



COACHING AND MANAGING WITH OBJECTIVES AND KEY RESULTS

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This whitepaper is targeted at professionals, managers, and coaches with some basic knowledge of the Objectives and Key Results (OKR) methodology who seek a deeper understanding of how and why it works - and how to make it work in their organization.

Objectives and Key Results, “OKR,” is far more than a goal or task management framework. Done right, OKRs focus and drive the organization’s most important strategic objectives. They also inspire individuals to test themselves and tackle their own most important personal objectives. The cadence and frequent team updates help bond team members, and provide a reminder of how their work fits into the company strategy.

Who Benefits from the OKR Framework and Process

Rapidly growing tech companies like Alphabet and Twitter swear by them – and they are just as effective with more traditional businesses, large and small. Entrepreneurs and others who are accountable for results benefit greatly with an effective implementation.



What are the Benefits of the OKR System?

The Typical Benefits are:

- Focus
- Clear metrics
- Alignment
- Engagement
- Discipline thinking
- Accurate communication
- Accountability



However, the list of benefits is deceptive. With no guidance or coaching, the adoption of OKR’s often results in predictable problems

Predictable Problems: It’s seductive to think the OKR framework – or OKR software alone – will create individual and team behaviors and drive alignment, accountability, or ownership. Without preparation and guidance, however, I see less leadership and less demand to learn and improve personal effectiveness. Instead, I observe more reliance on the process itself.

Why Do OKR's Work?

"An effective OKR implementation creates a cascade of symbiotic behaviors, by taking advantage of our natural biases."

It's not that OKRs is an inherently transformative solution, they are effective because of what Andy Grove found, by trial and error, as the CEO of Intel driving innovation and 4,400% growth to \$200Bⁱ.

The OKR process introduces transparency and visibility, which interact and trigger the **Availability Bias**. By being visible and conspicuous (available) the specific Objectives and Key Results stay top of mind and keep the main thing the main thing, which in-turn drives **focus** and **engagement**.

The Availability Bias (or heuristic) is a mental shortcut that relies on examples that come to mind first when evaluating a plan of action or decision. These easily available examples influence our decisions.

As focus and transparency interact they elicit **accountability** and **discipline** – again, because it is public, transparent and top of mind it gets done. Also the public transparency sets up a natural competitive tension which tends to motivate. This also drives trust and psychological safety, since team members know what is expected of them and others.

Focus and transparency working together also compel **clarity**, and this is where a good software program dedicated to the OKR process is very effective. (I review OKR Software in my blog).

What biases do OKRs overcome?

Dr. Grove also understood those aspects of human behavior which predictably derailed success. The 90-day cycle of the OKRs is designed to counter-act two particularly deleterious biases. The first bias is often called the **Planning Fallacy**ⁱⁱ. It leads us to believe what we want to believe, when setting budgets, revenue goals and timelines. With home renovations, for example, we believe the job will cost less and be completed sooner, even though multiple studies show that home renovations are predictably underestimated.

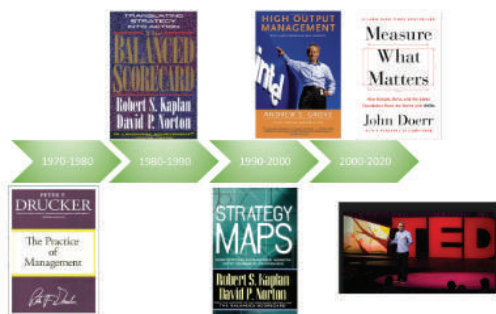
The other bias which derails us is called the **Optimism Bias**ⁱⁱⁱ. While the Planning Fallacy is most dangerous around initial planning and goal setting, the Optimism Bias exists constantly and can derail a project at any time. C.N. Parkinson was addressing this bias when he wrote – and named – "**Parkinson Law**" which essentially says that "work expands to fill the time available for its completion."^{iv} Grove used this insight to reduce the "time available" from the traditional 12-month project time frame to 3 months.

"It turns out Andy Grove was able to spot patterns in behavior which produced the best results. These behaviors correspond to the natural human biases we all possess. Dr. Grove leverages our natural tendencies, so we work in accord with human nature. This is, coincidentally, the code of the ancient Stoic philosophers."

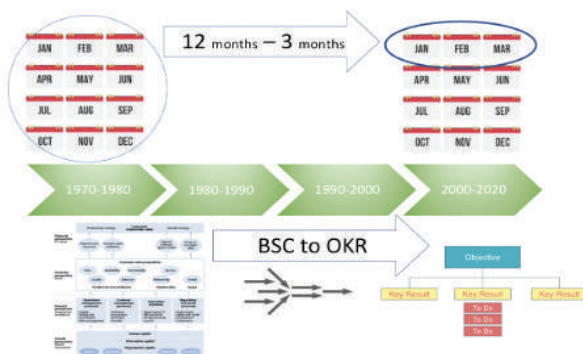
What is the Best Way to Introduce OKRs?

This is perhaps the most important question, one which is almost always overlooked to some degree. The most common errors occur when OKRs are “dropped” into an existing system without some pre-work connecting the process to the existing strategy.

The pre-work includes a review of the company’s strategy, the target customer and the key strategic objectives – which leverage the company’s value proposition. The OKRs grew and evolved from robust roots at the Harvard Business School, as shown below^V.



While OKRs have replaced the Balanced Scorecard, the Strategy Map is still a valuable document and process.



It’s valuable because it reveals the key strategic objectives. It is from these objectives that the additional objectives (the “O’s” in the OKR) can be developed and aligned.

Coaching and OKRs

First, I want to talk a little bit about coaching in business. I've been coaching and managing for many years and I've seen a split in the way coaching is done. One path of coaching grew from the self-help and personal development industry. A lot of what is labeled leadership coaching is self-help or motivation - which isn't bad. An important part of coaching is knowing how and when to focus on motivation. The other path was through the more traditional application of coaching still used today in many professions like medicine, sports, the arts, and entertainment. Coaching evolved as someone with more experience, knowledge and skill trained an individual or team to improve or to work better together to improve outcomes and win. It also grew from the craftsman model – where the master would train someone coming up.

Tips for an OKR Coach

TIP 1 - Build an internal coaching competency. I have found the best coaches come from within an organization, those men and women with unique industry and professional expertise. As a coach, my job is to build a coaching competency into an organization – not create one dependent on external coaches.

TIP 2 - Use 1:1 coaching to connect with everyone and create real alignment. Because team alignment is so important, 1:1 coaching with each team member is essential for helping the team stay aligned. Individuals often withhold issues in team meetings for a number of reasons. Withholding issues leads to resentments, mistrust and safety issues – which ultimately devolves into isolation,

misalignment, and poor results. 1:1 coaching, even in brief sessions, is the most effective way to help every member of the team feel heard and connected, with an understanding of the expectations of their role.

TIP 3 - Use 1:1 coaching as an opportunity to train and up-skill. It is during the execution of key results that individuals are pushed to their personal limits, exposing weaknesses and gaps in their skill or knowledge. This is where internal 1:1 coaching can make an enormous difference as a way to train and improve the competency of an individual. Coaching in this more traditional sense involves some teaching and training and the coaches best suited for this are often internal.

OKR coaching advice

Use the OKR process as a way to align your team's objectives with those of the organization or division. While OKRs need not be cascaded, they are a very powerful way to vector power and important results to the organization.

OKRs provide an excellent way to get more connected to each team member. As a leader and coach you can use the OKRs to demonstrate your willingness to help and support each team member.

If you are considering using OKRs, I strongly recommend you talk with people who have introduced them, and are currently working with OKRs.

If you want to learn more about coaching with OKRs and how I can help, please book a free introductory call using the button below, and let's talk!

BOOK A FREE INTRODUCTORY CALL

For more on OKRs and expert coaching, visit <https://www.brucerdorey.com/services/coaching-objective-and-key-results/>



Bruce R. Dorey is a trusted advisor and coach. A mechanical engineer at heart, he also holds an MBA and a PhD. He was an SVP of Strategy for a Fortune 100 company and a successful entrepreneur, and is the author of the top selling book on coaching in business, **LIFT: The Nature & Craft of Expert Coaching**.

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- i Market Capitalization 1998
 - ii Daniel Kahneman, Thinking Fast and Slow (New York: Farrar, Straus and Giroux), 2011, PP 137-140.
 - iii Tali Sharot, Vintage Books, Random House, New York June 2012, PP 40-58
 - iv Parkinson, Cyril Northcote. "Parkinson's Law." The Economist. The Economist Newspaper, 19 November 1955. Web. 14 April 2015.
 - v Peter Drucker, Robert Kaplan, and David Norton all taught at the Harvard Business School, and wrote best-selling business strategy books, considered to be among the most influential in the 20th and 21st centuries.