

# THE ROOT

OF A COMPANY'S CHAOS



**OKR**  
COHORT

In our work as founders of OKR Cohort, Nizar Khoja and I have found that a lack of connection to purpose exists in many business organizations today. This lack of connection is rarely recognized by leaders, yet it is one of the main reasons that chaos and confusion exist in companies large and small today. What we see is that employee's day-to-day work is not intentionally connected to the purpose of the organization. So, it's easy to get lost. However, when connecting the purpose and strategy of the organization to the work of each team and individual, you get so much more done. So, this lack of connection presents a big problem for organizations today. Business leaders and managers alike see so many impacts from this lack of connection to purpose.

## **HAVING A SENSE OF PURPOSE IS VITAL FOR EMPLOYEES**

This disconnection from a company's purpose presents challenges to organizations of every size on so many different levels. The first place we see the disruption is among employees. They're the ones who feel it the most. Most employees are not in all the conversations about the organization's purpose. They might see some posters on the wall, but they're not getting that direct connection to their work. What happens is that they start to question the value of the work that they're providing. This is a catalyst for people leaving organizations, which we've addressed previously. The fact is, it's easier for employees to leave an organization because their heart is not connected to the work. So, by not acknowledging the problem you're having a huge impact on your employees and your people and on your leaders.

## **LEADERS FAILING TO COMMUNICATE THE FULL PICTURE**

Nizar and I see this so frequently in our work with businesses of all sizes. The frustration is a little different for leaders. You see, leaders contribute to the problem without realizing they do. Sometimes they're not properly communicating the organization's purpose. They might be just jumping into the work and by not communicating that purpose or helping employees tie it to what they're doing, they're causing a little bit of the confusion throughout the organization. They're like players in that telephone game: they sit in a meeting or they're part of the process of creating the vision, the mission, the purpose, but they might just communicate pieces of that. What ultimately trickles down is not the full picture. This creates a lack of transparency. When transparency doesn't exist, there's not a great intentional way to connect the strategy to the work. So, the only thing employees hear are those little often disconnected pieces that leaders convey to them.

## **CUSTOMERS FEEL AN ORGANIZATION'S LACK OF CONNECTION TO PURPOSE**

Many organizations we work with are surprised when we point out how this lack of connection to purpose impacts their customers. For instance, customers have less confidence when they don't fully understand an organization's scope of work. When dealing with employees, they notice satisfaction and motivation is low. Employees don't express the purpose of the organization nor connect the customer to the value the organization is trying to provide.

## THE RIPPLE EFFECT IS FELT FAR AND WIDE

When you take into consideration that employees are any business's most treasured assets and when people start to leave, the disruption has a tremendous impact. This became clear after the pandemic when companies experienced massive resignations. The Great Resignation occurred because people didn't feel connected to the purpose of their work. This is still one of the major problems facing organizations today. Companies must make changes to hold on to the employees they currently have and to attract new employees. Employees leave seeking new opportunities in hopes of getting that purpose embedded in their next company. On the other hand, if they do stay, they start to lack motivation, they lack engagement. The ability to be creative in their work starts to decrease. When anyone is not passionate about what they're doing, their work becomes tedious, and just ho-hum. If you don't understand the why of what you're doing you begin to feel disconnected. You might start focusing on other things. On top of that lack of purpose, the lack of the sense of purpose in your work often overflows into your personal life. That negative energy starts to fester which tends to pull most things down.

Leaders and managers are seeing and experiencing this as well. It's obviously a ripple effect for organizational leaders and as a result they start to get into other people's business – which is not where employees want them. They then attempt to manage the “doing of the tasks” versus maintaining their role in executing the big picture. Many times, managers and leaders don't see that they are contributing to the

problem by getting into the daily tasks, over-managing, or micromanaging people. That frustration then causes leaders to leave organizations too. This results in lost continuity of leadership. No one wants to be a micromanager. I've never heard anyone say, "Gosh, when I grow up, I want to be a micro manager!" Another problem that we've seen when leaders are discouraged and end up leaving an organization is that their personal sense of confidence gets eroded. They see that things aren't going the way they intended them to go. They see that employees aren't on track, employees are leaving. They hear those great quotes that "employees don't like to leave companies, they leave people," and so their confidence starts to erode. They don't have that clear direction, so they become reactive instead of proactive. But the ripple effect doesn't end there. It also impacts the customers.

Customers see the disconnect in organizations as well. In this type of environment, customers can't connect interpersonally with employees who are unhappy and so they begin to develop a lack of confidence in the organization. This means the front-line relationship, which can be a cornerstone, erodes. Consequently, existing customers often switch to another vendor or service provider entirely. We see acquisition of new customers decline as well.

## **EMBEDDING PURPOSE INTO YOUR ORGANIZATION IMPROVES EVERYTHING**

Take a moment and imagine what life would be like if your organization was in complete alignment from top down and bottom up with a defined purpose and objectives. From the day-to-day tasks to the overall objectives for the future.

Everyone would feel like they were contributing and making a positive impact. Employees and leaders would feel engaged and part of the solution instead of part of the problem. Imagine if everyone felt a sense of pride in their work and experienced individual ownership and accountability. Imagine everyone connected with that clarity of purpose. Imagine how much happier everyone could be and how much more inviting your corporate culture would be.

Imagine your leaders and managers are free to focus on the big picture, empowering their employees to be creative and do the work they love because they love the work they're doing. Leaders can only do that by providing clarity. That's their whole purpose.

Imagine how customer relationships improve as the customers can see and are drawn to your organization because its goals are clearly defined. Imagine how much easier it is for customers to hire you because your purpose is aligned with what they are seeking. Customers see the passion employees have for the organization and decide to work with the organization and they have confidence that they are working with the right company.

## **HOW OKRS HELP CREATE AND EMBED PURPOSE WITHIN ORGANIZATIONS**

Nizar and I founded OKR Cohort to help businesses of every size get their people purposefully aligned to function more productively and efficiently. OKR stands for Objective and Key Results. It is a lightweight goal-setting framework that bridges strategy to execution. It creates transparency and alignment

across large and small organizations and helps organizations to deliver the right products and services on time.

Business leaders hire OKR Cohort to help shift the focus of their organizations from being tasks-, or activities-oriented, to an outcome orientation that embeds purpose in day-to-day work. This gets everyone focused on doing the right things and delivering the right products and services at the right time. So, bottom line, with OKRs we help organizations get the right stuff done which helps everyone throughout the organization feel great about their work.

## **TRANSPARENCY IS KEY!**

OKRs help by providing visibility into how the work contributes to an organization's vision and mission, and then ultimately builds that connectedness from work to purpose. So OKRs are one slice and what we see a lot is that organizations have the vision, they have the mission, but they don't have the connective tissue. So the first and most important thing we talk about is transparency in the organization.

Most organizations have trouble finding a way to connect their mission and vision to the work that people do so that they understand the purpose of their work. There are five key components that need to be connected closely to have a value-driven and outcome-focused organization.

## THE FIVE KEY COMPONENTS

1. I always think of an organization's guiding principles as the heart. **Guiding principles** create a team identity. They establish a shared understanding on how everyone will work together within and across teams. They help establish shared team responsibility. And individual self-awareness on expected behaviors to create a positive work environment overall. They are the baseline of team evolution and improvement. The guiding principles are expressed in the mission and vision which maps out how, as an organization we are going to go down this defined road together. The mission and vision establish that we are on the same page/path, and that we are going down the right road.
2. Next are the **Strategic Pillars and Intent**. These are the end results that the organization plans to achieve. It's like that big summary that gets created in the boardroom, shared with the board, but not always passed down throughout the organization. The strategic pillars and intent are the longer-term destination that the organization is going after, while OKRs are the shorter-term outcomes that put the organization on track to achieve those strategic pillars. They're the next right outcomes for the quarter or for the year that will begin or continue to show how the organization is accomplishing its strategic pillars.
3. Sometimes, once a **Strategic Plan** is created, leaders consider it to be set in stone, and that there's no changing it. But the reality is that the Strategic Plan is a hypothesis of what you plan to



accomplish and how your organization is going to get there. Your OKRs, by creating them and reviewing them quarterly, give you an opportunity to really break that Strategic Plan down into chunks so that you can test the previously established hypothesis each quarter and make shifts as necessary to keep you on track for where you need to go when changes come at you sideways. The OKRs allow the organization to stay focused on high value work via continuous prioritization.

4. The next piece is the **initiatives in the work** – and I say initiatives in the work because initiatives and work sound like and really can be two very separate components. So first, the work is amazing for employees. It enables the teams to really understand what needs to be done to achieve the outcomes by making that work transparent, balancing capacity and demand, and identifying where bottlenecks lie. This is the element that then connects the purpose. It's transparent. Employees understand how it connects to the OKRs. They understand how they're embedding the guiding principles in the work. They understand the strategic pillars and the vision and mission that helps them see how their work ties up there with meaning and purpose.

What I've noticed in OKR creation sessions is that leaders and team members quickly identify gaps or areas where there's chunks of work that isn't necessarily on a team's plate. When that happens, the organization can intentionally create initiatives and teams to go after and close those gaps. This keeps the company on track for accomplishing their Objective and Key Results and their strategic pillars.

5. Lastly, we see **OKRs being embedded in daily communications** in the companies we work with. Organizations celebrate their wins and begin talking about what they are learning. When your strategy is a hypothesis of where you need to be and how you're going to get there, by celebrating regularly in your communications, whether it's newsletters, meetings, town halls, whatever, you are making OKRs part of your organization's DNA. Everybody continues to see that connection of their work to strategy and that is really where the purpose continues to come in and be reinforced. You start to see and experience vertical and horizontal alignment.

As you continue to do this, you've got to build into the organization operating focus around OKRs. So having this transparency in these five components is critical, but then you start looking at how OKRs guide your daily, weekly, monthly, and quarterly prioritization and focus. This continues to evolve and keep you on track for those strategic pillars. It's not a set and forget activity, which is a very important point. So many goal-setting frameworks are set-and-forget. That's not necessarily what the builders of the framework intended. It's just how things happen. But with OKRs, because you're "operationalizing" them, you're embedding them in your meetings. You're embedding them in your agile practices. OKRs are completely integrated in how you work so that operationalization happens, and we see that working really well.

## HOW OKR COHORT HAS HELPED COMPANIES GET BACK ON TRACK

In 2010, OKR Cohort was hired by one of the biggest Telecom companies in Canada. I was working on helping them make a major digital transformation. What I found lacking was the leaders were not providing guidance to their employees and had them delivering features without giving them a context. We recommended that they put the transformation on a complete pause for a couple of weeks. We suggested they bring everyone together to create alignment.

The leaders and the entire team gathered in a room, and we had a deep dive conversation to gain understanding on the purpose and vision and what was driving the guiding principles for transformation. We defined five key OKRs and aligned capabilities and features that were required to be developed. In the end, we were able to complete the digital transformation within two years. This same company had tried several times in the past and burned through millions of dollars attempting to make that transformation.

Another example I like to share is with leaders involved in a company I had been working with for a while. Three weeks before the end of the fiscal year, a lot of work had already been done based on the strategic plan that had been written. At that late date, we realized that the hypothesis of the strategic plan that had been written was off market strategy. It wasn't leveraging some great resources the organization had. Everyone realized nothing was set in stone and even though we

were supposed to be working on OKRs, we were able to clarify a new direction. We were able to clarify what the go-to-market strategy was and what the messaging around it should be. We got all the leaders on the same page, and they were able to go out and work with their teams to set that next level, or level two OKRs aligned to that new strategy. And each second level leader used those OKRs in their sessions over the next few weeks and literally within six weeks – so three weeks into the new fiscal year, we had shifted this entire product organization to this new go-to-market strategy. This had a huge impact on all the company’s product roadmaps. So, within that first 90 days of the new year, we accomplished things that customers in that segment had been begging for six weeks and were able to shift 5800 people to be on the same page leveraging the OKR framework. It was impactful and kind of game-changing!

## **LET’S HAVE A CONVERSATION AND GET YOUR ORGANIZATION ALIGNED**

You can start by making little shifts in your organization and using this information I’ve provided to try OKRs out on your own. But, even better, just reach out to me and Nizar. Let’s have a conversation so we can help you intentionally connect the dots, let’s see how to help you move forward. The fact is that every circumstance is unique. OKRs are unique to every business and every situation. If you go to our website, you can easily grab some time on our calendar, and we can discover your unique challenges and better help you get moving in the right direction. It’s as easy as clicking here:

**[OKRCOHORT.COM/CONNECT](https://okrcohort.com/connect)**

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

### DENISE KANFIELD



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.