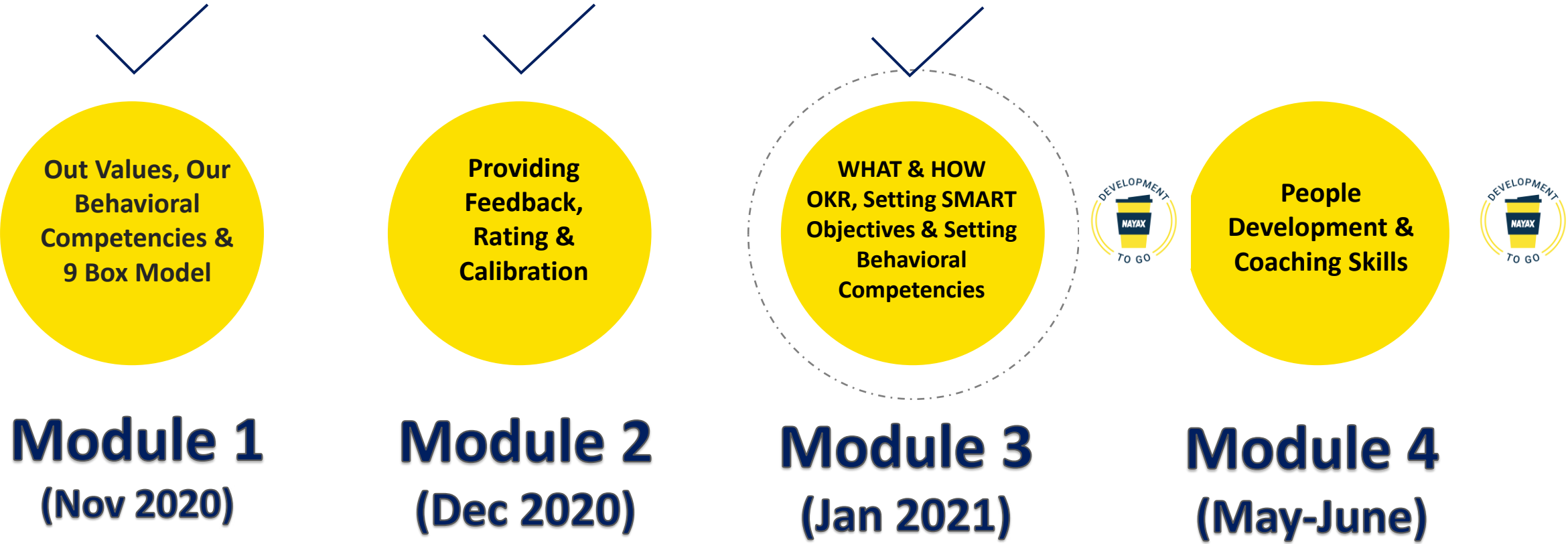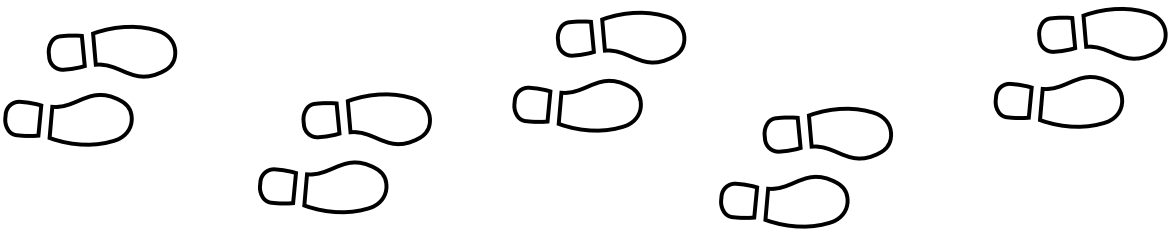# Agenda

10 Min	Re cap & Setting Expectations
60 Min	Setting the "What" OKR & SMART Objectives
10 Min	Coffee Break
40 Min	Setting the "How" Selecting the Right Competencies

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Re Cap & Setting Expectations

Our Learning Journey

Out Values, Our Behavioral Competencies & 9 Box Model

Module 1
(Nov 2020)

Providing Feedback, Rating & Calibration

Module 2
(Dec 2020)

WHAT & HOW OKR, Setting SMART Objectives & Setting Behavioral Competencies

Module 3
(Jan 2021)

People Development & Coaching Skills

Module 4
(May-June)

Your Point of View

Now that you have completed your performance review for 2020, share your inputs and your learnings towards setting the "WHAT & HOW" for 2021.

Relate to the following:

- ✓ Why is it important to set clear and measurable Objectives, the "What"?
- ✓ What do we achieve by focusing on Behavioral Competencies, the "HOW"?
- ✓ How well are we setting objectives today?
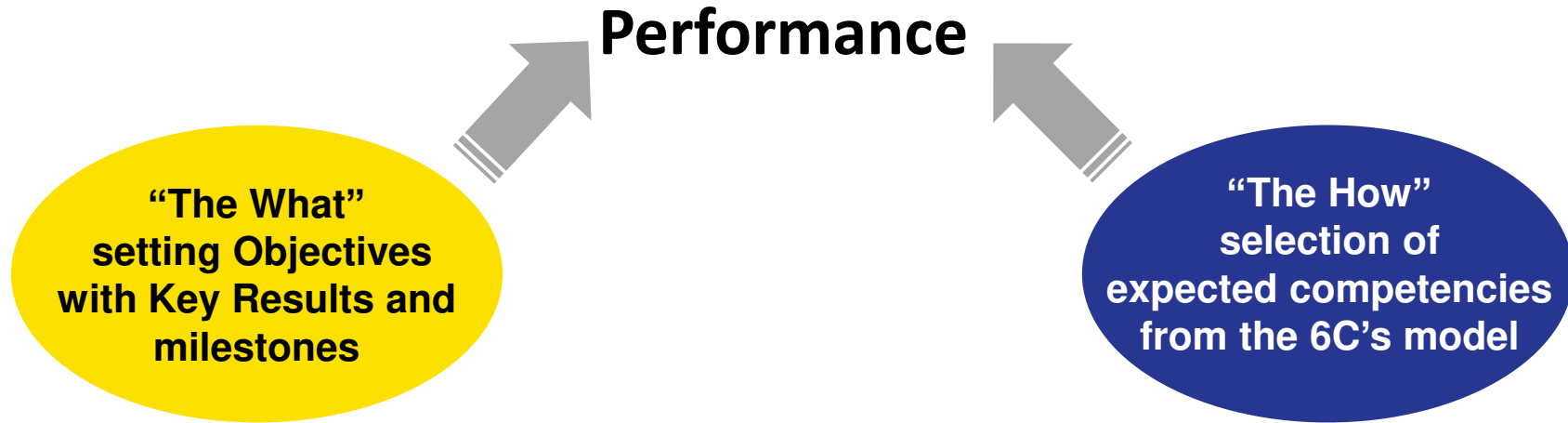- ✓ What are your expectations from the training?

What are your expectations from the training?

- "To understand the OKR model and how to set SMART objectives, to hear best practices, to better understand how to define behaviors".

- "Enhanced awareness of the behavioral competencies"

- "To make the goal setting frictionless and measurable by minimizing bureaucracy to the absolute minimum"

How well are we setting objectives today?

- "Not so well. For 2020 I realized that employees were setting their own objectives while the managers sometimes set other objectives. Some objective"

- "Very poorly - mainly due to the dynamic environment. when company objectives change dramatically, personal objectives change with them, leading to obsolescence"

- "60% well - can be improved"

- "Well enough"

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Reminder: setting up the What & How

Performance

"The What"
setting Objectives
with Key Results and
milestones

"The How"
selection of
expected competencies
from the 6C's model

How things are to be accomplished supports **What** must be accomplished.

Setting up objectives for the « **The What** » and « **The How** » is a key step in order to:
- ✓ Agree with the employee on a setting of his/her Objectives for the upcoming year
- ✓ Align each employee's objectives on the department objectives
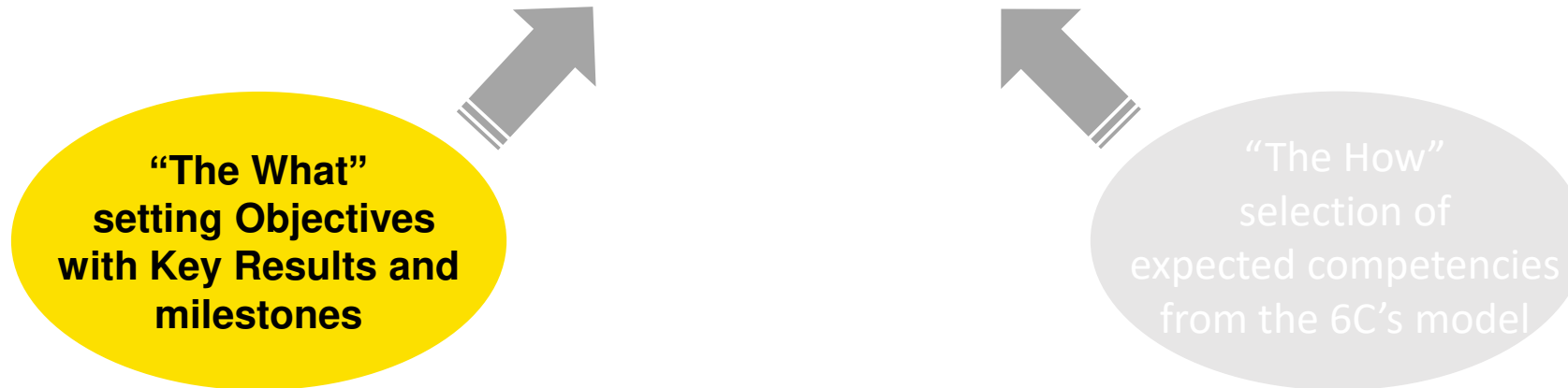- ✓ Build the basis for Performance measuring and tracking all over the year

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Setting the "What"

OKR & SMART Objectives

Reminder: setting up the What & How

Performance

**"The What"
setting Objectives
with Key Results and
milestones**

"The How"
selection of
expected competencies
from the 6C's model

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Why Manage by Objectives?

Think of the waste from the countless decisions made every day which could have been made better if the desired objectives had been more apparent to the decision-maker.

Research and development money is sometimes spent on projects which are later abandoned because they are inconsistent with broader corporate objectives

Douglas McGregor's "Theory Y" stress the importance of integrating the objectives of the individual with the objectives of the organization.

Unless we have a purpose there is no reason why individuals should try to cooperate together at all or why anyone should try to organize them.
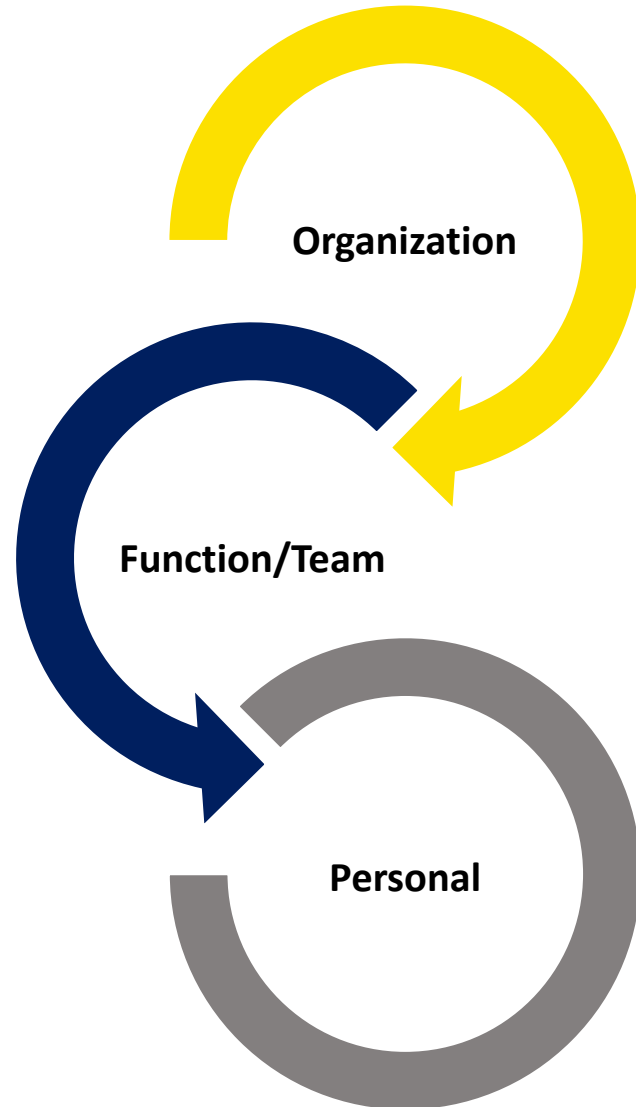
Many a company is in trouble because objectives are not properly related to profit objectives.

HBR, "The Hierarchy of Objectives"

What is OKR?

What is OKR?

OKR (Objectives and Key Results) is a goal system that creates alignment and engagement around measurable objectives, starting from the vision and strategy of the organization, through department and individual objectives.

Organization

Function/Team

Personal

Difference between KPI's and OKR's?

If your key results and key performance indicators start to sound similar, that's ok. Just remember that one's an outcome (KR) and the other a measurement (KPI).

Key Results - Increase headcount by 45 percent

Key Performance e Indicator – Count the number of employees hired each month compared to target

OKR origins

Andry Grove develops the OKR methodology to introduce measurable goal setting at Intel.

From his time at Intel, John Doerr introduces OKRs to Larry and Sergey at Google.

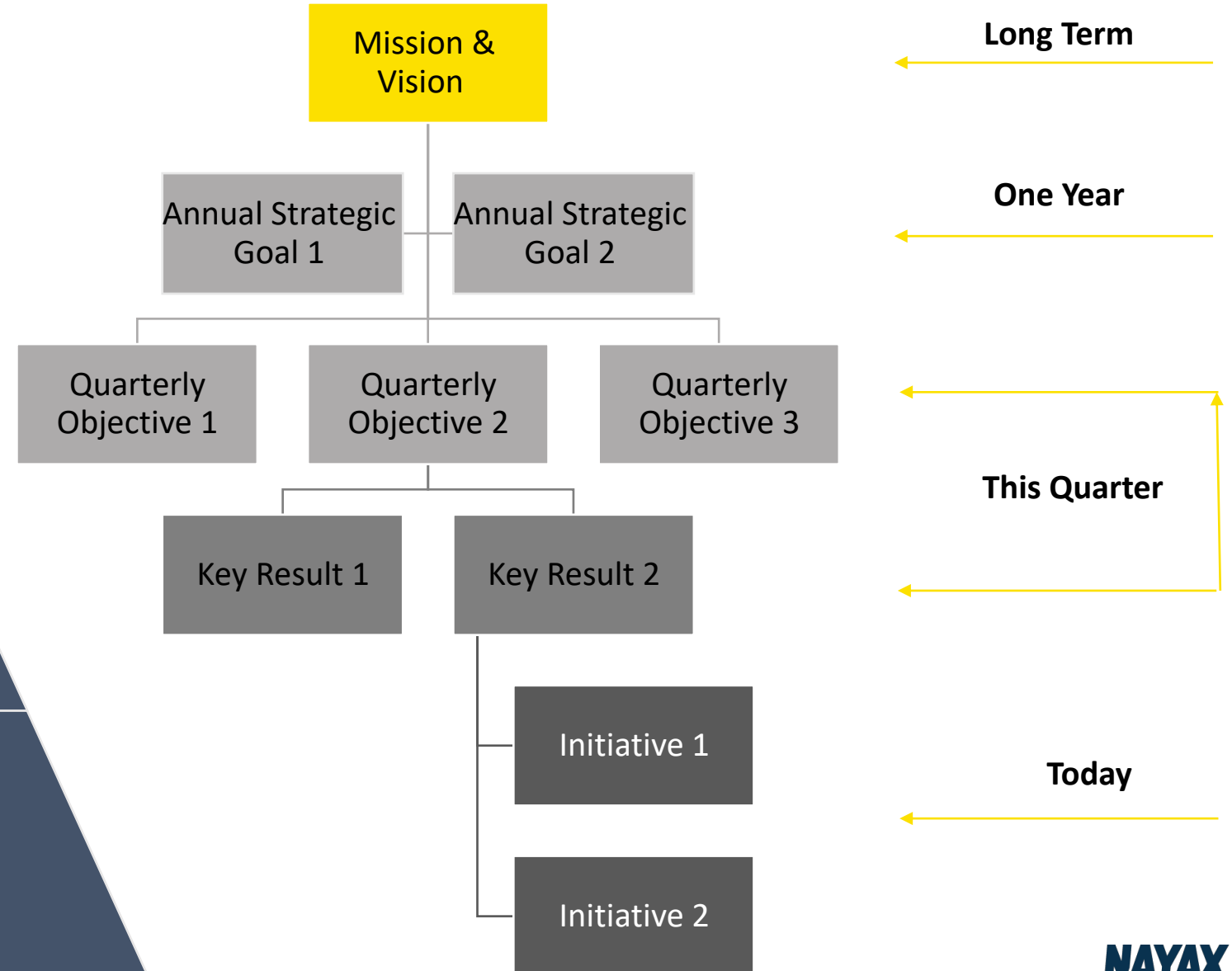Over the next near two decades, Google leverages OKRs to align the company and set measurable objectives.

OKRs are now used by many thousands of organisations around the wolrd across many sectors.

| 1970s | 1999 | 2000-2018 | Today |

OKRs Framework

The Anatomy of OKR

Objective

"Where do I need to go?"

Objective are statements that inspire and set direction.

Key Results

"How do I know I'm getting there?"

Key Results measure progress toward an Objective.

Initiatives

"What will I do to get there?"

Initiatives describe the work required to drive progress on Key Results.

So Why OKR?

"So that both managers and employees will be on the same page as to what their goals are and that these goals would be transparent, achievable and measurable".

"To align with the company's goals"

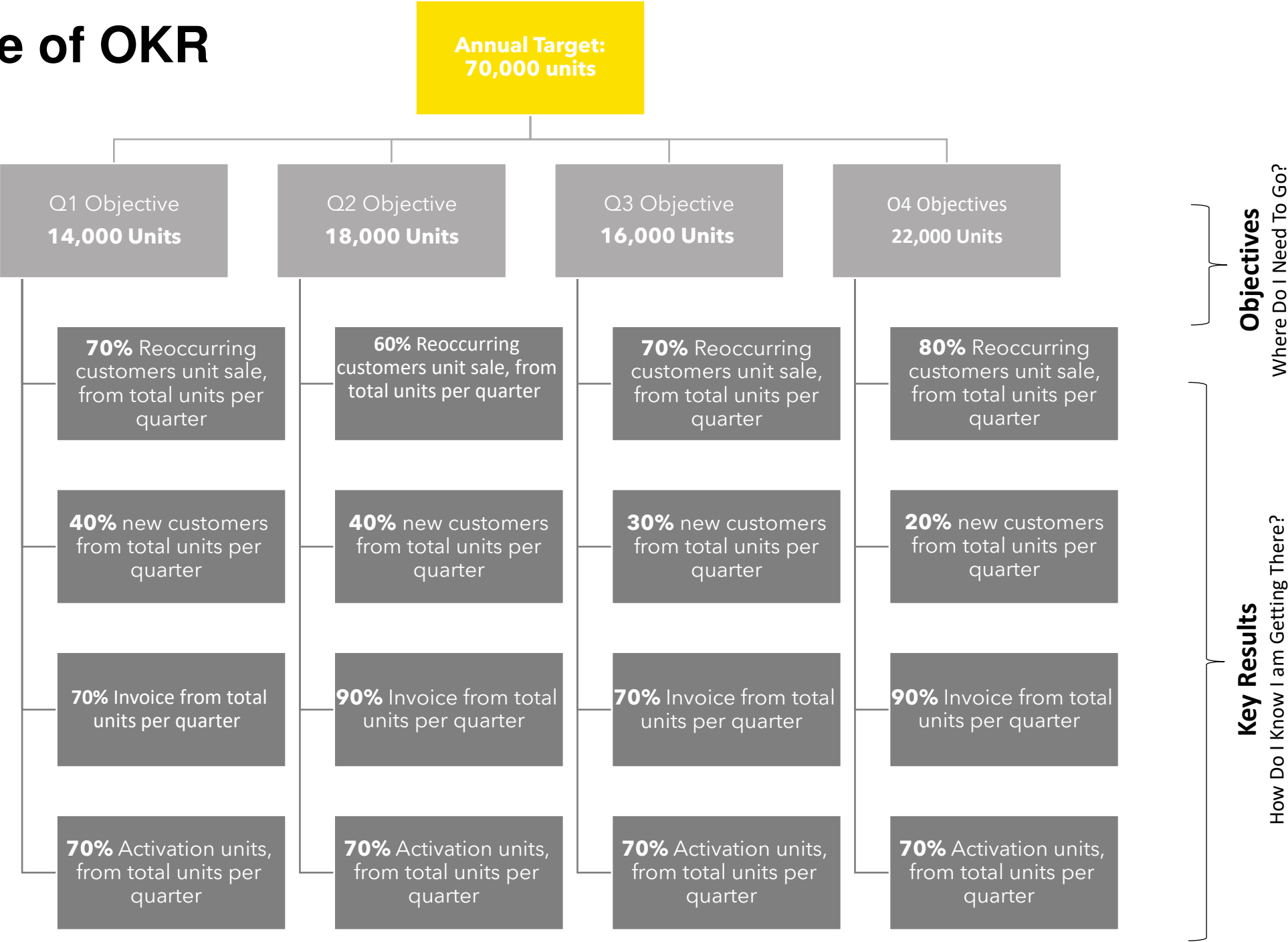**Transparency**

Focus

Alignment

Engagement

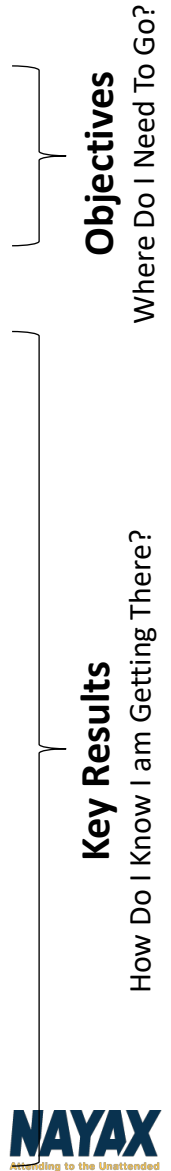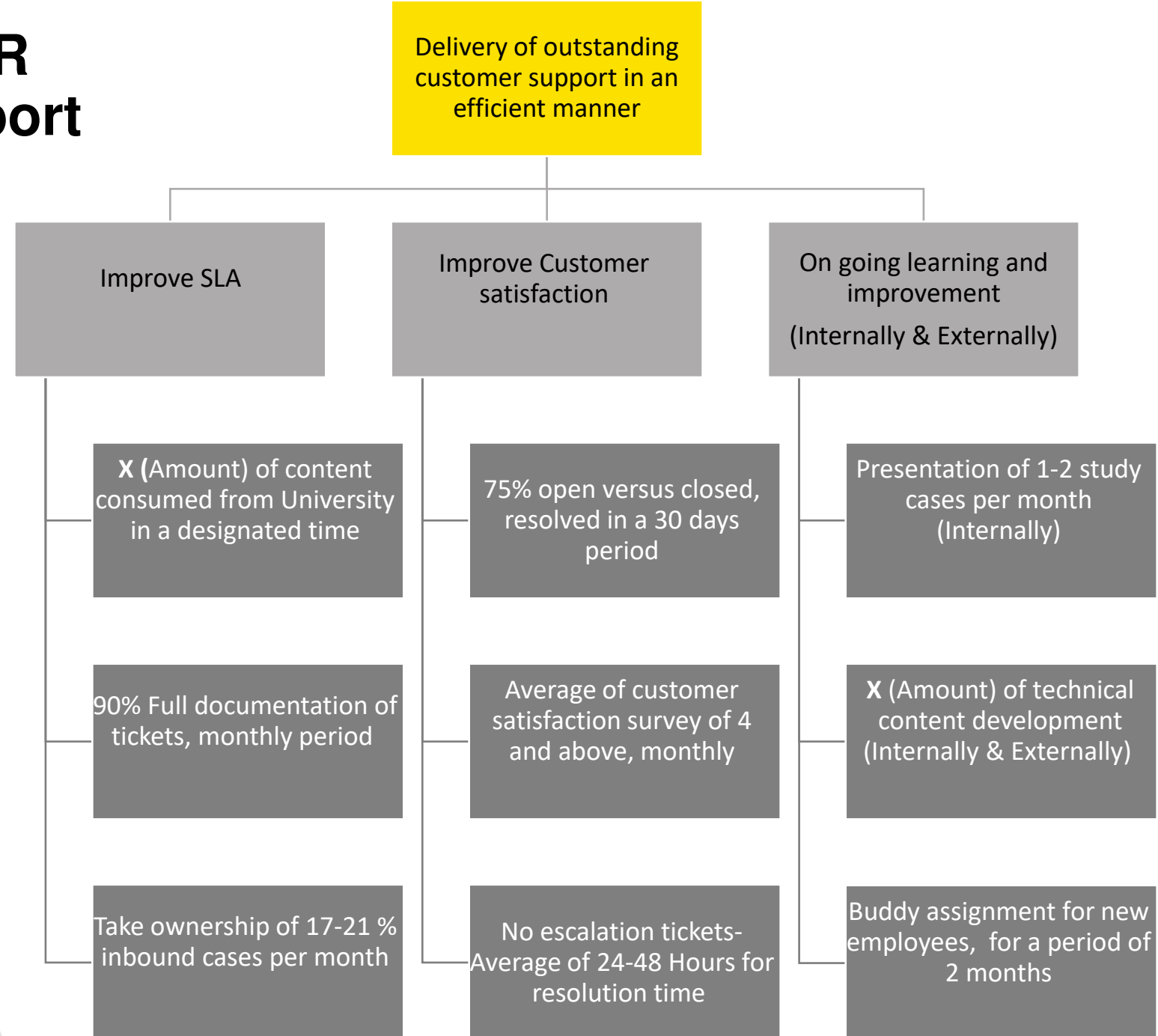"It allows us to focus on what is important and to understand what is needed to achieve it".

"It leads to cooperation and to a better chance to success."

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Example of OKR Sales

Annual Target: 70,000 units

Q1 Objective 14,000 Units	Q2 Objective 18,000 Units	Q3 Objective 16,000 Units	O4 Objectives 22,000 Units
70% Reoccurring customers unit sale, from total units per quarter	**60%** Reoccurring customers unit sale, from total units per quarter	**70%** Reoccurring customers unit sale, from total units per quarter	**80%** Reoccurring customers unit sale, from total units per quarter
40% new customers from total units per quarter	**40%** new customers from total units per quarter	**30%** new customers from total units per quarter	**20%** new customers from total units per quarter
70% Invoice from total units per quarter	**90%** Invoice from total units per quarter	**70%** Invoice from total units per quarter	**90%** Invoice from total units per quarter
70% Activation units, from total units per quarter	**70%** Activation units, from total units per quarter	**70%** Activation units, from total units per quarter	**70%** Activation units, from total units per quarter

Objectives
Where Do I Need To Go?

Key Results
How Do I Know I am Getting There?

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Example of OKR Customer Support

Pyramid (left):
- Mission & Vision
- Strategic Goals
- Objectives
- Initiatives / Tasks

Delivery of outstanding customer support in an efficient manner

Objectives — Where Do I Need To Go?

Improve SLA	Improve Customer satisfaction	On going learning and improvement (Internally & Externally)

Key Results — How Do I Know I am Getting There?

X (Amount) of content consumed from University in a designated time	75% open versus closed, resolved in a 30 days period	Presentation of 1-2 study cases per month (Internally)
90% Full documentation of tickets, monthly period	Average of customer satisfaction survey of 4 and above, monthly	X (Amount) of technical content development (Internally & Externally)
Take ownership of 17-21 % inbound cases per month	No escalation tickets- Average of 24-48 Hours for resolution time	Buddy assignment for new employees, for a period of 2 months

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Example of OKR HR

Example of OKR Engine

SMART

Mission & Vision

Strategic Goals

Objectives

Initiatives / Tasks

Implement new integration and support existing integrations

Increase reliable deployment

Improve Customer satisfaction

Increase Content delivery

Objectives
Where Do I Need To Go?

Minimum of x (Number) of support tickets a week after deploying

Rational between Completed to committed story points in sprint, lower then 10%

Developer will resolve 2-3 tickets per week

Minimum of **Y** (Number) of post deploy issues detected internally, day after deploying

Increase by X fast track items during the sprint

QA will resolve 5-10 items per week)

Automation will resolve 2-3 tickets per week

Key Results
How Do I Know I am Getting There?

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Golden Rules to Write S.M.A.R.T Objectives (Key Results)

Specific
- Is the desired achievement clearly described?
- Is it specific?
- How will the key results lead to the expected objective?

Measurable
- What are the quantifiable or qualifiable measures?
- What data can be used to measure the key results?
- Am I measuring the outcome that drives business results (affects customers behavior), or just the effort?

Achievable
- Is it challenging enough?
- Is it realistically achievable?
- Do I have the needed resources?
- Can it be done in the proposed time frame?

Relevant
- How do the objectives and key results drive strategic goals? Department goals?
- How does these objectives & key results contribute to my team/department's objectives?
- Is the impact and benefits of the key results clear?

Time-Bound
- When should these key results be accomplished?
- Are there any key milestones with target dates for completion?
- When we will review the progress?

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SMART Key Result Example

Specific

Measurable

Take ownership of 17-21 % inbound cases per month

Achievable

Relevant
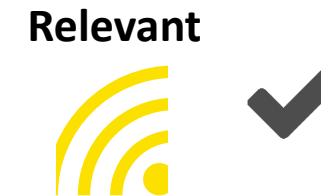
Time-Bound

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1st Exercise- OKR & SMART – 20 Min

The objective of the exercise is for you to define your objectives and key results according to OKR & SMART

models

1. You will be divided to pairs and work in breakout rooms

2. Individually, define one objective for you for this year and 2-3 key results derived from this objective, according to the OKR and SMART objectives you have just learned. Assist with the performance management guidebook -**5 Min**

3. Challenge each other via the SMART questions: Make sure the key results are according to the SMART method **- 15 Min**

Exercise 1 – Re Cap on the WHAT

Share your experience, what worked well and what didn't?

Optimal Zone of Difficulty

JamesClear.com
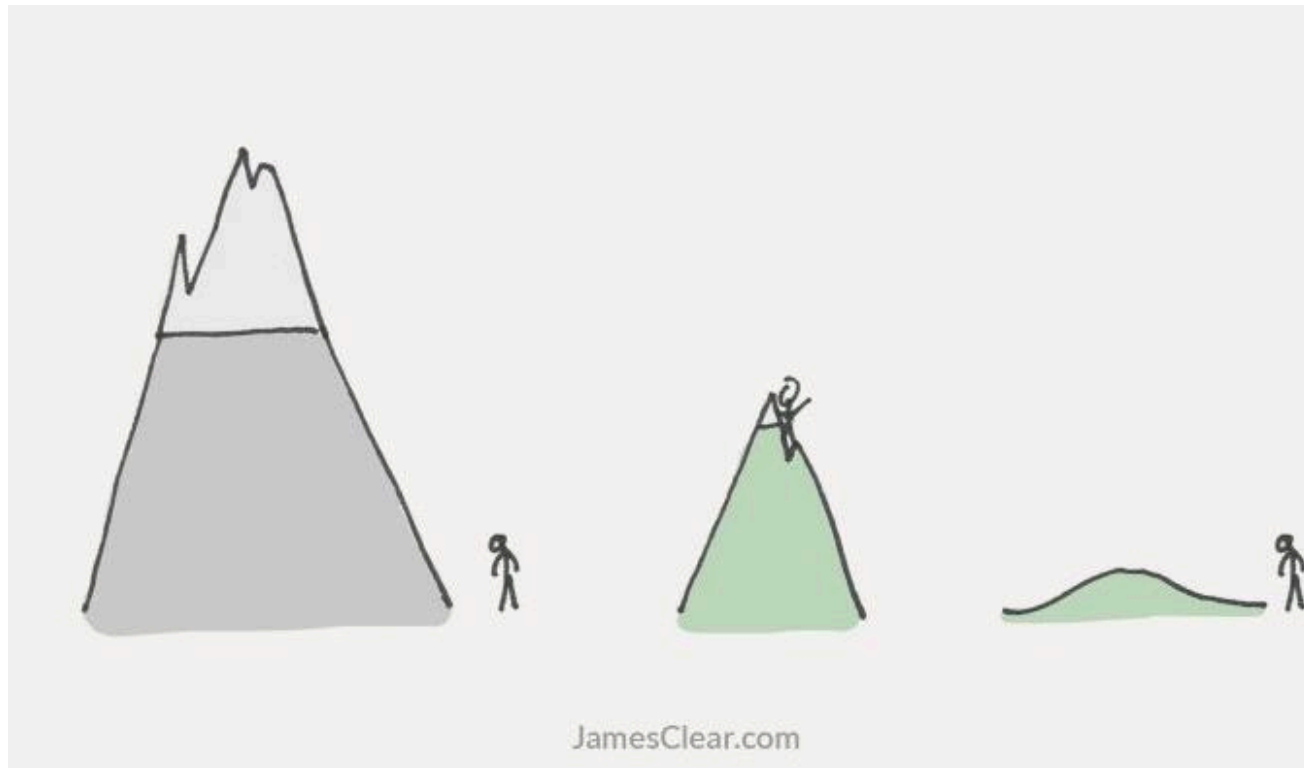
The human brain loves a challenge, but only if it is within an optimal zone of difficulty.

Humans experience peaks motivation when working on tasks that are right on the edge of their current abilities. Not too hard. Not too easy. Just right

Objectives- bob form

The "What" we do

Define your objectives and KR's

| | More info | ⌄ |

	Objective Details	Objective Weight	KR's	Target Date
1.	Improve SLA Type answer	30%	1. **X (**Amount) of content consumed from University in a designated time 2. 90% Full documentation of tickets, monthly period 3. Take ownership of 17-21 % inbound cases per month	Please select
2.	Type answer	Please select	Type answer	Please select
3.	Type answer	Please select	Type answer	Please select
4.	Type answer	Please select	Type answer	Please select
5.				

Setting the "How"

Selecting the Right

Competencies

Reminder: setting up the What & How

Performance

"The What"
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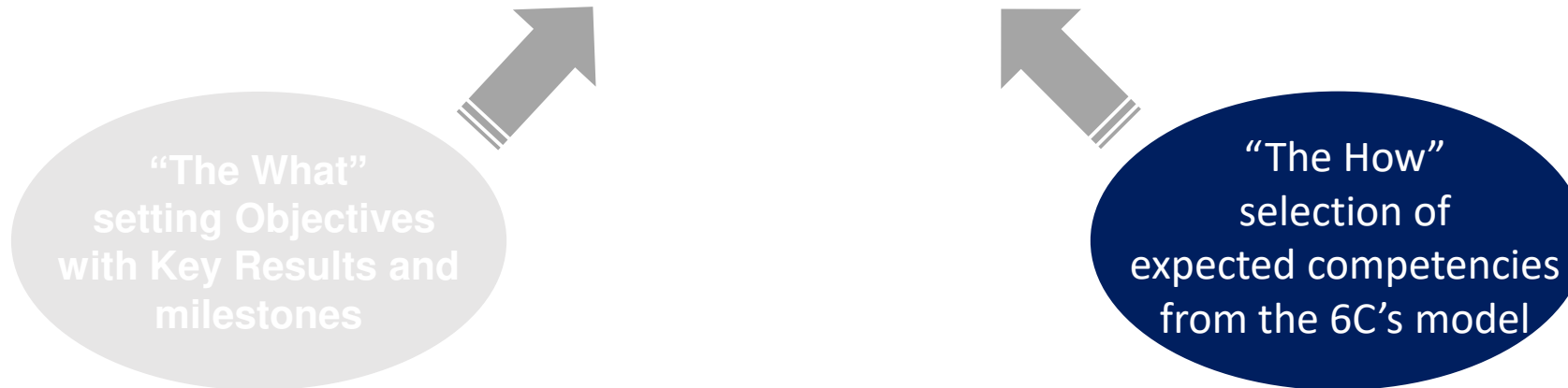
What Do We Achieve By Focusing on Behavioral Competencies , "HOW"?

"The how is important for sustainability - we can't achieve objectives if our behaviors are counterproductive"

"A skill set to enable us to meet objectives"

"That the goals set are achieved within company defines parameters and values"

"Some goals are less measurable in numbers but more ,measurable in "how". In addition, the "how" is as important as the "what" to encourage positive atmosphere (internally and externally) as well as cultivate a good company culture which allows for fast growth in today's economy."

The cake analogy

Why are competencies key to deliver performance?

Two cooks are in a friend's kitchen, it is the first time they have used that kitchen and they want to bake a cake for dinner for their friends and family.

Their priority is then: bake a cake, by tonight, by choosing the recipe, using an unknown kitchen and purchasing the ingredients.

The two cooks bake the cake in two different ways.

Identify which competencies the cooks used, and how they applied them, to achieve the result.

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Why are Competencies Key to Deliver Performance? "The Cake Analogy"

Cook #1:

- Assumes everybody loves chocolate, he will bake a chocolate cake

- He finds recipe in a book found on a shelf in the house

- He buys all the ingredients at first, in the same place

- He mixes them all together at the same time

- He keeps the cake in the oven for one hour, as it is written on the recipe

Result: Slightly overcooked cake, with lumps for dessert at dinner. But still a cake.

What competencies were needed to achieve the result? Did the cook apply them in the right way?

Why are Competencies Key to Deliver Performance? "The Cake Analogy"

Cook #2:

- Asks friends and family about their favorite cake: chocolate cake

- Seeks advice from others to find the best chocolate cake recipe

- Carefully selects the ingredients, looking for the best value for money

- Slowly melts the chocolate with the butter, in a water-bath

- When chocolate is melted, adds the sugar and then the flour, in stages to avoid lumps

- Bakes it in the oven, checking progress with a knife every 10 minutes

Result: Tasty cake, good texture on the outside and melting inside, for dessert at dinner

What competencies were needed to achieve the result? Did the cook apply them in the right way?

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Why are Competencies Key to Deliver Performance? "The Cake Analogy"

- In both cases, the priority is met: "bake a cake, by tonight, by choosing the recipe, using an unknown kitchen and purchasing the ingredients".

- What changes is "the How", the competencies mobilized in order to bake the cake. Performance is clearly better in the 2nd case, not only because the cake is better, but also because it perfectly suits customers' taste and is cheaper to produce than the 1st cake.

- By mobilizing the right competencies at the right moment, a better performance is achieved: better result with less expensive resources.

Operational Guide for Selecting Competencies

01
Ask employees to prioritize the competencies they consider important for their job over the coming year. Take their view into account.

02
List the employee's job activities / requirements

03
Review the employee's priorities (the What)

04
Consider any evolutions to their role requirements in the coming year:
e.g.: new technologies, involvement in a project,…

05
Identify the behaviors that will help the employee deliver the expected results (the What) during the coming year

06
Consider to which competencies those behaviors are related. You may select 2,3,4,… competencies from the 6C's

07
Communicate selected competencies to your direct report:

- explain how you selected them
- ask her/him to repeat what she/he understood from each competency
- ask for examples of behaviors related to that competency
- Make sure you are on the same page by stating clearly to what extent you expect the employee to develop or to apply the competency

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Sample questions to ask yourself when selecting competencies

In the previous year, which competencies did the employee apply well in delivering their results?

You may choose to select those competencies again. Encouraging the employee to reinforce the behaviors and seek to leverage the competency in order to maximize performance.

Can the employee achieve the objectives with the competencies he/she currently masters?

If not, focus on the gaps when selecting competencies.

You may also consider competencies which support the employee's aspirations & individual development plan

To which competencies are the desired behaviors linked? What could the employee do better?

List the behaviors he/she could improve.

Illustrate how that could improve, providing examples.

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Sample questions to ask yourself when selecting competencies

Which competencies need to be developed in the coming months because of a change in the job-related activities?

Consider job related activities that you anticipate may change in the near future

Is there a gap between what you expect from the employee's competencies and his/her current level?

If so, consider prioritizing fewer competencies., to create focus.

Clearly state the gap and expectation.

Reassure the employee by explaining how you will help their development.

2ND Exercise- Setting the "How" ,Selecting the Right Competencies– 15 Min

The Objective of this exercise is to identify the relevant 6C's competencies to Danny's and Noa's job

for 2021

1. In a few minutes you will be divided to groups and work in breakout rooms

2. Read the exercise

3. Discuss and prioritize which Behavioral Competencies both Noa & Danny should focus on to

deliver performance in 2021.

Meet Danny & Noa

You are Kate, Danny's and Noa's manager.

Both joined Nayax 2 years ago and are brand managers, responsible for the launch of Nayax's brands in the past year. Both have met their priorities for 2020, each achieving a 35% market share to their brand.

2021 Objective and KR:

To grow average market shares to 45 % for each brand by the end of 2021

Behavioral Competencies (How) in 2020:

- During the past year, Danny took full responsibility for his assignments. When facing a challenge, he worked to find a proper solution. One of things that he exceeded in was his continuance drive to think different and to find new ways of working that will improve his results.

- One of the feedbacks given from his peers was that Danny is working silo and doesn't take under consideration other opinions, including the customers and he relays more on his assumptions.

Behavioral Competencies (How) in 2020:

- During the past year, Noa took full responsibility for her assignments.

- Noa is focused on customers needs and tries to see different perspectives, including her teams, in order to deliver the best solution for the customer.

- However, Noa works with a structured plan and when facing a change, she finds it difficult to adjust accordingly. You've held several conversations with her during the year, but you saw little progress.

What are your main takeaways?

Thank you