

LET'S FACE IT:

THE TRICKLE-DOWN STRATEGY
ISN'T WORKING



OKR
COHORT

The real heart of the biggest challenge I'm seeing business owners face today is that their people aren't empowered to make day-to-day decisions that are aligned to the strategy. Business owners and leaders are hoping people understand the strategy, yet there's a lack of cohesive and consistent messaging that trickles out of the boardroom. We know that strategy is created in the boardroom. Business owners know they can't give the whole strategy to everyone, but they expect their people to make decisions as if they do know the whole strategy.

However, if there's not connective tissue helping people to understand what that strategy is, then people are working on the wrong things. When employees only get a little slice of the strategy, they're very unhappy because they don't get to really know the value of their work. This challenge has an all-pervasive impact on the business.

A GROWING CHALLENGE

When employees aren't engaged productivity decreases and business suffers. Additionally, because people do not feel empowered, they feel like children being told what to do without understanding why they are doing it. When employees can't make decisions, innovation and creativity take a hit and businesses aren't delivering the best product or service.

This is not just affecting current employees it's also affecting prospective employees. In today's world the talent that's out there that businesses want to attract to their companies – even though they're not hearing the day-to-day issues – they know a lot through the power of social media, they see what employees are saying about organizations. This challenge is also impacting the ability to attract great people.

NOW, IT'S MORE THAN A CHALLENGE. IT'S A REAL PROBLEM

Business owners must acknowledge that this is no longer what can be considered a “challenge.” It has grown into a difficult issue, a real problem. It takes a long time to get things done. There are multiple layers to go through just to make one decision. By the time decisions get made competitors beat you to the market. The time-to-value ratio is decreasing, and companies are getting beat out in their own game.

On top of that, customers are frustrated. The sales teams are out there promising the roadmap and they think something's coming. But because decisions didn't get made along the process, deadlines get missed. When you miss delivering what is promised trust is equally broken with both customers and employees. Now, when you consider the disengagement employees have and their lack of value they feel they are contributing to the organization becomes corrosive. It becomes something that is breaking your company's culture, and this adds to the overall impact.

Organizations are talking about needing to attract top talent and they are unable to attract the people they need because their culture is one in which employees lack empowerment and no one wants to work in the that old school style environment. People are so networked these days that they talk to each other and post on social media. They know how specific organizations treat employees. When they hear that an organization doesn't trust employees to make decisions based on their capability, they go somewhere else. When you don't empower employees, you see what's happening now – a mass exodus as they seek new career opportunities in companies with better cultures. In most cases, leaders don't even realize they are doing this.

IF LEADERS WERE TO MAKE THIS SHIFT

Imagine if employees felt empowered to make the right decisions with their day-to-day tasks? Individuals and teams would focus on how the work gets done while the leaders focus on the what and the why. Leaders would demonstrate their trust and provide the guardrails and desired outcomes that the organization wants to achieve so their employees are enabled to find solutions to make it happen. There would be transparency across the whole company – that's the important part. When people are given the power to figure out how to do work, we see optimized workflow across all company levels to deliver value faster and decrease time to market.

In our last podcast, we talked about vertical and horizontal alignment. I think that gets better when we have people talking, when we have people happy, when they're empowered. They see that vertical and horizontal alignment happening and that improves, but more importantly people are satisfied at work. They're having more fun. They're enjoying what they're doing because they're being fulfilled. When people are happy other people notice that. Whether they're posting on LinkedIn, whether they're telling a friend who tells a friend, and now we're into that hair commercial: Tell two people who tell two people. And, as that happens top talent starts to notice and if they're disengaged in their environment, they'll want to come to that new company because they're looking for a place where work is fun and they are empowered.

Additionally, your employee retention rate spikes. If your employees are engaged, they don't want to leave. They're not even listening when people call and tell them about another opportunity. And if it's not enough that employees are happy, leaders are having fun. We also have alignment because customers notice. They notice that there is a positive impact on your delivery of products to the market. They notice that what they're getting from you is of higher value. That customer time to value ratio also improves. The customer is happier with the product and the product is delivering on the value that the company says it will deliver.

I love what we're doing with leaders and they hire us for this reason -- they hire us to help shift the focus in their organizations from activities to outcomes. This kind of shift enables people to do the work that has the most purpose and they focus on the right things so that they are getting the right things done. Day-after-day, employees know that the decisions they're making are aligned to the strategy of the organization. That's what we at OKR Cohort can help organizations do – get that focus on outcomes.

5 STEPS TO BEGIN WORKING WITH OKRS **OBJECTIVE KEY RESULTS**

OKR stands for Objective Key Results and it's a lightweight goal-setting framework that allows organizations to connect the strategy to the work. It is a huge focus on what companies are trying to accomplish not the day-to-day tasks. We measure our impact and how that empowers employees to do their best work.

I'll break down the five steps that we always teach at the outset.

1. First, we get clarity on strategy by co-creating OKRs that can be shared with the organization
2. Next, we align OKRs vertically and horizontally.
3. Then we share the OKRs with colleagues and partners. The alignment component is very important. You are sharing and we are applying this where we have a co-creation opportunity.
4. Then we operationalize OKRs through key initiatives and activities that support those OKRs. That results in the right work getting done.
5. Finally, we review our progress on OKRs at the end of the time period and make changes based on what we've learned.

You know, I think it's so easy to talk about the five steps and usually when we're working with leaders, it feels like the beginning – setting the OKRs - is the hard part. Leaders often ask, “Is it what we want to accomplish?” “What's the key result?” “Oh wait, we want to have our activities in there.” But the really hard part is operationalizing OKRs once they are set, using them in how we work, making sure that we are focused on the most important things. So, when we have a meeting with leadership teams, we want to make sure we dig into the issues that are accomplishing our OKRs and try to remove blockers instead of just doing status updates. We can do status updates asynchronously.

What we need leaders for is to resolve the issues that are keeping employees from being successful. We find that when we work with leaders they think “Oh, we just set the OKRs. We're good.” But the hard work comes in using OKRs to run the business and keeping people focused on the outcomes.

HOW COMPANIES HAVE IMPLEMENTED OKRS TO MAKE A HUGE IMPACT

Companies have a choice. They can continue to implement strategies that aren't connected to day-to-day work and have these challenges of people being disengaged and not delivering value to customers or they could look at adopting a framework like OKRs. They can schedule a consultation with Nizar or I at OKR Cohort to discuss the intricacies of their business and how OKRs can be applied. It's a framework so it's very important to connect and understand what problems your business is facing so we can discuss the guardrails you would put in place and how something like OKRs can help solve your direct problems.

A company I worked with in Canada needed to tie day-to-day work to strategy. The problem: everyone was focused on working harder than ever, yet struggling to deliver value. People were not able to focus on the right things. They solved this by implementing guiding principles. The goal was to create a common alignment on purpose and understand outcomes through OKRs. Once they implemented OKRs, 80% of employees said their work was supporting the strategy and delivering value. It allowed them to focus on what matters most. 80% of their employees were more engaged.

Another example was when I worked for a company and had been there for only two weeks and I was ready to leave. I had moved from startup companies to a large organization, and I couldn't get things done. I was used to moving fast and doing the right thing. But that wasn't the culture at this new company. You had to ask three people to get permission. I literally said to my husband, "I think I have to leave."

But two weeks later the organization sold off 50% of their business. They went from 50,000 employees to 25,000 employees. In that process they realized they had to work differently. They went from 13 layers of leadership down to six layers of leadership. They quickly realized they couldn't afford to have three layers of leadership making decisions.

We implemented OKRs and people suddenly understood the strategy. They knew what we were going after, and we shifted from a culture of permission to a culture of taking action. Employees began doing the right things and saw the strategy being aligned with their work.

That was so impactful, the environment in that organization changed. It was fun! You could get work done and people trusted each other. It's amazing what a little bit of information can provide in creating an environment of trust where you believe you're doing the right thing, you have confidence, you're excited about your work, and others also trust you to do the right thing because you're all on the same page. It's game changing.

HOW OKRS CAN HELP YOUR ORGANIZATION AND EMPOWER YOUR PEOPLE

We are excited to have you reach out to us. We'd love to connect and talk about how you and your organization can empower your people and deliver on your strategy. So please reach out and we're happy to have that conversation.

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Our team covered this very topic on a recent episode of our video and podcast series! If you'd like to learn more and enjoy an in-depth conversation surrounding this informative topic, head over to our YouTube channel or visit OKR Cohort on your favorite podcasting platform!



ABOUT THE AUTHOR

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Denise is a Business Agility Leadership Coach and OKRs Expert recognized for being an action-biased trail blazer to support leaders and teams through transformational change. She has expertise in training, organizational development, operations, and sales leadership which allow her to quickly understand and align her work to the company's strategy & roadmap for change. Denise thrives on coaching senior and executive leadership, bringing a 'meet you where you are' approach while using data and OKRs to drive meaningful results and lasting adoption.