



The Ultimate Guide:

Utilizing OKRs within Continuous Performance Management®

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Measure
What
Matters

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"Ideas are precious, but they're relatively easy. It's execution that's everything."

— JOHN DOERR, Partner,
Kleiner Perkins Caufield & Byers



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More than 90% of people managers in the 2018 Betterworks Continuous Performance Management® Survey confirm that aligning employee goals to the organization's top priorities is critical for business success. Ensuring organization-wide alignment is even more critical in today's fast-paced business environment, where hierarchical departments are being replaced with cross-functional teams that are rapidly stood up meet new requirements and priorities.

John Doerr, partner at VC firm Kleiner Perkins Caufield & Byers and bestselling author of *Measure What Matters* says, "execution is everything", and a motivated workforce provides organizations a critical execution advantage. Motivated teams work on what matters most (to the company and to them), are agile and aligned, and are able to successfully achieve today's goals while also developing themselves to meet tomorrow's challenges.

Truly **motivating a workforce** requires nurturing a sense of purpose achieved through aligning employee's work to the company's top goals, as well as providing continuous coaching and feedback from managers who are authentically involved in the employee's development. These elements form the foundation of a continuous performance management process to create and sustain a motivated workforce:



1. Employee's goals are agilely aligned with the organization's top priorities

The needs of the business can change quickly. Organization's must ensure employees are working on **what matters most.** This visibility up, down and across the organization also has another benefit—providing each employee with a sense a purpose, a key element in sustaining motivation.

2. Help managers be better managers

Managers play an outsized role in employee motivation and too many struggle with having the **crucial conversations** around alignment, feedback, development and recognition. Over 90% of HR pros agree that technology can help ensure managers have these conversations regularly and improve their quality and impact.



3. Uncover critical workforce insights

Using an application like Betterworks to support your continuous performance management process offers additional benefits beyond simplifying HR workflows. It also allows you to easily **access the rich data** from and about your workforce for actionable insights supporting business goal attainment, performance program optimization and the identification and retention of top talent.

Goal Setting and Alignment with OKRs (Objectives and Key Results)

OKRs are a proven goal methodology popularized by John Doerr, who used them to **help transform Google, YouTube, Intuit and others into the successes we know today**. The OKR methodology is rooted in collaboration and transparency, with the objective of aligning employee goals and activities to the business priorities while increasing cross-functional coordination. When used as part of a Continuous Performance Management program, organizations can create an environment where goals are set collaboratively, clearly articulated, checked in on frequently and measured accurately ensuring that your entire workforce is **motivated and aligned around the organization's priorities**.

To the uninitiated, the OKR acronym may feel unwieldy, however, it is quite straightforward:

Objectives are:
What I want to accomplish.

Objectives should be aspirational, significant to the company, personally meaningful, and ambitious.

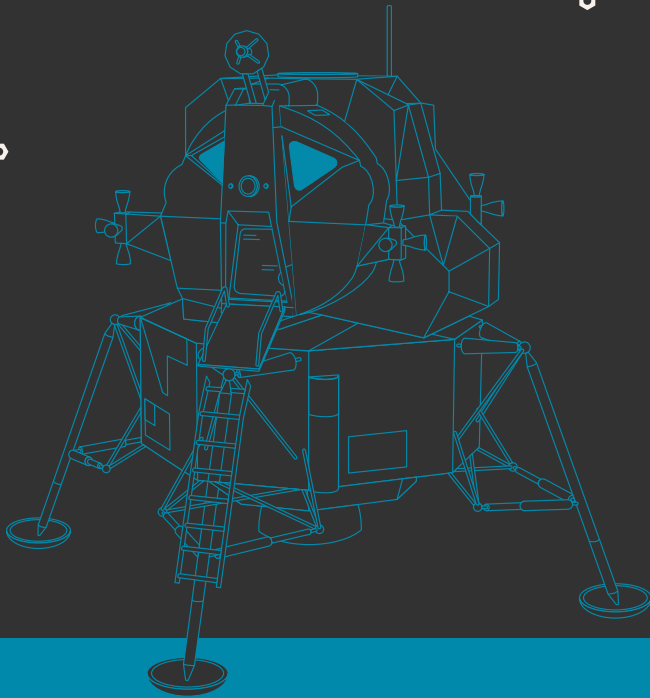
Example:

Put a man on the moon by the end of the decade.

1969

Key Results are: **How I will accomplish the objective.**

Key results should be measurable, limited in number and have a deadline. This is how the organization measures progress toward its objectives while remaining agile.



Example:

Build a lunar module weighing under 40,000 pounds by December 1965.

John Doerr recommends the following OKR writing template when crafting OKRs:

I will objective as measured by
key result 1 , key result 2 , key result 3 .

And he recommends a maximum of 5 Objectives in each quarterly period, each with 5 or fewer Key Results.

Best Practices for Using OKRs within Continuous Performance Management

As a key component of a **Continuous Performance Management process**, HR should ensure that managers are aligning employee goals or OKRs, regularly checking in on progress and, importantly, providing feedback—including from the employee's peers—to ensure goal achievement.

Other best practices include:



“At any level of an organization you’re only going to have four or five objectives and three or so key results in each. So it requires a kind of rigor and discipline about saying, ‘these are the most important things that are going on in an organization.’ It’s whatever we as a team agree deserves special attention, and it really matters.”

— JOHN DOERR

- **Communicate your organization’s approach** to performance management including goal creation, alignment and measurement frequently, including introducing it during new hire onboarding.
- **Share progress toward goals or OKRs** during town halls and team meetings to ensure needed organizational agility and adoption across the organization.
- **Ensure managers talk with their employees** to collaboratively set goals or OKRs to ensure buy-in and understanding of alignment.
- **Establish quarterly conversations with managers and employees** to both review progress toward goals or OKRs and to establish forward looking development goals for every individual.
- **At least monthly, managers and employees should hold conversations** to both review progress to date and to provide needed feedback and coaching for goal achievement.
- **Find opportunities to recognize individual and team progress** throughout the period.

Every Organization is Unique

More and more functional and HR leaders are recognizing **that sustaining employee motivation is not a one-time event, but rather requires a continuous process** maintained through regular, open, and ongoing conversations between employees and managers around goal alignment, feedback, development and recognition.

With Goals being such a central part of your organization's performance management process adopting OKRs for goal creation [I will (objective), as measured by (key result)] ensures employees **in every department and function** are aligned and working toward to the organization's top priorities.

Every organization is unique and there is **no one-size-fits-all approach** to continuous performance management. You want to understand all the learnings and best practices, and then use them to craft the unique program that best fits your organization's culture and business needs.



If you're ready to learn more about OKRs within continuous performance management, see Betterworks in action and get your free copy of John Doerr's *Measure What Matters*, visit www.betterworks.com

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