold teams accountable for their actions and decisions.

There are many examples of organizations that have used OKRs to drive business growth. Some notable case studies include:

- Google: Google is often cited as one of the pioneers of OKRs and the company has used them to drive its rapid growth and success.
- Intel: Intel has used OKRs to align its teams and drive innovation, resulting in significant growth and success in the semiconductor industry.
- Amazon: Amazon has used OKRs to drive its rapid expansion and innovation, becoming one of the world's most successful companies.
- Spotify: Spotify used OKRs to align its teams and drive growth, becoming one of the most popular music streaming services worldwide.

These are just a few examples of how OKRs can be used to drive business growth. Many other organizations have also used OKRs successfully to achieve their objectives and achieve their goals.

Can OKRs help in Employee Engagement and Performance Enablement?

Performance Enablement Framework encourages that we shift acute focus from measurement of performance to encouragement, support and guidance of giving their best to the company and achieving their career aspirations.

So, the emphasis of Performance Enablement is on the following:

- Providing clarity and direction for employees on what they need to achieve and how they can contribute to the organization's success.
- Fostering a culture of collaboration, feedback, and recognition among employees, peers, and managers.
- Motivating and challenging employees to set and pursue ambitious, measurable, and relevant goals that align with their strengths and interests.
- Enabling employees to track and celebrate their progress and achievements, and learn from their failures and setbacks.

OKRs (Objectives and Key Results) play a crucial role in enhancing performance enablement and employee engagement within organizations. By aligning individual and team goals with broader organizational objectives, OKRs provide employees with a clear sense of purpose and direction. This alignment fosters transparency, as employees can see how their efforts contribute to the company's overall success, promoting accountability and a shared commitment to common goals.

Moreover, OKRs help employees prioritize their work and focus on key initiatives by setting clear objectives and measurable key results. This focus reduces distractions and ensures that efforts are directed towards achieving meaningful outcomes, ultimately enhancing productivity and performance. Additionally, OKRs encourage a culture of continuous improvement by emphasizing ambitious yet achievable goals and regular progress reviews. This iterative approach to goal-setting promotes innovation, agility, and adaptability within teams.

OKRs also empower employees by giving them autonomy to set their own goals and define the key results that will indicate success. This sense of ownership over their work increases motivation and engagement, as employees feel personally invested in achieving their objectives. Furthermore, the regular cadence of OKR review cycles provides opportunities for managers to offer feedback and coaching to employees, fostering growth and development while strengthening the manager-employee relationship.

Finally, when employees achieve their OKRs, it's an opportunity to celebrate their accomplishments and recognize their contributions. This celebration reinforces positive behaviour, boosts morale, and strengthens team cohesion, further enhancing employee engagement and fostering a culture of success within the organization. Overall, OKRs serve as a powerful tool for driving performance enablement and fostering employee engagement by aligning goals, promoting transparency and accountability, facilitating focus and empowerment, enabling continuous improvement, providing feedback and coaching, and celebrating success.

OKR Example

Let’s take a personal example:

Objective(O): Where do I need to go?

Improve My Overall Health & Fitness

Key Results (KRs): How do I know I’m getting there?

- Reduce Sleeping Heart Rate to 50 BPM.
- Exercise 5 times a week.
- Maintain BP at 120/80.

Key Initiatives: What will I do to get there?

- Cardio Training & Meditation for 30 mins each
- Calendarize and find a exercise partner
- Diet Management

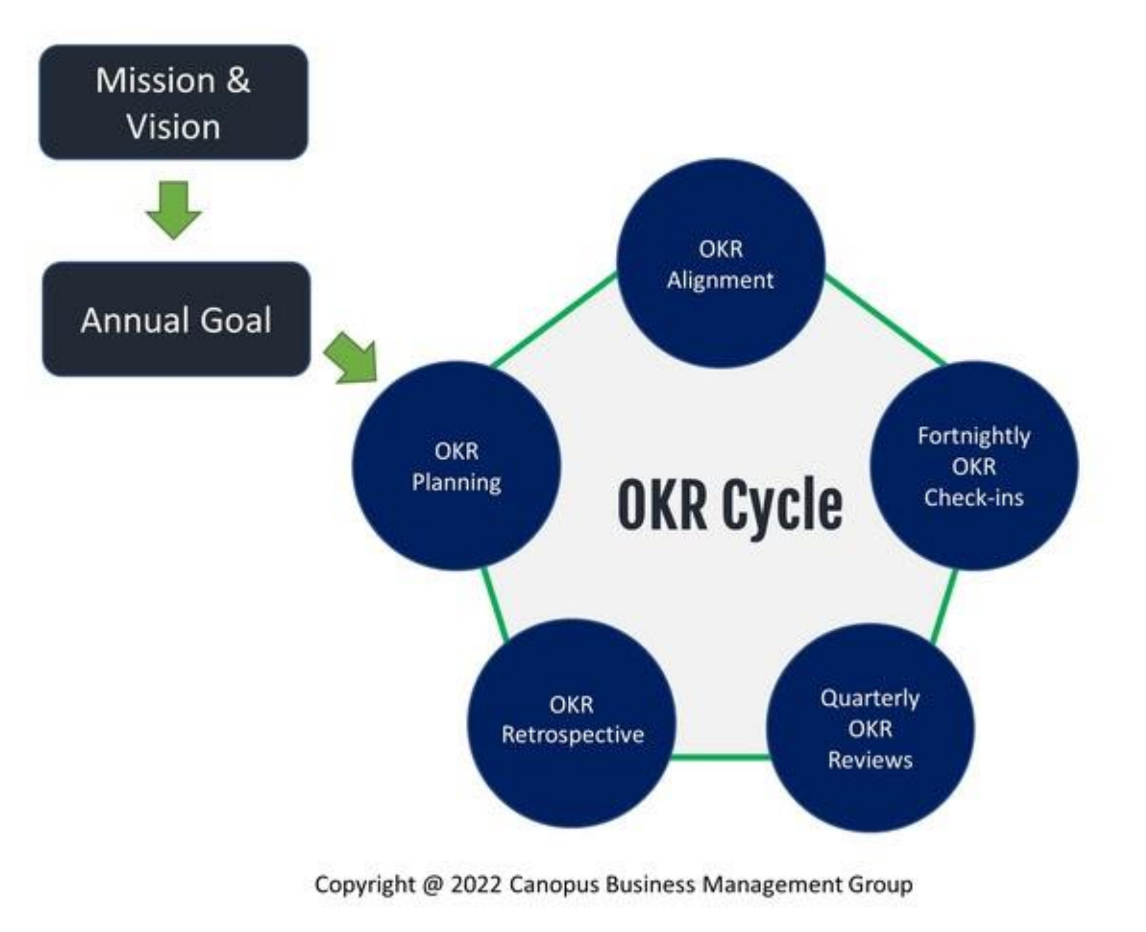
This example is really very simple and might give you an impression of OKRs being a no-brainer. Many organizations implementing OKRs struggle with identifying relevant KRs for objectives and that is where knowledge of other systems such as BSC or Hoshin Kanri comes in.

KR, or "Key Results" are used as a yardstick for measuring success and progress. They can be either measurable, such as a metric, or trackable, such as progress against a plan. Measurable metrics can either be control metrics, the ones on which we wish to sustain performance, such as our blood pressure or sugar readings, or ones we wish to increase or decrease performance, such as our weight or athletic performance.

It is recommended to have 3 to 5 KRs for each objective. While a given objective is owned by an individual, each of the KRs can be assigned to someone else with relevant accountability or held by the objective owner itself. Thus, OKRs do help in cross functional alignment.

OKR Implementation Cycle

Here's an illustration of OKR implementation cycle..



OKR: Points to Ponder

As a result, OKRs have become a popular tool for doing that because they're easy to use and understand—but it's important to remember that they aren't magical. They require some skill on the part of the person overseeing them. And while they can help companies improve, they aren't necessarily a panacea for all of your company's woes.

OKRs are not perfect. They're not a magic bullet, and they don't solve every organizational issue. But it is an approach that top companies like Google use to keep their teams focused, on track and aligned with business goals. If you want to give them a try in your own organization, here are some things to consider:

- Be careful about how much time and energy you put into setting up the system (you do not want it to take over your life)
- Make sure everyone on the team understands how OKRs work before implementing them (this means training), and
- Don't expect immediate results – "it took us six months before we could see any real difference in our productivity!"

Understanding OKRs in Detail

Are OKR created for individuals or departments

OKRs (Objectives and Key Results) can be created for both individuals and departments. OKRs are a way to set specific, measurable, and time-bound goals, and track progress towards achieving them. For individuals, OKRs can help focus their efforts and align their work with the overall goals of the organization. For departments, OKRs can help ensure that the department's efforts are aligned with the overall goals of the organization and that progress is being made towards achieving them.

A KRI (Key Result Indicator) is a performance metric that is used to measure progress towards achieving a specific goal or objective. KRIs are often used in conjunction with OKRs (Objectives and Key Results) to track progress and measure the success of a specific initiative or project.

OKRs focus on setting specific, measurable, and time-bound objectives, while KRIs focus on tracking and measuring the specific results or outcomes that will be used to determine whether the objectives have been achieved. OKRs define what the organization is trying to achieve, while KRIs provide a way to measure progress towards achieving those objectives.

In summary, OKRs are used to set specific, measurable, and time-bound objectives, while KRIs are used to track progress and measure the success of a specific initiative or project. OKRs define what the organization is trying to achieve, while KRIs provide a way to measure progress towards achieving those objectives.

Linkage between a company’s vision and strategy and their OKRs

There is a strong linkage between a company’s vision and strategy and their OKRs. OKRs (Objectives and Key Results) are a tool used to align and drive progress towards a company’s overall vision and strategy.

Here’s how to create the linkage between a company’s vision and strategy and their OKRs:

- Start with the vision and strategy: Clearly define the company's vision and overall strategy, including the goals and objectives that support the vision and strategy.
- Align OKRs with vision and strategy: Ensure that the objectives and key results of each team and individual are aligned with the company's overall vision and strategy. This helps ensure that everyone is working towards a common goal and that progress is being made towards the overall vision and strategy.
- Communicate the linkage: Clearly communicate the linkage between the company's vision and strategy and the OKRs to all stakeholders, including employees, managers, and executives. This helps ensure everyone is aware of the overall goals and objectives and understands how their work contributes to the vision and strategy.
- Regularly review and adjust: Regularly review and adjust the OKRs to ensure they are aligned with the company's vision and strategy. This helps keep the focus on the most important goals and objectives and ensures progress is being made towards the overall vision and strategy.

By creating a clear linkage between a company's vision and strategy and their OKRs, organizations can ensure that everyone is working towards the same goals and that progress is being made towards achieving the overall vision and strategy.

Google has a company purpose of "to organize the world's information and make it universally accessible and useful." This purpose serves as the guiding principle for the company and informs their overall strategy.

Google's OKRs are aligned with this purpose and focus on improving their products and services to better serve their customers. For example, one of their OKRs might be "Improve search results relevance by X% within the next quarter." This objective is aligned with their company purpose of making information accessible and useful, and the key result (improvement in search results relevance) helps measure progress towards that goal.

Another example might be "Expand Google Maps coverage to X new countries within the next year." This objective aligns with the company purpose of organizing information, and the key result (expansion of coverage to new countries) helps measure progress towards that goal.

By aligning their OKRs with their company purpose, Google is able to focus on the most important goals and objectives and ensure that everyone is working towards the same vision.

This helps drive progress towards achieving their company purpose and ensures that their products and services continue to improve and meet the needs of their customers.

OKR Vs Other Known Approaches

For those of you already using either Balance Score Card or Hoshin Kanri(Policy Deployment), you might wonder how different OKR is?

On a separate note, you haven't heard of Hoshin Kanri(Policy Deployment), here's a free eBook titled Hoshin Kanri Policy Deployment and Strategy Implementation.

The answer really lies in cultural alignment to a performance management system driven towards a common focus or goal. As its name implies, BSC offers a well balanced performance management system, but, in general, lacks in cascading of goals. When you create a strategy map in BSC, it certainly creates alignment between various functions but tactical alignment is usually missing.

Hoshin Kanri is a great tool for prioritization and cross-functional alignment. Its biggest benefit is in the exploration of the "how" part aka the means of accomplishing a goal. At times, it uses complicated templates and jargons, making it a bitter pill for non-manufacturing folks.

OKR is neat and clean and certainly has borrowed some best practices from BSC and Hoshin Kanri.

There is more information below.

Are OKRs metrics or projects

OKRs (Objectives and Key Results) can be used to set goals for both metrics and projects.

When OKRs are used to set goals for metrics, they involve defining specific, measurable, and time-bound objectives, along with key results that will be used to measure progress towards achieving them. These objectives and key results are often tied to specific performance metrics, such as revenue growth, customer satisfaction, or employee engagement. By setting OKRs for metrics, organizations can track progress and measure the success of their efforts to improve performance.

When OKRs are used to set goals for projects, they involve defining specific, measurable, and time-bound objectives, along with key results that will be used to measure progress towards achieving them. These objectives and key results are often tied to specific project milestones, such as launching a new product, expanding into a new market, or implementing a new process. By setting OKRs for projects, organizations can track progress and measure the success of their efforts to achieve specific project goals.

In summary, OKRs can be used to set goals for both metrics and projects. They are a tool for setting specific, measurable, and time-bound objectives, along with key results that will be used to measure progress towards achieving them.

How are OKRs different from KRIs?

A KRI (Key Result Indicator) is a performance metric that is used to measure progress towards achieving a specific goal or objective. KRIs are often used in conjunction with OKRs (Objectives and Key Results) to track progress and measure the success of a specific initiative or project.

OKRs focus on setting specific, measurable, and time-bound objectives, while KRIs focus on tracking and measuring the specific results or outcomes that will be used to determine whether the objectives have been achieved. OKRs define what the organization is trying to achieve, while KRIs provide a way to measure progress towards achieving those objectives.

In summary, OKRs are used to set specific, measurable, and time-bound objectives, while KRIs are used to track progress and measure the success of a specific initiative or project. OKRs define what the organization is trying to achieve, while KRIs provide a way to measure progress towards achieving those objectives.

How are OKRs different from Hoshin Kanri?

OKRs (Objectives and Key Results) and Hoshin Kanri are both frameworks for goal setting and management, but they have some key differences.

OKRs are a specific method for setting and tracking goals, which involve defining specific, measurable, and time-bound objectives, along with key results that will be used to measure progress towards achieving them. OKRs are typically used for short-term, high-impact goals, and are often used by individuals and teams within a company.

Hoshin Kanri, on the other hand, is a more comprehensive framework for strategic planning and management that incorporates a number of different tools and techniques, including OKRs.

On a separate note, you haven't heard of Hoshin Kanri(Policy Deployment), here's a free eBook titled Hoshin Kanri Policy Deployment and Strategy Implementation.

Hoshin Kanri, which originated in Japan, is a holistic approach that focuses on aligning the goals and objectives of the organization with the overall strategy, and ensuring that all levels of the organization are working together to achieve them.

Hoshin Kanri can be used in a long-term perspective while OKRs are designed for a shorter time frame.

In summary, OKRs are a specific tool for goal setting and tracking, while Hoshin Kanri is a broader framework that incorporates a number of different tools and techniques, including OKRs, to ensure that the goals and objectives of the organization are aligned with the overall strategy, and that everyone is working together to achieve them.

Why OKR if company has Balanced Scorecard?

The use of a balanced scorecard (BSC) and OKRs are not mutually exclusive, and both frameworks can provide valuable insights and benefits for organizations. The choice between using a BSC or OKRs, or using both frameworks together, will depend on the specific needs and goals of an organization.

The balanced scorecard is a performance management tool that provides a comprehensive view of an organization's performance by measuring and tracking key performance indicators (KPIs) in four areas: financial, customer, internal processes, and learning and growth. The BSC provides a broad view of an organization's performance and can help organizations make data-driven decisions and track progress towards their goals. strategy maps in balanced scorecards (BSCs) are indeed designed to drive performance and growth by providing alignment. Strategy maps used in

BSC provide a visual representation of an organization's strategy and help to align the organization's efforts towards its goals. The strategy map links the organization's vision and mission to its objectives, measures, and initiatives, providing a clear picture of how the organization will achieve its goals. By providing a visual representation of the organization's strategy, the strategy map helps to ensure that everyone in the organization understands how their work contributes to the achievement of the organization's goals and objectives. In this way, strategy maps play an important role in driving performance and growth by aligning the organization's efforts towards its goals and ensuring that everyone is working towards the same objectives.

OKRs, on the other hand, are a goal-setting framework that provides a clear and specific structure for setting and tracking goals. OKRs help organizations align their efforts towards achieving specific and measurable objectives, and provide a clear understanding of what success looks like and how it will be achieved. OKRs can provide a more focused view of an organization's performance and help organizations prioritize their efforts and resources.

In some cases, organizations may choose to use both the BSC and OKRs, leveraging the strengths of both frameworks to drive performance and growth. The BSC can provide a broad view of an organization's performance, while OKRs can provide a more focused view and help organizations align their efforts towards specific and measurable objectives.

In summary, the choice between using a BSC or OKRs, or using both frameworks together, will depend on the specific needs and goals of an organization. Both frameworks can provide valuable insights and benefits, and organizations may choose to use both frameworks together to drive performance and growth

Do companies with strong metrics culture need OKRs?

Metrics and OKRs serve different purposes and complement each other in various ways.

Metrics are specific, measurable values that help organizations track their performance and progress towards specific goals. Metrics are typically used to evaluate performance and make data-driven decisions. They provide a clear understanding of what is being measured and how progress is being made.

OKRs (Objectives and Key Results), on the other hand, are a goal-setting framework that provides a clear and specific structure for setting and tracking goals. OKRs help organizations align their efforts towards achieving specific and measurable objectives, and provide a clear understanding of what success looks like and how it will be achieved.

When used together, metrics and OKRs can provide a powerful toolkit for driving performance and growth. Metrics provide a clear understanding of what is being measured and how progress is being made, while OKRs provide a clear structure for setting and tracking goals. This can help organizations make data-driven decisions and align their efforts towards achieving specific and measurable objectives.

In summary, even if a company has a strong metrics culture, OKRs can still provide significant value by providing a clear structure for setting and tracking goals and aligning efforts towards achieving specific and measurable objectives.

Should all employees have OKRs

Whether employees in your organization should have OKRs depends on your company's size, structure, and culture. While OKRs can be a powerful tool for driving alignment, engagement, and accountability, they may not be appropriate for every organization or for every employee.

In general, it is recommended that organizations focus on creating and communicating clear, measurable, and actionable OKRs for key teams, departments, and functions. This can help to ensure that everyone in the organization is working towards the same goals and that resources are being used effectively.

For larger organizations with thousands of employees, it may not be feasible to create individual OKRs for every employee. In such cases, organizations may opt to focus on creating OKRs for key teams, departments, and functions, and then aligning those goals with the overall goals of the organization. This can help to ensure that everyone in the organization is working towards the same goals, while still allowing for flexibility and autonomy at the team level.

Ultimately, the decision of whether or not to create OKRs for every employee in your organization will depend on a number of factors, including your company's culture, structure, and resources. It is important to carefully consider these factors and to engage in a dialogue with your employees to ensure that the OKR framework is well understood and embraced by everyone in the organization.

It is possible to have just 3 OKRs for an entire company, but it may not be the most effective approach for all organizations. The number of OKRs that an organization should have depends on the size, complexity, and goals of the company.

Having just 3 OKRs for the entire company can be useful for smaller organizations that have a clear and focused mission and goals. This can help to ensure that everyone in the organization is aligned and working towards the same objectives.

However, for larger or more complex organizations, having only 3 OKRs may not be sufficient to cover all the important areas of the business. In such cases, it may be more effective to have a combination of company-level OKRs and team or department-level OKRs. This can help to ensure that everyone in the organization is aligned and working towards the same objectives, while also allowing for more granular and specific goals to be set at the team level.

Ultimately, the number of OKRs that an organization should have will depend on a number of factors, including the size and complexity of the company, the goals and priorities of the business, and the resources available to support the OKR framework. It is important to carefully consider these factors and to engage in a dialogue with your employees to ensure that the OKR framework is well understood and embraced by everyone in the organization.

Pro Tips and Best Practices on OKRs

Examples of OKR

Here are some examples of OKR (Objectives and Key Results) that an organization could set:

Increase sales revenue by 20% in the next quarter

- Objective: Increase sales revenue
- Key Results:
    - Achieve a 15% increase in customer acquisition
    - Increase average order value by 10%
- Launch 3 new products that contribute to revenue growth

Improve employee engagement and satisfaction:

- Objective: Improve employee engagement and satisfaction
- Key Results:
    - Conduct employee satisfaction surveys and analyze results
    - Implement a recognition and rewards program for employees
    - Increase employee participation in training and development programs by 25%

Enhance customer experience:

- Objective: Enhance customer experience
- Key Results:
    - Reduce customer complaint resolution time by 50%
    - Increase customer satisfaction score from 80% to 85%
    - Implement a customer feedback system and act on customer feedback to improve customer experience

These are just a few examples, and OKRs can be tailored to specific organizational goals and objectives. The key is to ensure that the objectives are specific, measurable, achievable, relevant, and time-bound (SMART).

7 Essentials Tips for Writing Effective Objectives in your OKR

Here are some pro tips for writing effective Objectives (part of OKRs – Objectives and Key Results):

- Make sure Objectives are SMART: Objectives should be Specific, Measurable, Achievable, Relevant, and Time-bound.
- Keep Objectives clear and concise: Avoid using overly complex language or including too much detail.
- Align Objectives with company goals: Objectives should align with and support the company's overall goals and vision.
- Make Objectives challenging, but realistic: Objectives should push individuals and teams to achieve more, but they should also be attainable with effort and dedication.
- Encourage collaboration: Objectives should be written with input from team members and should encourage collaboration and teamwork.
- Consider adding Key Results: Including Key Results that support the Objective helps to ensure that the Objective is specific and measurable.
- Review and adjust Objectives regularly: Objectives should be reviewed regularly to ensure they remain relevant and aligned with the company's goals and vision.

By following these tips, you can write effective Objectives that support sustainable business growth and drive progress towards your company's goals.

7 Essentials Tips for Writing Effective Key Results in Your OKR

Here are some pro tips for writing effective Key Results (part of OKRs – Objectives and Key Results):

- Make sure Key Results are quantifiable: Key Results should be expressed in a way that is easily measurable, such as a number, percentage, or deadline.

- Align Key Results with Objectives: Key Results should support the Objectives and help measure progress towards achieving them.
- Make Key Results challenging, but realistic: Key Results should be challenging and drive progress, but they should also be realistic and achievable.
- Use a variety of metrics: Using a mix of metrics, such as financial metrics, customer satisfaction metrics, and employee engagement metrics, can help provide a comprehensive view of progress towards the Objective.
- Encourage collaboration: Key Results should be written with input from team members and should encourage collaboration and teamwork.
- Consider including interim milestones: Including interim milestones can help track progress towards Key Results and ensure that the team stays on track.
- Review and adjust Key Results regularly: Key Results should be reviewed regularly to ensure they remain relevant and aligned with the Objective and company goals.

By following these tips, you can write effective Key Results that support sustainable business growth and drive progress towards your company's goals.

How many key results should be there from each objective in OKR

The number of key results that should be associated with each objective in OKRs (Objectives and Key Results) can vary depending on the complexity and scope of the objective. However, it is generally recommended to have 2-5 key results per objective.

Having 2-5 key results per objective helps to ensure that the objective is specific and measurable, while also providing a clear understanding of what success looks like. Each key result should be a measurable outcome that will be used to determine whether the objective has been achieved.

It's important to note that the key results should be challenging but achievable and should be aligned with the overall strategy of the organization. The key results also should be SMART: Specific, Measurable, Achievable, Relevant and Time-bound.

Additionally, having too many key results per objective can make it difficult to focus efforts and track progress, while having too few key results may make it difficult to fully capture the scope and impact of the objective.

In summary, it is generally recommended to have 2-5 key results per objective in OKRs, as it provides a good balance between specificity and measurability, and helps to ensure that the objective is challenging but achievable and aligned with the overall strategy of the organization.

How are OKRs cascaded?

Cascading OKRs (Objectives and Key Results) is the process of aligning the OKRs of different levels of an organization, from the top-level strategy down to the individual team and employee level. This is done to ensure that everyone in the organization is working towards the same goals and that their efforts are aligned with the overall strategy of the organization.

The process of cascading OKRs typically involves the following steps:

The top-level leadership team sets the strategic OKRs for the organization, which align with the overall vision and mission of the company. These strategic OKRs are then communicated to the next level of leadership, such as department heads or managers, who then set department-level OKRs that align with the strategic OKRs. These department-level OKRs are then cascaded down to the next level, such as team leaders or individual contributors, who set team-level or individual OKRs that align with the department-level OKRs. As the OKRs cascade down the organization, they are reviewed and refined to ensure that they are aligned with the overall strategy and that everyone understands their role in achieving the goals. Regular check-ins and reviews are conducted at each level of the organization to ensure that progress is being made towards achieving the OKRs and to make adjustments as needed.

It's important to note that cascading OKRs is not a one-time event, but rather an ongoing process that requires regular communication, alignment, and feedback to ensure that everyone in the organization is working towards the same goals and that progress is being made towards achieving them.

All about OKR grading

Grading in OKRs refers to the process of evaluating the progress made towards achieving the objectives and key results set in the OKRs. The grading process helps to determine the level of success achieved and provides feedback on areas that need improvement.

Here's how to grade OKRs:

- Frequency: OKRs should be graded regularly, typically at the end of each quarter or half-year. This helps ensure that progress is being monitored regularly and that any necessary adjustments can be made in a timely manner.
- Who should grade: OKRs can be graded by the individuals who set the objectives, their managers, or a designated team within the organization. It is important to ensure that the grading is done objectively and consistently across the organization.
- Criteria: The criteria for grading OKRs should be based on the specific objectives and key results set in the OKRs. For example, if the objective is to increase sales by a certain percentage, the criteria for grading might be the actual sales figures achieved.

In general, OKRs are graded on a scale of 0-1, with 0.0 indicating no progress and 1.0 indicating full attainment of the objective. Grading provides a clear picture of progress and allows individuals and teams to focus on the areas where they need to improve.

It is important to note that the grading process should be a supportive and constructive feedback mechanism, rather than a source of stress or negativity. The focus should be on learning and continuous improvement, rather than on assigning blame or punishment for not achieving objectives.

OKRs can be graded at different frequencies, depending on the nature of the objectives and the goals of the organization. Here are two common approaches to grading OKRs:

End of cycle grading: OKRs are graded at the end of each quarter or half-year, after the set timeframe for achieving the objectives has passed. This approach is suitable for objectives that are long-term or have a significant impact on the organization and its operations.

Weekly or monthly grading: OKRs are graded on a regular basis, such as every week or every month. This approach is suitable for objectives that are more short-term or have a smaller impact on the organization. This approach provides more frequent feedback and allows individuals and teams to adjust their focus and priorities on an ongoing basis.

Ultimately, the frequency of grading should be determined by the nature of the objectives and the goals of the organization. Both end of cycle and frequent grading have their benefits, and the approach that is chosen should align with the overall strategy and goals of the organization.

Grading OKRs too often can lead to several problems, including:

- Over-emphasis on short-term results: Frequent grading can create a focus on short-term results, rather than on long-term goals and objectives. This can lead to a reduction in the strategic focus of individuals and teams and a lack of commitment to achieving meaningful and impactful results.
- Increased stress and pressure: Grading OKRs too frequently can increase stress and pressure on employees, especially if the grading process is overly punitive or negative. This can lead to decreased motivation and engagement, and may even lead to burnout or high turnover rates.
- Decreased creativity and innovation: If grading OKRs is done in a rigid and prescriptive manner, it can stifle creativity and innovation. Individuals and teams may be reluctant to take risks and try new approaches if they are constantly being judged and evaluated.
- Reduced focus on learning and continuous improvement: If grading OKRs is done in a way that emphasizes fault-finding and punishment, rather than learning and continuous improvement, it can reduce the focus on growth and development. This can lead to a lack of progress and an inability to adapt to changing conditions and requirements.

In general, it is important to ensure that the grading process is supportive, constructive, and focused on continuous improvement, rather than on punishment or blame. This can be achieved by setting clear criteria for grading, involving employees in the grading process, and providing regular feedback and coaching to help individuals and teams achieve their goals.

Implementation Guidance

Why OKR implementations fail

Some of the common reasons for the OKR implementations failure include:

- Lack of buy-in: OKRs are only effective when they are embraced by the entire organization. If there is a lack of buy-in or understanding of the OKR framework, employees may not fully understand its purpose or may not see its value, leading to resistance.
- Overly complex goals: If the OKRs are overly complex or difficult to understand, employees may struggle to see how their work contributes to the achievement of the goals. This can lead to a lack of motivation and engagement.
- Unclear ownership: If the ownership of the OKRs is not clear, employees may not understand who is responsible for achieving the goals, or who they should turn to for support or guidance.
- Lack of resources: If the organization does not provide the necessary resources, such as time and budget, to achieve the OKRs, employees may feel frustrated and unable to deliver on the goals.
- Poor alignment: If the OKRs are not well aligned with the organization's broader strategy, employees may struggle to see how their work contributes to the overall success of the organization.
- Infrequent reviews and adjustments: If the OKRs are not reviewed and adjusted regularly, they may become stale and no longer relevant, leading to a lack of motivation and engagement.

In order to avoid these issues, it is important for organizations to carefully design and implement their OKR framework, ensuring that it is well understood and embraced by the entire organization, and that the goals are well aligned with the organization's broader strategy. Regular reviews and adjustments of the OKRs can also help to keep the framework relevant and effective over time.

OKR Implementation Roadmap

Here's a general roadmap for implementing OKRs (Objectives and Key Results) across an organization:

- Awareness and education: Start by raising awareness and educating all stakeholders, including employees, managers, and executives, about OKRs, their benefits, and how they will be used in the organization.
- Define the OKR process: Define the process for setting, tracking, and achieving OKRs, including who will be responsible for setting and tracking OKRs, how often they will be reviewed, and how progress will be communicated.
- Define OKRs for teams: Work with teams to define their objectives and key results. Encourage teams to set ambitious, but realistic, goals that align with the organization's overall strategy.
- Pilot phase: Launch a pilot phase with a select group of teams to test the process and make any necessary adjustments. This phase should provide feedback to refine the OKR process for the organization.
- Roll out OKRs to the rest of the organization: Based on the results of the pilot phase, roll out the OKR process to the rest of the organization. Provide ongoing support and training to help teams get started and ensure they are effectively using OKRs.
- Monitor progress and adjust: Regularly monitor progress and adjust the OKR process as needed to ensure it is effective and efficient. Celebrate successes and learn from failures to continuously improve the OKR process.
- Make OKRs a habit: Make OKRs a habit in the organization by regularly setting and tracking progress, celebrating achievements, and encouraging teams to continuously improve.

This roadmap should provide a general framework for implementing OKRs, but the specific timeline, approach, and details will vary depending on the size and complexity of the organization and the specific goals and objectives of the OKR implementation.

OKR Implementation Check sheet

- Here is a simple check sheet for evaluating OKR implementation in a company: Alignment with company goals: Are the OKRs aligned with the overall company mission and objectives?

- Clarity and specificity: Are the OKRs clear and specific enough to provide direction and focus for employees?
- Measurable: Are the OKRs quantifiable and trackable to measure progress and success?
- Relevant: Are the OKRs relevant and meaningful to each employee and their role in the company?
- Time-bound: Do the OKRs have specific timelines for completion to ensure accountability and focus?
- Communication: Are the OKRs effectively communicated to all employees and are there regular check-ins and progress updates?
- Adaptability: Is there room for adjustment or adaptation as necessary to ensure the OKRs remain relevant and effective?
- Buy-in: Do employees understand and support the OKRs and are they committed to achieving them?
- Reporting and Tracking: Are the OKRs being tracked and reported on regularly to measure progress and success?
- Celebrating success: Is there a culture of recognizing and celebrating successes and achievements related to the OKRs?

OKR Grading Vs OKR Check-ins

Grading and check-ins are two distinct processes that serve different purposes in the context of OKRs.

Grading is a formal evaluation of performance, where the progress towards an OKR is measured against specific criteria and a score or rating is assigned to indicate success or failure. Grading is usually done at the end of an OKR cycle and provides a summary of performance for a specific period of time.

Check-ins, on the other hand, are regular, informal meetings or discussions aimed at reviewing progress towards OKRs. They are not formal evaluations and do not assign a score or rating to performance. Instead, check-ins focus on discussing progress, identifying and addressing obstacles, and providing support and guidance. Check-ins are typically done on a more frequent basis, such as weekly or bi-weekly, and are intended to provide ongoing feedback and support to individuals and teams as they work towards their OKRs.

Here are some key aspects of check-ins:

- Frequency: Check-ins can be done on a weekly, bi-weekly, or monthly basis, depending on the nature of the objectives and the goals of the organization. The frequency of check-ins should be determined based on the needs of the individuals or teams involved and the complexity of the objectives.
- Participants: Check-ins can involve individuals, teams, or departments, depending on the scope of the objectives and the goals of the organization. The participants should be those who are responsible for achieving the objectives and those who can provide support, guidance, or feedback.
- Format: Check-ins can be done in person, over the phone, or using online tools and platforms. The format should be chosen based on the preferences and needs of the participants and the nature of the objectives.
- Focus: Check-ins should focus on discussing progress, identifying and addressing obstacles, and providing support and guidance. They should not be focused on grading, fault-finding, or punishment.

The purpose of check-ins is to provide regular and informal feedback and support to individuals and teams as they work towards achieving specific goals or objectives. By doing so, check-ins can help to ensure that progress is being made and that any obstacles are being addressed in a timely and effective manner. This can help to increase motivation, engagement, and accountability, and ultimately lead to better results and improved performance.

In summary, grading provides a formal evaluation of performance and is focused on determining success or failure, while check-ins provide ongoing support and feedback and are focused on ensuring progress and addressing obstacles. Both grading and check-ins are important components of an effective OKR implementation and should be used in a complementary and supportive manner.

About Author

Nilakantasrinivasan J, in short Neil, is the author of 3 books, The Client Centric Protagonist, The Master Book for Lean Six Sigma & A Little Book for Customer Experience.

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Growth is not an option but an imperative now. Digitization & globalization has spurred competition in every sector and so clients have become very demanding.

Growth can mean different things to you. If you are facing issues with growth such as:

- Poor Account Growth
- High Client Churn
- Low Sales Wins
- Poor NPS, Client Experience and Service Levels
- Low Gross Margin

We help you achieve **sustainable** growth with client centric strategies.

Sectors we support

BFSI | Services | IT & ITES | Tech & Telecom | Industrial & Manufacturing

- We are an enabler of sustainable business growth using client centric strategies such as:
- Improving client orientation & client management practices
- Refining client value proposition
- Effectiveness in selling: messaging, pre-sales solutioning
- Bringing-in insights from data & analytics
- Re-designing customer experience
- Building agility in the organization
- Improving quality & productivity in delivery operations