HR Experts Share:

Designing a Purposeful OKR Program: Best Practices and Common Pitfalls

Objectives and Key Results (OKRs) have the potential to drive real business results. But unfortunately some organizations begin and end with writing the OKRs themselves, which can cause them to ultimately fall short of achieving their goals. Ideally, an OKR program serves a greater purpose than simply accomplishing the activity of writing OKRs. Creating such a program, however, requires intention and planning.

Reid Koster

Practice Lead, OKRs
at Betterworks
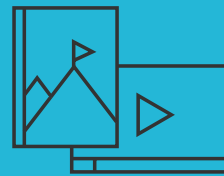
To help HR professionals like you design a purposeful OKR program, we've compiled some key insights gleaned from a webinar featuring Reid Koster, Practice Lead, OKRs at Betterworks. For more information, visit the Betterworks OKR Lab, where Reid shares more of his insights on how to design a successful OKR program.
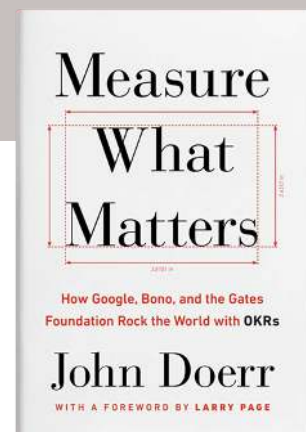
Building Your Team
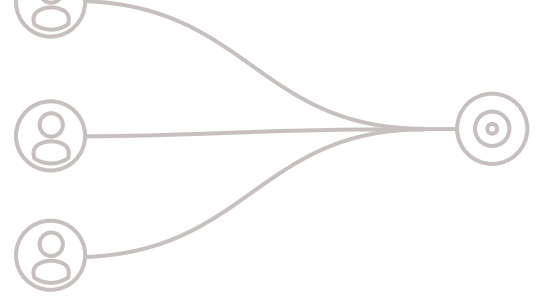
"An effective goal-setting system starts with disciplined thinking at the top, with leaders who invest the time and energy to choose what counts."

John Doerr, Measure What Matters

"Goal-setting at the top is important because it sets the tone for your organizational direction and how people align their OKRs. Leaders are also responsible for modeling the behavior they expect to see from their teams and their organizations."

"At a bare minimum, there are two roles you need on your OKR program team. You can have a team that's made up of many more roles, but these two are critical: an executive sponsor who champions the program and a program lead who coordinates the day-to-day rollout and communications of the larger program."

"The executive sponsor isn't just someone who's excited about the notion of OKRs. The executive sponsor must be willing to be the face of a very public initiative and champion the program in a town hall or via regular email updates on the company's progress. The executive sponsor should be willing to fight for the program at the executive level, stand up for the team when there's push back, and also regularly review the program success metrics to ensure that the program is accomplishing the objectives identified at the start of the program."
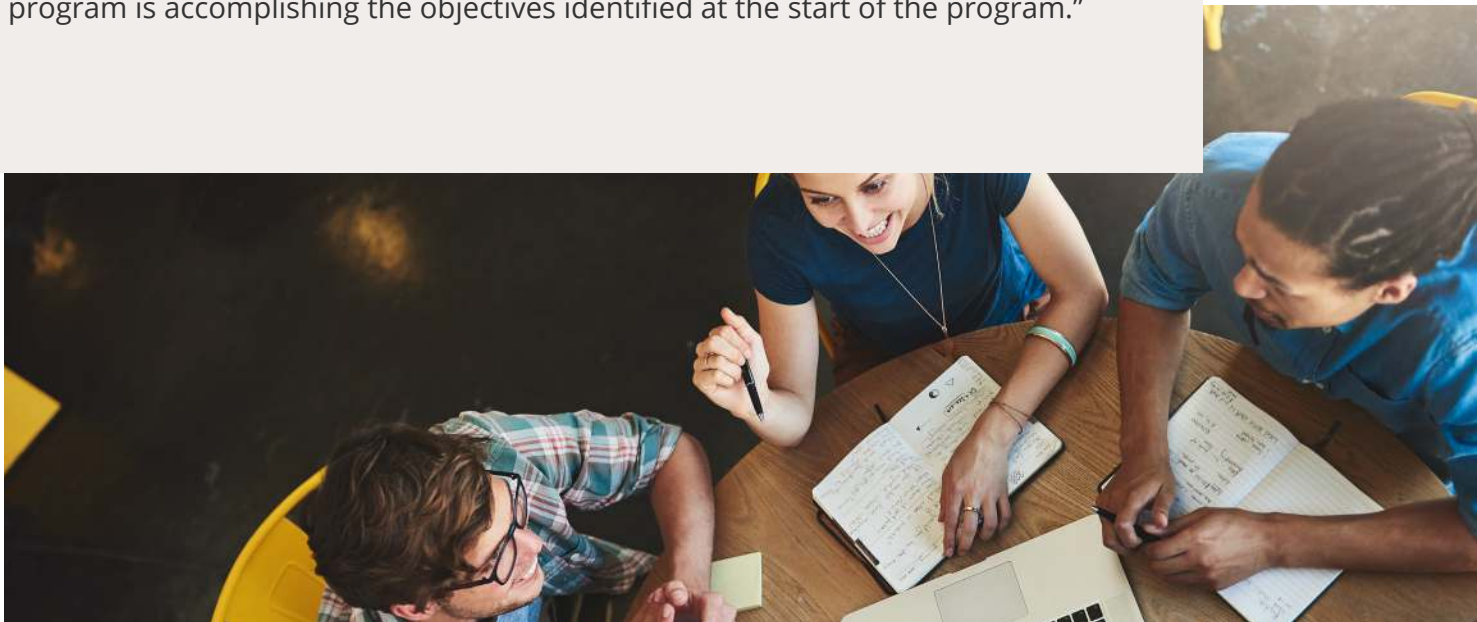
Defining
a Program Vision
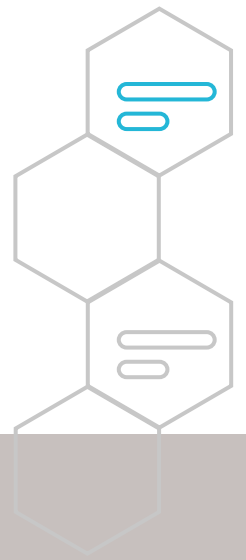
"A program vision answers the questions: 'why OKRs, and why now for our organization?' Based on that information, define a clear vision statement that's rooted in the corporate culture and the organization's pressing needs."
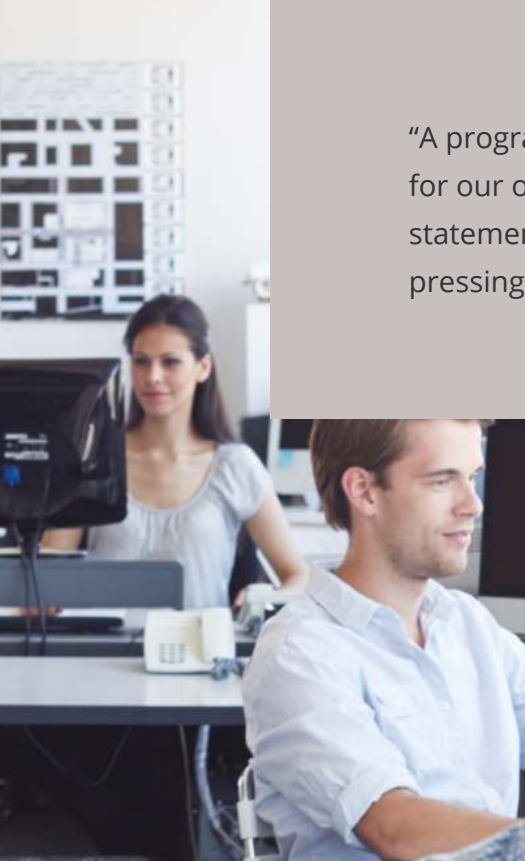
"If you're brutally honest and look at where you're struggling as an organization, it will be a lot easier to sell the OKR program to the rest of the company. Look at the gaps, and then create a vision statement. Specifically state why you're rolling this out and what you're trying to achieve."

"Look at the feedback you receive from employee engagement surveys. If scores raise concerns about trust in leadership, accountability, or a lack of transparency in the organization, then this is a great opportunity to say, 'Because of this specific data, we are going to give you a solution in the form of OKRs.'"
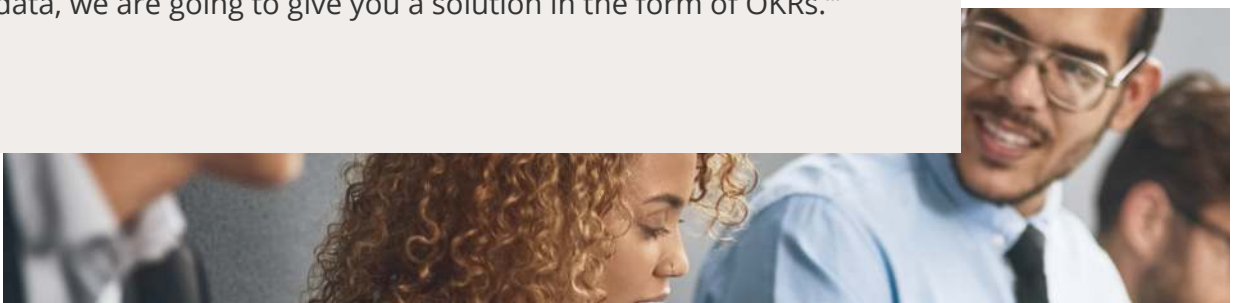
Developing a Governance Strategy

"Developing a governance structure is about deciding which parties need to be involved in the OKR program and how often. At a minimum, the team should meet and discuss success metrics and whether or not the program is on track. You may find it valuable to define, in addition, a steering committee and a group of champions in the organization. This could be the sum total of your governance team."
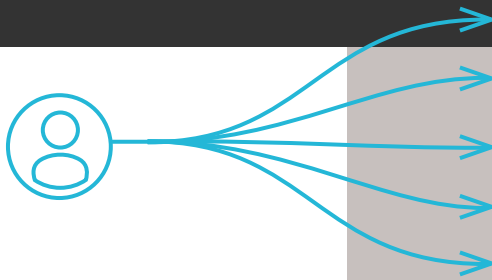
"A steering committee that comprises individuals from various departments can be consulted as you're planning the program. They feel like they're a part of the decision-making process and when you implement a change, they are more likely to be supportive."

"The OKR champions are the subject matter experts on the ground who are given some responsibility for making sure that milestones are hit in the goal-setting and goal-review processes."
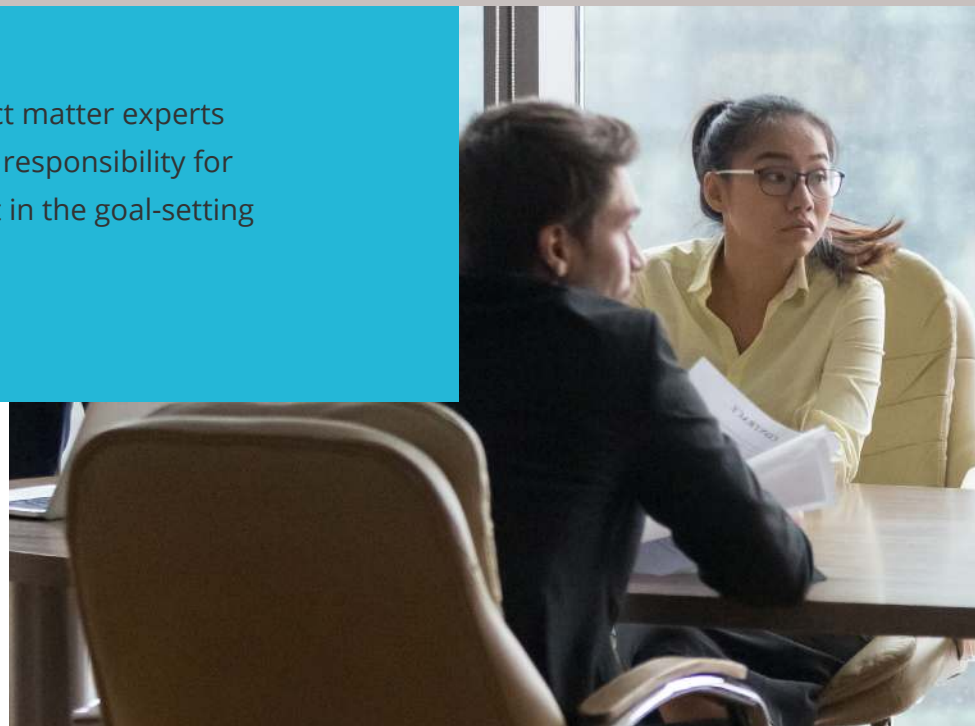
Setting Measures of Success
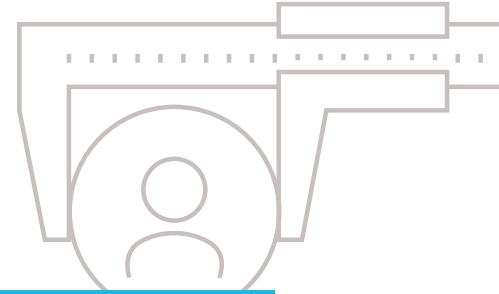
"The governance team should agree on key measures for success—milestones—that show whether or not the program is progressing. OKRs are very difficult to get right the first time. Identify metrics that matter to the group, so you all know whether or not the program is trending towards the vision you set out."

"It's very important to identify the signals that will indicate that the program is headed in the right direction. The percentage of people who have written and shared their OKRs is a useful piece of data that signals a win if you're measuring whether or not you're achieving transparency. Similarly, if you can measure whether or not, at least once during the quarter, a manager and direct report talk about their OKRs, then maybe you're becoming more aligned because you can measure that these types of conversations are happening."

"It's also important to determine what will constitute a win. If you're striving for 100%, I challenge you to dig deeper and think about what would be a win based on where you are today. If you weren't previously measuring whether conversations were happening, then you're starting at zero. Getting to 50% after one quarter is a great win."

Common OKR Program Pitfalls

"There's no such thing as a perfect OKR, so don't let perfect become the enemy of the good. Don't worry about planning the perfect program today, just focus on getting up and running and build one muscle at a time. Start small, leave space for collaboration and learnings and trust that you can get to the larger program down the line."

"A common mistake is forgetting to measure progress. Companies get so excited rolling out OKRs and they get so focused on achieving them, that they forget about the tangential benefits of the program success metrics. The focus becomes hitting 100% of the objective rather than, for example, seeing meaningful collaboration between departments where there wasn't any before. It's critical to make sure that you're as passionate about those governance reviews as you are about OKR achievement, especially in the first few quarters."

"Be careful not to over-cascade. When teams are obsessed with cascading, it takes weeks to coordinate the cascade of the objectives. That process becomes so complex that it can't be repeated quarter over quarter. To avoid over-cascading, make sure executives understand that the purpose of OKRs is not to create a strict cascade from the top down. It's to have a mix of top-down and bottoms-up objective-setting."

"Another mistake we see is tracking KPIs instead of inspiring the team. When writing OKRs, there's a common desire amongst executive teams to repurpose the KPIs that they report to the board. KPIs are standard numbers to track the success of your business, and they'll become stale quickly. They also don't tell people what's important right now that we can all rally around for the next 90 days or six months. KPIs are important, but for your OKRs focus on the novel initiative that rallies your team and generates excitement."

"OKRs are considered a success if they're 60-70% complete. That can be difficult to get used to, especially for high achievers who are accustomed to getting 100% on everything they do. This attitude can be changed by modeling the behavior at the executive level and changing how you talk about success. For example, the CEO can share OKRs that were achieved at 40, 50, or 60% and explain that these were a success because of what the company learned or because the key results were extremely valuable."

Get the Technological Support You Need to Execute Your Program Effectively

Almost any company can benefit from a purposeful OKR program, but as you've seen, a successful program entails much more than simply writing OKRs. Establishing governance, measuring and monitoring success, and achieving incremental improvements are made easier when teams have robust technology that can be tailored to support the business' unique requirements.

Betterworks is the complete software and service solution for forward-thinking organizations wanting to motivate their modern workforce to deliver needed business results. Our solution supports truly global workforces, and is used daily by workers from 119 countries in more than 20 languages.

Flexible enough to support every organization's unique program comprising goals, conversations, multi-source feedback and workforce insights, Betterworks helps organizations align work to goals, develop their employees, and accelerate business growth.

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