Gtmhub

The Elements of Excellence:

Employee Experience and OKRs

How the world's most successful companies
are outperforming the competition and how you can too.

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Introduction

Employee Experience (or EX) is an emerging discipline and is gaining a powerful foothold in organizations around the world. It borrows directly from well-established consumer marketing techniques that seek to understand the Customer Experience (or CX) when engaging with a brand.

Recent research by several respected thought leaders such as Gallup, Gartner, Forrester and many other leading employee engagement companies, shows a direct and powerful correlation between organizational excellence and EX. An optimized Employee Experience has been shown to lead to direct improvements in CX, in turn creating increased brand loyalty and revenue opportunities for companies that get it right.

Further, when employees feel connected to the purpose and mission of an organization, they take on more personal accountability for its success, unilaterally reducing costs, improving communication and collaboration and driving bottom line results through innovative methods.

While it is still all too common for organizations to adopt 'black box' or siloed management structures, transparent goal management and alignment create a culture of 'we're all in this together'. The Objectives and Key Results (OKRs) approach, invented at Intel in the 1980s and credited with driving Google's incredible growth, is engineered for this very outcome.

Restructuring traditional hierarchical functions into cross-functional teams to deliver projects in an agile manner creates a collaborative alignment of key skills, experiences and perspectives that radically improve operational capability.

Driving a cultural imperative that actively engages everyone in the business to see how their contributions (personal or team OKRs) link directly to parent level OKRs keeps everyone connected with what matters most.

In smaller companies, it helps maintain focus during chaotic growth spurts, globalization and continuous interruption or distraction. In larger companies, it brings back the perception of localizing and making real the mission, purpose and core values that a company holds dear and is aiming to achieve.

This e-book introduces the discipline of Employee Experience and makes a case for what organizations can achieve when they get it right. It links the perceived outcomes of an optimized Employee Experience with the Objectives and Key Results (OKRs) method, as the two are inextricably linked and highly complementary. It is divided into two distinct parts.

The first discusses what Employee Experience (EX) is as a Human Centered Design concept – what the benefits are of getting it right, doing it wrong, how the constructs of Employee Experience are, and how does this factor into the Objectives and Key Results (OKR) methodology.

The second part addresses how the use of the OKR method across your enterprise 'changes the conversation' across the organization about how things are done, determining what matters most, and embracing that focus, alignment and transparency every day.

We hope you enjoy the read.
The Gtmhub team.

What is Employee Experience?

Employee experience is the design principle for looking at human processes.

Every organization and every employee are on a journey. At thousands of touch points, these journeys interact. Employee experience is about identifying the interactions or touch points that matter most and making sure they meet the needs of both the employees and the organization.

These concepts are not new. They have been borrowed from the concept of Human Centered Design or HCD. HCD is a discipline that attempts to understand how human beings interact with products and brands in order to optimize competitive advantage by engineering the best possible human experience with a product and, over time, a powerful connection to the brand.

The technique used by the best, ignored by the rest at their peril.

Coca-Cola, Unilever, Procter & Gamble, automotive manufacturers, technology hardware and software developers, clothing and jewelry creators, luxury goods companies and many others have been using principles of Human Centered Design for decades. What for? To unpack human behavior and create extended loyalty, ambassadorship and deep psychological connections to their products and brands.

Human needs for connection and purpose in the workplace.

Employers are only now beginning to come terms with the notion that creating a consistently positive human experience at work might very well increase attractiveness, improve recruitment cycles, increase

productivity, reduce absenteeism and under-performance, improve communication and inter-group collaboration and support employees to creatively innovate across the spectrum of people, process, technology and customer centricity.

We live very complicated lives these days. We also spend more rather than less time at work, on average. Incorporating 'moments that matter' most into the everyday experience of working often radically improves our ability to focus, think, produce and engage with one another every day. Employers can do this by either allowing us the space and freedom to connect more seamlessly with our working and living lives or by enhancing and supporting how we contribute.

We have discovered, through significant research conducted over many years, that there are powerful intrinsic motivations that optimize our psychological state and create a sense of well-being and contentment within us all, that powers our behavior toward one another. Those include:

Belonging
Our need to fit in

Significance
Our desire to stand out

Fairness
Our aspiration to be treated equitably

Autonomy
Our preference for our own choices

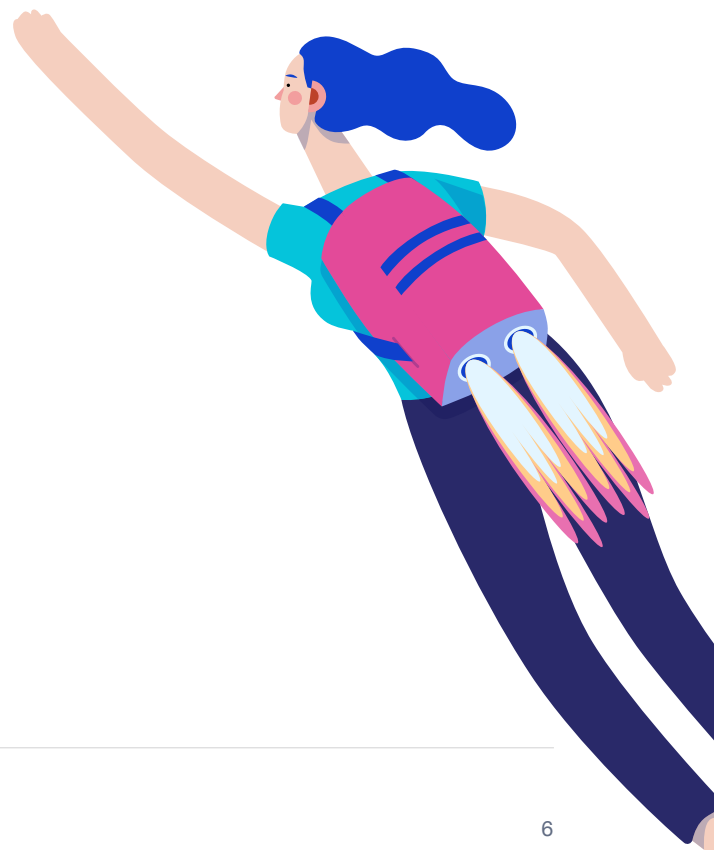**Positive emotions**
Wanting to feel happy

Progress
Our impulse to improve

Meaning
Our drive to do something valuable

The Pioneers – Matt Grimshaw

What are the benefits of getting Employee Experience right?

Why a great employee experience makes for a healthier bottom line.

Achieving a working environment where employees are consistently in a positive psychological state are beneficial both from a human perspective, as well as from a commercial perspective. Finding this balance can be difficult and require some core changes to the way in which we think about human experience at work, but the results enjoyed by those organizations that manage it, are proving incredible.

A recent global survey performed by Officevibe of 1,000 employers in 48 countries shows the following results with regard to engagement of people at work:

- Highly engaged business units result in **21% greater profitability**.
- Highly engaged business units realize a **41% reduction in absentee-ism** and a **17% increase in productivity**.
- Highly engaged business units achieve a **10% increase in customer ratings** and a **20% increase in sales**.
- Companies with engaged employees, **outperform those without by 202%**.
- Customer **retention rates are 18% higher** on average when employees are highly engaged.

Elevate employee experience to boost performance

Imagine what your organization can achieve if extraordinary moments – both big and small – are created for and with your teams each day. By elevating employee experience, you can optimize for productivity and performance. Gtmhub supports team-centric work and offers an engaging platform for goal alignment, performance management, and traditional HR processes.

Try it free for 7 days   **Request a demo**

What are the costs of getting Employee Experience wrong?

Should you focus on CX or EX?

There is one right answer. With the trending focus on Customer Experience (or CX) many organizations have not pivoted to the truth that the best customer experience comes from a good employee experience.

> **"Customers do not come first. Employees come first. If you take care of your employees, they will take care of the customers."**
>
> SIR RICHARD BRANSON

In fact, most organizations are downright ignoring employee experience and thereby foregoing all of the productivity benefits of an engaged workforce.
A recent Gallup survey found that:
- A staggering 87% of employees worldwide are not engaged.
- Disengaged employees cost organizations between $450 and $550 billion annually.

There has been a significant level of corporate soul searching aimed at understanding how people feel while being connected to working activity.
The vast majority of people don't feel that their working environment does much to support their own intrinsic motivations, nor their individual life journeys.
This is not surprising.

The evolution of the employer and employee relationship.

For hundreds of years, employers have not thought deeper about their workers than the provision of an employment contract in the form of agreed hours and a salaried wage. Employee engagement was just that – a contractual agreement.
This agreement involved paying a salary, potentially offering medical and other insurance benefits and, al-

beit reluctantly, providing for often minimal, statutory policy support for time off of work to take a vacation, have a baby, attend a funeral or meet external obligations such as military service or jury duty.
Regrettably, the relationship between employer and employee has often been seen as a Master/Slave relationship. Employees often see their employers as psychologically disconnected, tone deaf and colorblind in regard to their lives outside work.
Meanwhile our lives at work (and outside work) have become increasingly more frenetic, complicated, and challenging. Yet pay, reward, benefits and employment policies never keep pace with our expectations or perceptions of fairness or economic markers such as inflation.

Traditional incentive structures are not working as well as they used to.

Traditionally, great business management has always focused on maximizing profits, ensuring a positive shareholder dividend or investor exit, and thus keeping costs under tight control. As payroll and benefits costs typically involve between 75% and 85% of most companies' balance sheets, it's no surprise that employers keep their annual cost increases in this area between 1% and 3% on average. If you're an employee in these organizations, you're not deeply enthusiastic by pay and benefits as your primary motivational driver.

> **"There is one and only one social responsibility of business —engage in activities designed to increase its profits."**
>
> MILTON FRIEDMAN,
> NEW YORK TIMES MAGAZINE, SEPTEMBER 1970

Employers who don't pay attention to the intrinsic psychological motivators, or ignore our life's 'moments that matter,' but feel that pay and benefits ought to satisfy our intrinsic requirements, are missing a critical set of motivators to support our best performance at work. It's no wonder that global engagement is hovering around 13% overall – or seeming to exist in abundance at a handful of companies but is shockingly absent in most others.

The pain points created by under-valuing the impact of human experience on productivity across the spectrum of their lives are profound. It is not simply a case that employees are mildly dissatisfied that their pay and benefits are unfair compensation for their time, effort and energy. Rather, we are feeling aggrieved, disconnected and deeply frustrated that our employers just 'don't get us.'

Why a new generation of workers is voting with their feet.

Newer generations of employees are even more profoundly disinterested in a traditional employer/employee relationship as they are demanding (through actions not words) a workplace where deep engagement across the span of their psychological motivations be abundant and prevalent.

With unemployment figures diving to new lows, employers are finding themselves scrambling to address employer competitiveness.

They need better branding, superior pay, benefits, policies and a radically improved overall human experience.

This is especially true in knowledge-based industries such as technology, pharmaceutical, bio-technology, automotive, AI, blockchain and other emerging sectors.

How Employee Experience moved to business critical.

As such, employee experience has moved from a 'nice to have' to a matter of competitive advantage and even, corporate survival.

The war for talent is raging.

Attracting the best talent to push businesses to the next several levels of achievement can make or break a company. For that, employers must ensure they are embodying best practice in engaging people by tapping into their intrinsic motivations whilst also supporting and progressing organizational needs.

Finding that magical intersection where everyone pulls in the same direction, at speed and with exponential effort and outcomes, is not easy but increasingly necessary.

Align every individual in your organization around a common purpose

Organizations move faster when everyone is pulling in the same direction. Clarify the company goals and every individual's contribution with Gtmhub's intuitive OKRs management platform. When employees can visualize their part and objectives are shared transparently, you can truly move to radical goal alignment that will propel organizational growth.

Try it free for 7 days   Request a demo

The elements of Employee Experience

In thinking about what makes superior employee experience come to life, we need to look at 'moments that matter' – both from an organizational perspective, as well as from an individual's perspective.

Just looking at an organization's view point, elements associated with continued customer and revenue growth, market expansion, product portfolio, quality and viral adoption, improved distribution, more effective partnerships with vendors and resale partners, reduced risk and cost, adding more seamless efficiency across people, process and technology.

Individuals are looking to for a 'fair deal' in committing a significant chunk of their lives to an employer's mission – so pay, benefits and life supportive policies have to be minimally competitive – both by industry sector and region.

That often gets potential candidates interested in an advertised job specification in a recruitment process. But to then attract and successfully recruit top tier talent into your company – you need to connect on an emotive basis.

SOCIAL IMPACT

Self-transcendence

LIFE CHANGING

Provides hope

Self-actualization

Motivation

Heirloom

Affiliation/belonging

EMOTIONAL

Reduces anxiety

Rewards me

Nostalgia

Design/aesthetics

Badge value

Wellness

Therapeutic value

Fun/entertainment

Attractiveness

Provides access

FUNCTIONAL

Saves time

Simplifies

Makes money

Reduces risk

Organizes

Integrates

Connects

Reduces effort

Avoids hassles

Reduces cost

Quality

Variety

Sensory appeal

Informs

Exploring the Elements of Value: Enhance Your Marketing Strategy

OKRs as the backbone of Employee Experience

The hierarchy of operational excellence has tradition-ally been for our Board level chiefs to take stock in the company's current financial health, to drill down into the performance of our various products and services in our chosen markets, look at how our com-petitors are doing, and then dive into the costs, pric-ing models, go-to-market strategy, sales and market-ing performance. Then they perform SWOT analysis to 'tune-up' their capabilities, expenses and risks in various areas to ensure a tightly run operation.

Off the back of this typically annual exercise, we of-ten looked solely at the financial health of our com-plex efforts in delivering on the promises we've made to investors, shareholders and the financial markets – looking into the rear-view mirror of our prior quarter's or year's performance to ascertain if we are winning or losing.

The curse of functional silos.

Where we saw year-over-year sales, revenue and prof-its lagging, we'd retool our three to five-year strategy to address product innovation, pricing configuration, competitive positioning, and try to find our differenti-ation relative to competitors such that we might catch them unaware, and hopefully soak up revenues and opportunities they've not thought about.

Our three to five-year strategies then needed to be communicated across the company. This was often was an afterthought.

It was often presumed by the CEO that each Chief would take his/her own set of siloed deliverables away and ensure effective execution within each of their domains (Sales, Marketing, Operations, Pro-duct/R&D, Manufacturing, Engineering), and the cor-

porate support functions would then react to their requirements to support their success. Our efforts often began to fall apart at this stage.

The fallacy of rear-view mirror management.

Our CEOs would presume the CXO team would draw up their own goals and targets for their silos and communicate those back up to the Big Kahuna. He or she would then pour over the details, red-lining endlessly and forcing edits ad nauseum until the finished result was unrecognizable from the original.

The CEO felt they had done their duty to their shareholders and Board of Directors – properly aligning the various siloed efforts and attacking critical weaknesses to give the company every chance of achieving their three to five-year vision.

Then it came time to communicate the resulting siloed strategies down into the company's divisions and departments – in the hope that every employee would magically absorb the overarching vision and strategic planning and mold that into a set of behaviors and tasks that would ensure everyone was dancing to the same song.

Often the corporate strategy would sit high atop rows of filing cabinets – dumbed down for all to comprehend – into soggy and waffling psycho-blather with cliché phrasing such as:

• Be customer centric in everything we do
• Become the most innovative creator in our industry
• Think in ways our competitors can't imagine
• Run your teams as if you were running your own businesses
• Be the runaway leader in everything we do
• Let your imagination run wild and never stop believing

The employees would receive endless emails coming from the Internal Communications office citing these magical precepts as if they were self-explanatory, deeply inspirational and obviously evident that we then knew how to behave, engage and deliver every day.

Except…We didn't.

The chasm between strategy and execution.

We felt less informed than ever about what we were meant to do – aside from that quarterly performance speech offered up by our esteemed leadership team, where the art of presentation superseded our ability to make sense of the content of their speeches.

Sure, we walked away slightly bubblier than when we walked in – and left with a sense that all was in hand – we only had to keep doing more of the same things we'd always been doing, but better, faster and more cheaply than ever before. And came to realize in our subsequent restless night's sleep that this last bit was entirely on us to make a reality.

The truth is that the following months and quarters continued to grind away at our slightly uplifted spirits as the work load continued to build, the pressure to keep things coming faster and more cheaply mounted, whilst our enthusiasm waned to below strategic pre-launch levels – as it appeared the more things presumably changed – the more they stayed the same, if not become worse.

Our managers became exhausted curriers of ever more painful work load challenges, with every more cost conscious thinking – and 'do more with less' became the mantra of the employee realm – with deep cynicism forming in the hearts and minds of otherwise able bodied employees – each time they strolled past those decaying emblems hanging from the walls – cheap remnants of a bygone inspiration that left everyone feeling a bit hopeless and frustrated that such uplifting ambitions were falling into disrepair as yet another year droned on.

More enlightened companies are adopting and expanding Agile working principles across their enterprises to try and combat the drudgery of 20th century hierarchical working practices – learning from the terrific efficiencies that Silicon Valley software companies have experienced in the recent decade.

Why agile is not the answer to aligning strategy with execution.

The notions of two-week sprints with morning stand-ups, bi-weekly scrums and project retrospectives seek to make cross-functional and highly focused the complicated project deliverables that lead to better products, tight deadlines and iterative delivery across parallel activities throughout the company.

But the chasm between some lofty and overly ambiguous three to five-year strategy and the daily grind of continuous task management appears to leave us employees scratching our heads – wondering why we keep shoveling water against the tide everyday – not knowing if we're winning or losing in achieving lofty goals and targets.

And frenetic task mastering is confusing our management teams – as their new roles as Scrum Masters are meant to help direct, coach and mentor us – but not necessarily to micro-manage us as that is now our accountability – in becoming self-directed, cross-functional teams aiming to deliver projects at hyper-speed – with little time to look up from our work to know if we've actually ticked a box in the strategic column of our overall vision.

A strategic vision: the missing piece of the puzzle.

The missing piece is the connective tissue that sits in between a well-crafted and properly aligned strategic vision, under-pinned by a very personalized mission that we can all psychologically attach our own working lives to.

We struggle to make the everyday link between three to five-year visions to the mountain of project work staring us in the face.

And though Agile working can help break our working days down into bite-sized chunks – we still don't naturally make the link between everyday activity and big hairy audacious visions – because we just don't have the mental capacity left to make the links become real – and there is no verification, visualization or evidence that we're achieving the goals that underpin the CEO's ultimate aims.

Strategy with Objectives and Key Results (OKRs)

It's the connective tissue – the strategic execution methodology we've all been missing in our bid to make sense of the work we're embroiled in every day. OKRs, as a strategic execution construct are what translates a three to five-year strategic vision into quarter-on-quarter Objectives (description of what needs to be achieved), which are underpinned by the Key Results (quantitative evidence of achievement that prove an Objective was completed).

This method forces the C-Suite to break down to quarterly chunks the *top 3 priorities that need to be achieved in order to meet annual goals/targets that over the course of 3-5 years* aims directly to accomplish the lofty ambitions of the company.

OKRs force the black-box thinking that the C-Suite often creates (in addressing financial, product/solution, pricing, competitive market placement and growth targets), into the open – wherein the CEO and Exec team must derive their top three Objective priorities for the year, then quarter-on-quarter – starting at the top – and then further develop the top three priorities for each operational unit, team and down to individual level, within the business – linked directly to those over-arching Objectives in a very transparent, aligned and rigorous manner.

This then becomes that critical bridge between lofty visions and daily task completion – and helps every human being in the company see weekly how their work is contributing to the achievement of those Objectives, through the completion of their Key Results. Suddenly the light bulbs start going off – and the clarity builds in the minds of every person when they realize achieving their personal and team OKRs are then helping tick boxes automatically at the Individual, Team, Department, Division and Corporate levels.

The tools of the trade for companies that win.

OKR management software can bring this clarity and realization to life on each and every employee's digital devices – and help scale transparent clarity, track activity and provide fascinating data insights into how well (or not so well), the organization is performing, at every level within the organization.

The real magic happens when a team of people has to reverse engineer their ambitious long-term strategy and break it down into operational priority, on a quarterly cadence.

The debate is rich, contentious and challenging – and forces powerful conversations, deep insight into the efficacy of the business' focus, and launches intense examination into a company's actual capability, resource constraint and managerial acumen to realize the actual risks to a business in its bid to overcome the harsh and confusing landscape in front of it.

It's not easy because the OKR method invites challenging everything – and brings out the best in human interaction to ensure you achieve the best and most realistic results – and don't get lost in idealized concepts that don't survive translation into real action, deep consideration or quantitative Key Results.

Taking on the OKR method, as a way of thinking, working and achieving, is akin to becoming a Black Belt in strategic execution – where wooly wording and overly idealized marketing speak isn't effective and finds no home. Not unless it can be converted into a quarterly, prioritized Objective that links directly to the higher-level Objectives in achieving annual targets, goals and strategic mission.

Discover how Gtmhub can deliver focus, alignment and engagement to your organization. It's the world's most intuitive OKRs management platform that also optimizes employee experience.

Try it free for 7 days   Request a demo

The adoption of the OKR approach is not to be taken light-heartedly because there is no 'faking it.' You either accomplish an Objective through the achievement of Key Results – or you don't. OKRs bring many benefits to a business. Some of the more common ones are:

- **Focus** – Making sure the entire company knows what matters, every quarter
- **Alignment** – Driving the right results – regardless of silo or department
- **Engagement** – Building the 'big picture' to help people attach to the mission at hand
- **Transparency** – Ensuring there are no 'black box' agendas, as everyone can see what's required
- **Accountability** – Showing what actions belong to which people, teams and departments openly

These are concepts widely associated with new ways of working that include Agile and cross-functional teams.

These are not just corporate-speak buzzwords – but a successfully proven approach to working seamlessly with teams of experts or specialists to get complex projects moving at pace – over tightly defined 'sprints' and daily 'stand-ups' and 'wash-ups' to keep tabs on progress – ensuring that everyone knows what they need to do, what support they need, and what challenges lay ahead to achieve the sprint goals.

But how does any of this relate to an improved employee experience? Let's recall those intrinsic motivators that often drive us all:

Belonging
Our need to fit in

Positive emotions
Wanting to feel happy

Significance
Our desire to stand out

Progress
Our impulse to improve

Fairness
Our aspiration to be treated equitably

Meaning
Our drive to do something valuable

Autonomy
Our preference for our own choices

The Pioneers – Matt Grimshaw

A well-executed OKRs approach helps people see they are part of a bigger picture, something bigger than each of us but that we're clearly a critical part of – **Belonging**.

OKRs help us put our stamp on the work that clearly matters – which is linked all the way up the chain to what our organization's think is important – **Significance**.

Because of their transparent nature, where anyone can see what other teams or departments are working on, there is an automatic sense that work is being distributed evenly – and shared across functions to ensure a parallel delivery process – **Fairness**.

When we are instructed by our leaders to contribute to prioritizing the most important Objectives and create Key Results to help measure their progress toward completion – we feel valued, stretched and relied upon to support business results – **Autonomy**.

OKRs are a living, breathing roadmap of activity that creates a hive effect. They build a real buzz about everyday activity where progress, action and accountabilities are clear and communicated – **Positive Emotion**.

We see forward motion everyday – as the 'black box' where results used to live is now fully exposed, and we're all contributing daily to knocking Objectives off the list or driving towards new ones – **Progress**.

We feel connected to a powerful mission, a sense of purpose – and subsequently – **Meaning**.

Embracing the OKR method puts us into a positive and connected frame of mind, where we are all working diligently and openly toward a well-defined and articulated set of goals and Objectives. And it brings us together as a tribe, pulling in the same direction, making a difference with every action, in a way where we see progress.

Why OKRs are more effective than Agile.

Software and hardware creation, build, testing and release is the original use case for the OKR method – and therefore a rigorous use case for testing the efficacy of such a working approach. It works well because it simplifies the complexity of a big project – into bite sized, consumable chunks that people feel is achievable and within their reach.

The problem often with Agile working as that the organization isn't structured for working cross-functionally – but rather exists in hierarchical silo functions such as Finance, HR, Engineering, R&D, Sales, Marketing, etc. and the incentive and reinforcement of cross-functional behavior doesn't exist – even though the idea of it may exist in pockets of the organization – or at least somewhere in the corporate values – but not often brought to life.

What the OKR method really does is openly formulate a unified focus and agenda that legitimizes what work everyone needs to work towards.

It removes the disconnect between getting work done at a department, team or individual level – with what the larger organization says instead is the 'right work' to be done to achieve a larger strategic vision. More often than not – the high-level organization's work is not aligned with what lower level teams or individuals are working on. That creates a cognitive disconnect for people - that has a very negative effect on their sense of meaning, purpose, autonomy and progress.

Adopting the OKR method goes far to align with, and connect people to, individual psychological motivators that drive most of us every day – Belonging, Significance, Fairness, Autonomy, Positive Emotion, Progress and Meaning.

Improve productivity and employee engagement

Happy employees are productive employees. Amplify employee productivity and engagement by making use of Gtmhub's continuous feedback, collaboration, and recognition features. Gtmhub's collaboration and recognition features are all designed to improve employee engagement and boost productivity.

Try it free for 7 days

Request a demo
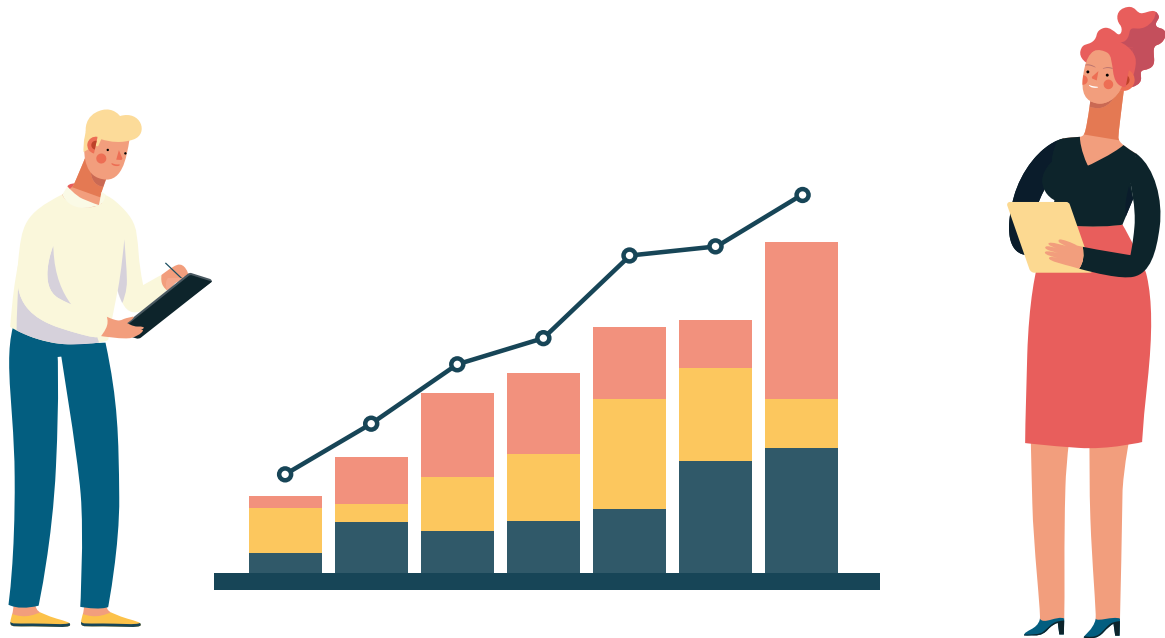
The amazing history of Objectives and Key Results (OKRs).

The Story of OKRs: from Intel to Google to legend.

Remembering why the concept of OKRs came about in the first place is a rather fascinating story worth repeating here – to help you realize the power of its utility – because it wasn't simply about a slight enhancement of Peter Drucker's Management by Objectives (MBO) approach created some 14 years earlier in the mid-1950's – but rather was the result of an urgent call-to-action by Andy Grove (then CEO at Intel), wherein his entire company needed to address a massive shift in memory chip technology and hardware configuration – called Microprocessors.

In the early 1970s, Grove and his team at Intel (a small company then – founded in 1968) with some incredibly talented engineers, set about to change the face of core computer memory management – and was competing with Japan – and Motorola in particular who were about to turn the face of computing on its

head if Intel didn't pivot quickly to corner their market in microprocessor technology.

It was an all-or-nothing gamble where customers were non-existent, and the technology hadn't been invented yet – so Grove's drive and determination to rally his top engineers to create something powerful, game-changing and so far-reaching as to become fundamental to all computing technology was astounding, even by today's standards.

He invented the OKR method to create a giant white-board that everyone could see, feel, touch, contribute toward and modify as they sprinted through a dizzying series of experiments, pivots, failures and learnings – all in a matter of a year or two – in order to not just survive in that insanely fast-paced environment, but to thrive in becoming one of the world's top computer chip innovators, suppliers and standard bearers for others to follow.

OKRs were built for change and transformation – at speed.

And deploying this method is much more than buying a bit of software and hoping for the best – it's about embracing a whole new way of behaving, working and engaging in work.

If done right, it changes how you incentivize the right behavior to get the highest priority tasks completed, within the defined time-frames to meet challenging deadlines – supported by intelligent budget and resource allocation, and provides for targeted insights into what's getting done well, and what needs fixing – on a daily, weekly and monthly basis (not quarterly or annually as finance reporting slowly rolls into view).

The OKR method is a simple, powerful, and a deceptively challenging approach to take in your business (and life).

It's a method that really forces hard conversations, deep consideration and very healthy debate internally to ensure you and your colleagues are all agreed on what needs to get done, by whom, by when, with what outcomes – monthly, quarterly, annually – to ensure you achieve your vision together.

Plan for OKRs success with Gtmhub.

Driven by 150+ powerful data integrations. Set and manage goals. Align teams. Improve employee experience. All on the first OKRs platform built for automated results tracking.

Try it free for 7 days   **Request a demo**

How OKRs change the conversation

Once you have chosen to adopt the OKRs method, it's likely that your mind begins fabricating what the top OKRs might look like for your particular team.

If you're the Founder or CEO, then you immediately struggle with the definition that says Objectives should be qualitative aspiration, and Key Results should be numerically oriented or quantifiable results achieved.

Your brain revolts immediately, screaming that it's all too complex and multi-faceted to be broken down into 3-4 top priorities.

But you are forced into realizing that you should pare it down to simpler thinking.

Why you should keep the priority pyramid top-light and bottom-heavy.

This is often further compounded when a group of executives are in the room having to debate what those top priorities are – as everyone sees it from their perspective first, and it's the leader's role to facilitate that debate, challenge the thinking and get the best possible result from their team.

The power of the OKR method is where open, constructive debate ensues between the executives at the top table (or at the Divisional or even Departmental level).

This is often seen as a painful – especially within corporate cultures where contention and conflict are avoided for various reasons. There could be concern that egos may be dented or flexed beyond tolerance levels and anger the creators of corporate strategy. Sometimes simply the presumption we have that strategy shouldn't be debated – but accepted as read – and we're simply stuck with that vision to make happen can hold us back from questioning its veracity.

But the most audacious and disruptive – or even re-inventive corporate survivors often take the view that creative contention and healthy debate are the essence of their success – and thus embrace the notion that questioning everything (in a constructive manner) is the best way to ensure success.

> **"It is not the most intellectual of the species that survives; it is not the strongest that survives; but the species that survives is the one that is able to adapt to and to adjust best to the changing environment in which it finds itself."**
>
> CHARLES DARWIN

We have further learned that genetic adaptation has a much better chance of success the more it is exposed to mutation – which can go either way as there are as many failures associated with mutation and change as there are success stories – but if you do nothing, question nothing, presume all is 'in-hand' and don't challenge the thinking around you – chances are your environment is changing, and you're not prepared to meet those changes proactively – but instead will react and work harder trying to catch up, whilst other organizations are racing along with competitive speed and precision.

The OKR method really pushes cautious corporate cultures into engaging with debate because setting a limit of three Objectives quarterly forces a re-thinking of what is most important to achieve. There will be winners and losers in terms of which priorities survive – but that thinking of "I win, you lose" should quickly be replaced by the leaders inviting participants to "make our Objectives better, together," where everyone is invited to **contribute to improving** what the top three priorities are.

The nature of the conversation needs to move on from "*I have all the answers and know what's best for the company*" to a more collegial approach that requires the best inputs from all functional leaders into an approach that says, "We all need to contribute our collective perspectives in creating the most powerful, game-changing Objectives to reach our lofty ambitions."

This process and new conversation don't feel natural at first – as we're all used to a world where the 'boss' is King, and their thinking is not to be contested. It requires a level of personal vulnerability on the leaders' part to openly admit that he or she doesn't have all the answers, isn't operating at the coal face every day and it's essential that the executives in the room are all invited to question the approaches on the table.

It also helps if the leader facilitating the OKR creation exercise starts things off by presenting the strategic challenges he or she sees the company facing. Putting the problem on the table for everyone to pull apart and make sense of, changes the nature of the exercise, reduces the worry that calling the Emperor naked.

The pressure to come up with the optimal, most targeted and impactful approach is on *all of us* – not just those sat at the top, as they are often the furthest removed from the daily realities of market behavior, customer sentiment, product innovation and resource constraints.

How does implementing OKRs feel to your top team as an experience?

To be honest, initially, it's very awkward, if not downright scary the first time you go around the room. Think about how you'd feel if your CEO pulled you into a room, sat you down and dropped 5-7 issues, challenges or problems that needed to be solved at the highest levels – and asked what top 3 things you would carve out of that mess to focus on in the next quarter (and the subsequent quarters) such that your company could hit target that year? I know how I'd feel – and it isn't a pretty picture!

This is hard – but it's also the moment you've been waiting for.

It's a shot to really have your say in the direction of the company – and can lend your particular perspective and vision in addressing the things that matter most, first – and ensure you attach measures to achieving those top priorities, so you can prove you got there.

Now if you're one of the top managers of the CXO's team – and she rocks up after her Board meeting and drops the that quarter's top three Objectives on you and says, "OK – here's what we need to achieve this quarter – now tell me how you plan on helping me and our division or department get there? Please work with your team to come up with your top 3 Objectives and have them back to me by in the next few days, OK?"

Your reaction is likely one of a few things…You're either excited to see clarity around what you and your teams are meant to be focused on – relieved to be laser focused on the real work that needs doing – or you may feel that sense of inundation – that beyond your BAU activities, there is another set of ambitious goals that your teams need to step into to make happen.

In our experience – it's usually the prior emotion that comes through 9 out of 10 times. Relief that there is clarity, focus and an immediate sense of what really matters to the company. Why? Because prior to the use of the OKR method – most companies are all over the place trying to sort out the important and urgent from the unimportant and non-urgent issues. Typically, the strategic initiatives were drafted by the CEO and their Board of Directors, then cascaded to the CXO team – then thundered downhill from there. No one below CEO had much input into injecting their real-life realities into the process – and quickly employees began to feel like their voices weren't heard, their experience wasn't included and the strategic initiatives driving the company were dropped like unexpected and unwelcome bombs from above.

That sense of uninformed senior executives, clearly seeking to placate hungry shareholders and impress the media such that their stock prices might benefit filled the hearts and minds of employees with a toxic cynicism – and felt like that Master-Slave relationship was firmly in place as they foisted unrealistic, uninformed and unachievable goals and targets upon them.

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All the while – the real magic in the best run companies in the world comes from listening to, being informed by and incorporating deeply the realistic insights of the employees working with their customers, markets and products on a daily basis.

The OKR approach embraces this informed approach beautifully – if not always smoothly – but realistically – into determining the What and How things were going to get done to achieve the company's Why? Mission.

The impact of transparency on performance and productivity.

When the support functions of the organization pour over the OKRs coming from the Executive team, the Division and Department leads – a further clarity develops that supports the specific operational road maps that Human Resources, Legal, Finance, IT and Operations were all looking for as indications of where they then needed to support company OKR achievement. Suddenly there are no black boxes (hidden agendas that trickled out of the 'Eyes Only' executives to the 'Need to Know' employees).

It's all out there for everyone to see. It may still seem a tad daunting to read through and realize the implications of these ambitious OKRs, but there is no doubt what the company wants to accomplish – and it gets you thinking immediate about how you and your group are going to support those Objectives by achieving specific Key Results.

Importantly – it immediately kicks off conversations about resources and financial requirements. Time constraints and prioritization of key projects. It lifts the veil on budget allocation and productivity requirements. And it gets you focused on the nuts and bolts of the business without your feeling blind to the challenges ahead.

In using the OKR method holistically throughout the business the Why, What and How are out in the open for everyone to see. The Key Results outlining quantitative measurement for each Objective spell out how we'll measure goal achievement – and clearly outlines what resources, time, effort and money are required to get there.

There are no more blind arguments over hypothetical goal posts, and much reduced time wasted on guess work vs. frank, direct conversations about solving the issues and challenges in front of everyone in the meeting room.

Suddenly we're not separated by the 'Insider Knowers' vs. the 'Need to Know' crowd, as we're all operating with the same level playing field, solving mutual problems and shared information in front of us. It reminds me of that scene in Apollo 13, when that horrible oxygen tank explosion suddenly threw a moon mission into disarray, and all the mission engineers started yelling about malfunction lights and urgent warnings to a deaf audience – as everyone was doing the same thing.

Jack Kranz (played by Ed Harris) – the famous Mission Control Specialist stopped the room cold and asked everyone to stop yelling about what's broken, and instead approach the problem from the position of what's working instead. Immediately the room forgot about hierarchy, job titles, relative political positioning or importance of role – and everyone was suddenly brought together as one human problem-solving entity to get three imperiled astronauts home safely.

Now your OKR experience might not be so dramatic – but this is the direction you can expect it to drive discussion and relationships within your organization moving forward.

How to run your business according to HCT Technologies.

The ultimate example of leadership admission that the employees facing off to the 'real world' and thus should be the ones most listened to comes from Vineet Nayar's experience with HCT Technologies.

He recounts in his book Employees First/Customers Second, how critical it was to turn the 'Value Zone' upside down – wherein his employees were the drivers of customer insight, strategic focus and market innovation – whilst the management of the company worked solely in service of the employees' efforts and acted as a Customer Success department to deliver support, resources and budget where employees felt it was most impacting.

Did it work? Here are the results in the first three years of Vaneet's tenure as CEO:

- HCLT **grew at a CAGR of 24 % and increased its market capitalization by 186%** in the last 3 years
- Doubled the number of $10m, $20m & $50m customers and tripled the number of $100m customers
- HCLT's revenue per employee is amongst the highest in the Indian IT industry today

- HCLT was also featured as one of the most innovative and disruptive companies globally
  - Included in the first ever Executive Dream Team published by Fortune
  - Emerged as the top-ranking IT Services company in APAC, in Forbes Asia's 'Fab 50 List'
  - Ranked by TPI in the Top 6 Global Service Providers by TCV across ALL 3 geographies (Americas, EMEA, APAC)

The rules of a 'healthy debate' process are important to consider here as they need to be learned, experienced and lived by leaders – who will then need to act as coaches for downstream managers and employees as you learn to adopt a creatively contentious and healthy debate approach working with OKRs as a way of life within your organization.

We'll borrow from a terrific recent example of a hyper-growth tech company we're working with, headquartered in the UK but growing massively in every continent around the globe. They have been experimenting with the OKR method for some months now and started their journey first with understanding the human dynamics inherent within the process of creating, shaping, improving and then cascading OKRs throughout their company.

Some of their early learning included the following:

- We set limits on the number of OKRs there can be – *constraint forces debate*
- We set aside time for the debate as part of how we run the cycle – *that drives prioritization*
- We are starting only at the top level before we go any further – *master the approach before operationalize*
- We have *common view of what is needed* – clear guidelines to not confuse objectives, goals, results, initiatives, projects

The Dyson success story as a blueprint for organizational excellence.

Take from a real example where James Dyson, Founder and CEO of Dyson - that genius vacuum cleaner inventor worth quite a few million at the moment) who has suddenly announced in his recent advertisement series that Dyson will, "Become the market leader in battery powered, cordless vacuum cleaners by 2019."

As patents for his specialized suction engine designs are now being copied by imitators, Dyson has moved radically into everything from hand dryers to hair dryers, room filtration units to robotics and intelligent machines.

Additionally, Dyson have just committed £220m in funding to build out their electric automotive business here in the UK. James Dyson seeks always to reinvent and innovate his way around competitors to embrace concepts we never knew we needed, but suddenly can't live without once we buy them. That lofty ambition to 'cut the cord' and provide homeowners the freedom to grab a light weight, hand-held vacuum off the wall charger and clean our entire house without wrestling with ungainly electric cords or switching from outlet to outlet – with superior cleaning power to that of a full power plug in model – is what I'll focus on as the 'strategic vision.'

But to then break that down into something consumable – to achieve as an annual Objective might be something like

"Develop rechargeable battery capability that lasts over 2 hours per charge."

To take that down a notch to a quarterly Objective might be

"Determine whether or not a Cobol-based or Lithium Ion battery material is capable of holding a 2.0 amp charge over a two hour span."

The Dyson employee working in the laboratory as part of the battery materials team has a pretty clear view as to what they need to achieve that quarter.

Key Results may be to breakdown which materials and test methods will be used to determine whether or not Cobol vs. Lithium Ion holds that 2.0 amp charge, as is the desired specification.

Sitting within these KRs are between 3-5 quantitative targets that need to be met – off the back of performing a number of tasks (experiments, trials, tests and materials examination). The employee will work with other team members who are specialists such as themselves – and in 2 week sprints, and hold a Friday afternoon wash-up to determine their progress against both towards completing the sprint successfully, and also towards the Key Results we set in seeking to meet the quarterly Objective.

Technical challenges such as this are pretty straight forward to breakdown. But what about Marketing,

Sales, Human Resources or other more esoteric functions in your business? Interestingly – when you break these activities down – and prioritize the top three things you need to accomplish in a quarter – it's actually not hard to conjure up discrete activities that will help achieve a higher level 'parent' Objective.

What is hard is when there is nothing informing you from directly above what you're meant to actually do to achieve a strategic initiative. That chasm kills your clarity, and often you will revert to doing the things you've always done – hoping for the result to achieve something that may (or may not) help support the company strategy.

It recalls Einstein's famous quote about doing the same thing repeatedly, expecting a different result being the essence of insanity.

What really changes organizational culture?

The typical interactions in strategy creation and approach to execution sat with the Chairperson and CEO. They would lock themselves away – often out of hours – and generate the key tenants underpinning what the corporate strategy needs to address, and then attempt to articulate the top 5-8 things that, over the next 2-5 years, the company needs to shift towards achieving if it wants to remain relevant and competitive in its market, and ensure its people are aligned behind a common set of aims to make it happen.

Embracing the OKR method often requires a new level of engaging their functional heads to help

- identify the key areas where the company is struggling or lagging with their customers, products or markets, and
- to then lay out on the table what they've mutually identified as areas of focus in products/solutions, competition, market trends, financial target performance, and then into operational capability, efficiency and resilience.

The CEO takes on the role of trusted facilitator vs. ultimate leader (or powerful overlord), and immediately sets a new tenor and tone with their team that implies,

"We're all in this together, and each of us has ownership and a role to play in building mutual understanding as to what matters, and how we address together the challenges we have in front of us."

In the process of sorting out how the various functions will work together to solve complex challenges – critical Objectives emerge that often require a cross-functional approach to solve for. But regardless of how the various functions need to merge support – there always will be an owner for each of the Objectives identified, who will be responsible for oversight, support and sponsorship of that Objective to support the participants aligned to deliver that Objective.

Thus, functional executives can find themselves in a dual role – managing their BAU function to lead, resource, support and mentor that team – whilst also sponsoring a cross-functional team to address aspirational Objectives that will drive achievement of annual goals and targets on a quarterly basis.

This approach opens up a collaborative and aligned approach to solving complex problems together – as opposed to each functional leader acting in their own interests, thinking in a siloed mentality that only focuses on what Sales, Marketing, Legal, Product, HR or other divisional groupings should own.

And this collaborative and aligned approach is what needs to be embraced as a new cultural behavior such that these leaders can, by example and through primary experience, engage cross-functional teams that they decide will work to address the identified challenges at the top.

OKR excellence starts with.

Leadership vulnerability. Why? Because OKRs are not about showing up with the ultimate answers, but the articulated challenges that need to be solved – and then engaging their functional leaders to contribute to shaping their top 3 Objectives to focus on, starting with an Annual Objective/Goal, and then breaking that down into quarter-on-quarter deliverables.

Healthy, constructive debate is the key to success here. Setting the cultural norms that respect positive contribution, questioning old presumptions, shaking out the essence of what is most important and needs focused resource, are all crucial to a successful transition to this new and powerful state of thinking and working together.

The OKR method is a human behavioral transformation first and foremost – scaled effectively by using OKR management software to support visual transparency, complex tracking and critical linkages as

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well as powerful insights.

The software will help you scale transparency, make clear the linked connections between Objectives, will illustrated alignment between functions and help you track progress and performance throughout the organization seamlessly. It acts as a structure for capturing what will become a complex web of interactive activity throughout your company – so best if it's captured in one tool, for all to see and use.

These sorts of transformations into new ways of behaving and engaging are never easy. It fits like an awkward ski boot – where you know it's going to save you from a twisted ankle while flying down a snowy snow face, but there is nothing natural about how your foot, ankle or calve feels the first time you try it on for size.

OKR methodology can feel the same way – as you know there are powerful advantages that will come from its use – but wow – it can be hard work getting people to undo years of traditional thinking and behaving – and getting their heads around solving complex challenges they have never been asked to participate in.

Some tips for implementing OKRs.

Frame the challenge by asking everyone at the Board table to close their eyes and imagine they had just been promoted to CEO.

They were given that lovely corner office (or the slightly larger open plan desk top), and a stack of challenges delivered in a stack of paper about a meter high.

The challenge is that the Board of Directors called a meeting for the next morning to hear about your new vision and strategy for the company.

You're pretty intelligent and experienced – but feel massively overwhelmed. Where do you start? How

does that feel to you? What would you do next?

(Answer: You go gather up the other smartest people you know who are closest to the challenges sitting on your desk – and get them involved in helping you come up with something quick – but smart and well informed.)

You set the ground rules in the room before you start. Something profound and at the same time deeply authentic like:

"In this room, there are no foolish questions, queries or ponderances. We are in this together, and we are all working for the same outcomes. Forget your functional remit, your job title or where your office resides. Today, you are one of many, on the same team, solving hard problems together. We respect one another as equals because we never know where magical insights will come from. We've all travelled long and hard to get here – and from this point forward, we're going to work together to solve our complicated challenges.

We won't use negatively charged labels to rip other people's ideas apart – but we will add to them, improve them, bring a different and valuable perspective that others may not have thought of – and together we'll come up with something amazing.

This is the way I want us to work together moving forward. This is the way I want our company and its people to work together forever more. Strange and disruptive times require ingenuity, creativity, collaboration and lateral thinking.

And the OKR method is going to help us sort out what matters most, and how we'll measure progress against those things that matter most."

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Let everyone know that it's OK not to have all the answers – but it's NOT OK to poke holes in others' ideas unless they can come up with a better one.

It's also OK to laugh at yourselves, to acknowledge the awkwardness of the moment as everyone tries on 'strange ski boots for the first time.' Strange times require strange and unusual solutions.

Get comfortable with strange and get ready for miraculous new connections and enlightenments to come about.

As leader and facilitator of this new process – your role is to enforce these new ground rules and keep the peace as it will challenge people in ways that make them uncomfortable and stress causes people to act in unusual ways.
Let them get comfortable with bad ideas, tentative thinking, and watch for positive ways in which your people experiment (often carefully) with one another in collaborating with others, reaching out for help, offering supportive comments or ideas for improvement.
Call those moments out proudly and make sure people can link the right behavior with immediate recognition.
Don't be afraid to apply a bit of pressure, encouragement or support – but whatever you do – don't blast people for not working faster, smarter or not having 'your idea' of the potential outcome.
You can tamp down bad actors and offer breaks as this can be mentally exhausting the first or second time around. Be all about trust, respect, recognition, encouragement and don't be afraid to push a bit to get things moving if they're stuck.
But don't give them the answers – that's cheating. And it will only end with everyone staring at you, waiting for the rest of your good thinking to finish the day!

Training internal champions of the OKR method is crucial to success.

You can't be the only expert at your company, because you can't scale (and frankly it's not likely what you want to be doing anyway).
Assign some great role models who you think represent your best facilitators, natural trainers and respected workers. People will listen to them, learn from them more naturally and help scale your efforts more readily.
Your focus is on your immediate tribe of thinkers and solvers – and your second role is that of cheerleader and champion. Save yourself some time and do both things by being a living example of what 'great looks like.'
This way you're getting the job done – while you're being the cheerleader and champion. It helps to have fun in the process – as it takes the concern and worry people have about participating in a new and different way.

If things are really hard – and your team members start to approach you about feeling inadequate, under-pressure, uncomfortable and ill-at-ease with this new approach – consider offering them coaching in influence and negotiation skills.

Not surprisingly, Introverts may struggle to engage in an open setting, but can often add powerful and deeply considered insight - so offer opportunities to meet privately, in a quiet and comfortable setting where they feel more inclined to contribute freely and openly.

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Conclusion

Every day these days feels like we're catching up from behind, as the distance keeps changing, our competitors are coming out of nowhere, the race's pace itself seems to exponentially increase with each step and suddenly newer generations of runners are entering into the fray with entirely different rule books and perspectives, shaped by an era of technological advances none of us have ever experienced in human history.

The only way to have a chance at winning this race is to start managing it in real time, getting every generation and level of individual in your organization tuned up and involved in running your business, transparently ensuring everyone knows the why, what and how you're planning to achieve your strategic vision, and changing the conversation in the hallways, meeting rooms and online chats where it's all about what got done, what's not getting done and what are we going to do about it tomorrow?

There are few better examples around driving complex team human endeavor than in the sporting arena – and when you look at the level of feedback, the data capture and instantaneous visibility to everyone who is watching – as well as how the coaches and team leaders then respond in real-time to those data points, plans, plays and environmental responses, there is probably no more apt a comparison.

Up until recently, only a handful of large businesses, and mostly smaller businesses have been operating anywhere close to that level of intelligent reactivity – but today, in the Digital Age, it is a core requirement for survival. Rapid adaptation, at speed, with intelligence and informed reactivity is the way forward. And keeping it simple, transparent, aligned and improved through continuous learning is the key to operating in a hyper-transformational environment such as we're in today. Objectives and key results is your path forward. Gtmhub brings everything else you'll need to make it scale, simply and effectively.

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