

POLITECNICO DI MILANO



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SCUOLA DI INGEGNERIA INDUSTRIALE E DELL'INFORMAZIONE

Master of Science in Management Engineering

**Bridging the gap between people and strategy through a
shared vision: The central role of Objectives and Key Results**

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Abstract

In order for organizations to be adaptable and responsive in an environment characterized by turbulence and uncertainty, while also keeping their employees aligned and engaged, a shared vision is needed. While research on the benefits of shared vision is extensive, very little is known about how to create a shared vision. Over the past years, many digital companies among which Google and Intel have introduced a modern goal setting tool, called Objectives and Key Results, which has become increasingly popular as a result of its impact on organizational performance and alignment. The purpose of the thesis is to discover how the OKRs methodology can contribute to the creation of a shared vision. A qualitative study has been carried out using 10 semi-structured interviews. The data analysis was conducted using two coding cycles in order to extract themes.

The study proposes that the OKRs are a practical tool to achieve a shared vision, contributing through 4 value mechanisms. These are the OKR formulation, transparency, bi-directional setting and organization wide commitment. The study suggests that these mechanisms create a direct effect on shared vision. However, two more effects are identified, a cultural effect related to the people and a strategic one related to strategy. The shared vision is affected also through the indirect impact by the OKR's cultural and strategic effects. Moreover, we have identified a set of antecedents that determine the efficacy of the OKRs. These are the OKR hierarchy, the OKR training and their connection to strategy. Further, Agile project management is proposed as a moderator that influences the relationship between OKRs and the shared vision.

Literature highlights the presence of organizational and team shared vision; our findings are in line with this. In fact, we propose that OKRs build both types of shared vision through the cultural and the strategic effect, respectively. Additionally, the optimal way to implement the OKRs is presented. As such, this dissertation contributes to academic literature by providing a study on how shared vision can be created, as well as, one of the first academic studies about the OKRs. Practical insights are offered about how to successfully implement the OKRs, and OKRs are suggested as a practical tool for building a shared vision.

Keywords: Shared vision, Objectives and Key Results, OKR, Alignment, Transparency, Goal setting, Management by Objectives, Strategic involvement, Agile.

Italian abstract

Affinché le organizzazioni siano adattabili e reattive in un ambiente caratterizzato da turbolenze e incertezze, mantenendo al contempo i propri dipendenti allineati e coinvolti, è necessaria una visione condivisa. Sebbene la ricerca sui vantaggi della visione condivisa sia ampia, si sa molto poco su come creare una visione condivisa. Negli ultimi anni, molte aziende digitali tra cui Google e Intel hanno introdotto un moderno strumento di definizione degli obiettivi, denominato Obiettivi e risultati chiave, che è diventato sempre più popolare a causa del suo impatto sulle prestazioni e sull'allineamento organizzativo. Lo scopo della tesi è scoprire come la metodologia OKRs possa contribuire alla creazione di una visione condivisa. È stato effettuato uno studio qualitativo utilizzando 10 interviste semi-strutturate. L'analisi dei dati è stata condotta utilizzando due cicli di codifica per estrarre i temi.

Lo studio propone che gli OKR siano uno strumento pratico per raggiungere una visione condivisa, contribuendo attraverso 4 meccanismi di valore. Queste sono la formulazione OKR, la trasparenza, l'impostazione bidirezionale e l'impegno a livello di organizzazione. Lo studio suggerisce che questi meccanismi creano un effetto diretto sulla visione condivisa. Tuttavia, vengono identificati altri due effetti, un effetto culturale legato alle persone e uno strategico legato alla strategia. La visione condivisa risente anche dell'impatto indiretto degli effetti culturali e strategici dell'OKR. Inoltre, abbiamo identificato una serie di antecedenti che determinano l'efficacia degli OKR. Queste sono la gerarchia OKR, la formazione OKR e la loro connessione alla strategia. Inoltre, la gestione del progetto Agile si propone come moderatore che influenza la relazione tra gli OKR e la visione condivisa.

La letteratura evidenzia la presenza di una visione condivisa dall'organizzazione e dal team; i nostri risultati sono in linea con questo. Infatti, proponiamo che gli OKR costruiscano entrambi i tipi di visione condivisa attraverso l'effetto culturale e quello strategico, rispettivamente. Inoltre, viene presentato il modo ottimale per implementare gli OKR. In quanto tale, questa dissertazione contribuisce alla letteratura accademica fornendo uno studio su come creare una visione condivisa, nonché uno dei primi studi accademici sugli OKR. Vengono offerti approfondimenti pratici su come implementare con successo gli OKR e gli OKR sono suggeriti come strumento pratico per costruire una visione condivisa.

Parole chiave: Visione condivisa, Obiettivi e Risultati Chiave, OKR, Allineamento, Trasparenza, Definizione degli obiettivi, MBO, Coinvolgimento strategico, Agile.

1. Executive Summary

1.1. Introduction

The year 2020 can easily be called a year of change and disruption, which left everyone unprepared, including organizations. However, we cannot put all the blame on the Covid-19 pandemic, because changes have been building for years. Change represents a challenge for all organizations, as it creates a feeling of confusion and vulnerability among employees and can fragment the organization (Chima and Gutman, 2020). To deal with change, organizations need to clarify what is known, communicate frequently and focus on creating agility and responsiveness (Lai, 2019). In a recent research by Rigoni and Adkins, (2016), Millennials, who represent a large part of the workforce today, are the least engaged, and are three times more likely to change their job than members of other generations. Which means that now, more than ever in the past, it is necessary to involve the people inside an organization in building a meaningful vision for the future (Rigoni and Adkins, 2016).

Today organizations are operating in times of turbulence and uncertainty, and there is a need for a sense of collaboration and cohesion, as well as a shared purpose that can create a feeling of safety and focus (Chima and Gutman, 2020). Organizations need to anticipate and react to change in a way that is in line with their strategic direction (Ross, 2019). More than just a powerful vision is needed, but rather a vision that can unite, support and empower employees. This means there is a need for a shared vision. Precisely, a shared vision creates a shared understanding of the future direction of the organization and it connects the collective goals of its members (Pearce and Ensley, 2004; Wang and Rafiq, 2014; Gutiérrez et al. 2009).

While research on the benefits of shared vision is extensive, we don't know how to create a shared vision. However, we know that goals go hand in hand with the development and delivery of a vision. Over the past years, a modern goal setting tool, called Objectives and Key Results (OKRs), has become increasingly popular as a result of its impact on performance and alignment (Doerr, 2018). Many digital companies, among which Google and Intel, have introduced this methodology (Doerr, 2018).

OKRs give employees a common direction and focus, give them the ability to take active part in the strategy of the organization, allow for autonomy as well as connection, and give all members the knowledge about the strategy, the big picture, the purpose of their work and the work of their organization (Doerr, 2018). OKRs are a powerful tool for any organization, but especially powerful in developing a shared vision. As such, the research question of this dissertation is: *How do Objectives and Key Results contribute to the creation of a shared vision?*

To address this research question, a qualitative research approach was used, though 10 semi-structured, in-depth interviews and two coding cycles to extract the 4 central themes: Characteristics of OKRs, OKR value mechanisms, Cultural effect and Strategic effect. Specifically, the OKRs are discovered to impact the creation of a shared vision through 4 value mechanisms, which are the OKR formulation, transparency, bi-directional setting and the organization wide commitment and support. Additionally, two more effects are identified that indirectly impact the shared vision, a cultural effect which is related to the people and a strategic effect which relates to the strategy. In fact, through these indirect effects the OKRs help to build both a team shared vision and an organizational shared vision, respectively.

1.2. Theoretical Background and Literature Review

1.2.1. Shared vision

The environment in which organizations exist is changing, it is becoming more uncertain and turbulent. Meaning, there is a need for a powerful vision that can make employees understand their organizational purpose and their envisioned future. To make sure they are moving in the same direction, that they stay aligned through changes and that they can easily adapt to these changes. As such, what modern organizations need is a shared vision. Shared vision is defined as a clear and common mental model for the future strategic direction of the organization and it embodies the collective goals of its members. It's a vision that has been internalized by the organization's members and provides a basis for action among them (Eldor, 2020; Pearce and Ensley, 2004; Hoe, 2007; Wang and Rafiq, 2014; Li, 2005; Huang et al. 2017; Gutiérrez et al. 2009). A crucial part that distinguishes a vision statement from a shared vision is that the latter gets everyone involved. It allows employees to understand the vision, to agree with it and be

inspired by the strategic direction, and become collectively connected with it (Gutiérrez et al. 2009; Palmer, 2019; Coene, 2017; Parsons and Associates, 2019).

Based on previous literature, we know that shared vision can influence this team dynamic and in turn, shared vision can also be influenced by those processes. In particular, shared vision increases teamwork, altruistic and courtesy behavior, (Pearce and Ensley, 2004) and the team's belief in their future success, or the team potency (Pearce and Ensley, 2004; Somboonpakorn and Kantabutra, 2014). Furthermore, shared vision has drawn the attention of researchers as playing a key role in achieving employees' job satisfaction and organizational commitment (Oswald et al. 1994; Huang et al. 2017; Chai et al. 2017; Gutiérrez et al. 2009). Based on research by Eldor (2020), we know that shared vision is also an antecedent of collective engagement, due to the shared vision's effect at making employees feel like a part of a community and getting them more cognitively and emotionally connected to their goals and organization. In addition, shared vision has an important role in the innovation process in organizations, by impacting innovation effectiveness in teams (Pearce and Ensley, 2004), and enabling exploration and exploitation activities simultaneously, enabling an ambidextrous approach to innovation (Wang and Rafiq, 2014).

As can be seen, the research on the topic of shared vision is extensive. However, the majority of it focuses on the benefits of shared vision, and almost no research exists that demonstrates the antecedents of a shared vision, or how a shared vision can be created. Cultivating this vision is a never ending process, and even after attaining it, the shared vision needs to be sustained. Therefore, creating a shared vision needs a solid foundation and framework (Craig, 2019).

1.2.2. Goal setting

To make the vision actionable, the next step is to create goals that align the employees towards this vision and focus their effort in the right direction. There is a need to connect the vision to work activities, and traditionally goal setting is the mechanism through which this is achieved (Collins and Porras, 1996). In particular, the theory of goal setting was created inductively in the span of over 25 years of research, following the belief that conscious goals affect action (Locke and Latham, 2002; Locke and Latham, 2006).

Research shows that goals affect performance through four functions. In fact, they channel attention and effort to tasks and activities relevant for the goal, they energize people, they affect people's initiative through the discovery and use of relevant knowledge, skills or strategies, and finally, they affect people's endurance and persistence (Locke and Latham, 2002; Locke and Latham, 2006).

However, the effects of goal setting, in large part, depend on their mediators and moderators (Locke and Latham, 2006). Primarily, when goals are both specific and difficult they lead to a high performance (Locke and Latham, 2002; Gutiérrez et al. 2009; Hollenbeck and Klein, 1987; Chattopadhyay et al. 2018). When self-efficacy is high, or the belief of the person that they can achieve the goal is strong, it leads to a higher commitment and future performance. And, one of the strongest effects on performance is obtained when people are fully committed to their goals (Locke and Latham, 2002; Locke and Latham, 2006; Chai et al. 2017; Hollenbeck et al. 1987). Furthermore, receiving feedback on the goals and their progress is crucial for the effective goal achievement (Locke and Latham, 2002; Locke and Latham, 2006).

Regarding how goals can be set in an organization there are two ways, either from the top and then cascaded down or self-set from the individual or the team. Choosing to cascade the goals creates alignment, however it also leads to a lack of agility and flexibility, and it's time consuming, doesn't allow for horizontal alignment and doesn't provide input to management from the employees (Doerr, 2018; Grote, 2017).

1.2.3. Management by Objectives

In the past, in order to achieve the goals set, methodologies like Management by Objectives, or MBO have been used. MBO is a managerial tool developed by Peter Drucker, and it is defined as the process of joint goal setting by the superior and subordinate managers, where they determine together which are the goals of the organization and divide their respective areas of responsibility (Greenwood, 1981).

During the MBO process the goals are cascaded down from the top, and then the employees and the managers have a one-on-one meeting, as a way to involve the employee and as an opportunity for a bottom up communication (Rodgers and Hunter, 1991; Greenwood, 1981; Dinesh and Palmer, 1998). Management by Objectives consists of three processes as

components, which are goal setting, participation in decision making and objective feedback (Rodgers and Hunter, 1991).

The main advantage of MBO is the increase in productivity (Rodgers and Hunter, 1991; Dinesh and Palmer, 1998). But, MBO has some disadvantages as well. It can lead to poor teamwork, lack of support, it can limit creativity and it can be very time-consuming (Levinson, 2003). Due to which, we can observe the need for an improved methodology that can address these issues.

1.2.4. Objectives and Key Results

Organizations must find modern methodologies that can help them to be more flexible and responsive and that allow them to keep their employees focused, aligned and engaged. Such a methodology, which has been implemented in Google and other digital companies, and has gained popularity in the recent years, is the Objectives and Key Results, or OKRs (Doerr, 2018). It is a tool to improve focus, alignment, transparency and productivity in the organization (Doerr, 2018; Trinkenreich et al. 2019; Zhou and He, 2018; Shende, 2019; Wodtke, 2016; Lamorte, 2015a; McLean, 2018; Google, 2019).

The OKRs divide goals into two building blocks. The first part, the Objective, is the qualitative part of the goal, where we say what we want to achieve in the future. It should be meaningful and inspirational, concrete and actionable, so it motivates people to work hard and to want to reach it. Subsequently, the second building block which is named Key Results, refers to the quantifiable part of the goal, the part that says how the Objective will be achieved. They are a time-bound, verifiable, and a realistic way to measure progress towards the Objective (Doerr, 2018; Trinkenreich et al. 2019; Shende, 2019; Wodtke, 2016; Lamorte, 2015a; Perdo, 2019b; Google, 2019; Castro, 2016).

In particular, OKRs are primarily a methodology for structured goal setting. Therefore, the theory presented by Locke and Latham (2002) regarding goal difficulty and specificity, applies also to the Objectives and Key Results (Doerr, 2018; Locke and Latham, 2002). Moreover, OKRs are the successor of Management by Objectives. Some of the structure of OKRs come from MBO, but at its core they are an updated version adapted for the needs of the new uncertain and turbulent business environment (Doerr, 2018; Charoenlarpkul and Tantasanee, 2019; McLean, 2018). However, unlike MBO, the OKRs should never be used for performance appraisal, rather they are

a part of strategic management (Zhou and He, 2018; Shende, 2019; McLean, 2018; Perdo, 2019a).

The OKR process starts with the creation of the top level Objectives by linking the goals of the organization with its strategic vision. An important part of the OKR process is the bi-directional involvement in goal setting and communication. In particular, goals don't cascade down, but rather each of the departments and teams set their own OKRs in line with the top level Objectives. The manager can be involved during the process to help keep the team aligned, or they can be involved in the end, to check and approve of the final version. Finally, everyone keeps track of the progress of their OKRs and communicates this to the rest of the company (Doerr, 2018; Zhou and He, 2018; Wodtke, 2016; Castro, 2016).

Specifically, they're useful to the organization due to a number of benefits. First, they help focus the organization in the right direction, by getting management to define the strategic direction of the company, because without it they can't create the top level OKRs. Then, they force employees to think about what are the main parts of their work that they need to prioritize in that period (Doerr, 2018; Shende, 2019; Wodtke, 2016; Lamorte, 2015a; Bas, 2019; Niket, 2014). Secondly, based on the scale by Berggren and Bernshteyn (2007) OKRs lead to the highest level of transparency, because when using the OKR system, everything is put out in the open and employees can see everyone else's OKRs and their progress (Doerr, 2018; Ibanez, 2018; Castro, 2016). Further, the alignment in the organization is improved, because during OKR setting teams always keep in mind the company's OKRs (Doerr, 2018; Wodtke, 2016; Castro, 2016; Klanwaree and Choemprayong, 2019; Bas, 2019; Eceizabarrena, 2016; Ibanez, 2018). This transparency, alignment, and strategic involvement, builds a sense of purpose and improves engagement (Doerr, 2018; Bas, 2019; Eceizabarrena, 2016; Ibanez, 2018; Pol, 2017). Finally, OKRs have a positive effect on the performance and productivity of their employees, as well as on revenue and sales (Lamorte, 2015b).

1.2.5. Research question

Based on the previous literature review, we can see there is an abundance of research showing the benefits for the organization by nurturing a shared vision. However, there is a lack of research into how a shared vision can be created. At the same time, the OKR methodology, which has become increasingly popular in recent years, creates a link between goals and the organizational

strategy, and the bigger purpose of the organization. The OKR process starts from the vision and as a communication tool, they make sure every employee has a common understanding, and focuses on the same priorities. As a tool for coordination, they help employees of all units and levels to get involved in the strategy process, to stay aligned and to work together. However, most of these insight on OKRs come from grey literature, and there is almost no academic papers on this topic. To fill both of these gaps presented, this study proposes the following research question: *How do Objectives and Key Results contribute to the creation of a shared vision?*

1.3. Methodology

Due to the lack of existing academic literature, it was decided that in the dissertation, a qualitative research would be done in order to build a new theory that can subsequently be empirically tested using quantitative methods in a future research. The methodology used in the dissertation was based on Gioia et al (2012) and a coding manual by Saldaña (2013).

First, the data sourcing was conducted using personal contacts starting from a list of known successful companies that use OKRs. Two of the companies on this list, specifically Google and Zalando, were reached. Following this, personal networking sources were used to find other organizations who had implemented the tool and were willing to share their thoughts and insights. To be more precise, the interviewees were found by reaching out via mail to the Alumni network of the student organization Board of European Students of Technology, which is a network that I am a member of. In the end, the data source included 9 companies, the majority of which were digital companies.

Then, the data collection was done using semi-structured interviews during a period of three months. The interviews were conducted online, because of restrictions due to Covid-19. A total of 10 interviews were conducted. Out of those, 9 were used for the main theory building. All interviews followed an interview protocol in order to provide consistency across the data gathered. There were 5 main questions of interest, related to the OKRs use, their benefits, the vision, transparency and alignment.

Finally, the analysis of the data was realized with the use of first order coding and second order coding, in order for both the informant's voice to be heard as well as the researcher's. In the first step the Initial Coding method was used, and in the second Pattern, Axial and Theoretical Coding

were used, in that order. The Pattern codes represent the 1st order concepts based on the nomenclature used in Gioia et al (2012), the Axial codes represent the 2nd order themes, and the Theoretical codes represent the Aggregate dimensions. In the end, from 370 Initial codes, 4 Theoretical codes, or core themes were reached (Saldana, 2013) as aggregate dimensions (Gioia et al., 2013).

1.4. Findings

Keeping in mind the research question and following the data analysis 4 core themes of the dissertation were obtained, which are: Characteristics of OKRs, OKR value mechanisms, Cultural effect and Strategic effect. Each of them represents findings related to the OKRs and their effects on the organization.

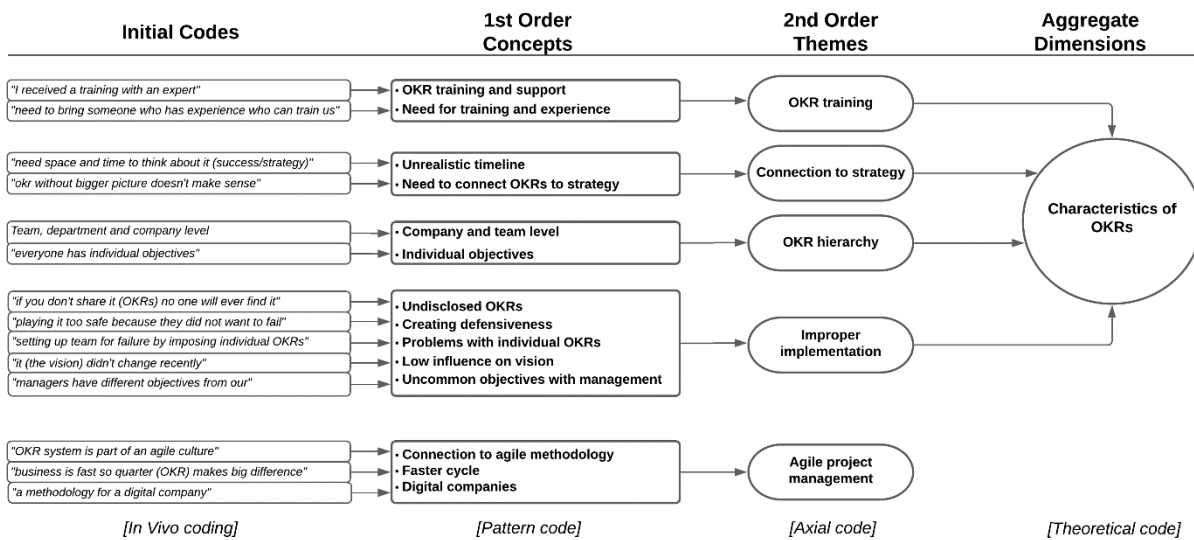


Figure 1. Data structure of theme: Characteristics of OKRs.

The first theme, represented in Figure 1, contains the antecedents for an effective OKR system. These are certain characteristics that need to be managed in order to increase the positive effects of the methodology. Primarily, included here is the need for an OKR training, in order to support employees and communicate about the new methodology. This manages the expectations and the behavior of the employees and makes organizing the process more effective. Another one of the prerequisites that was found in this research is the need for a developed organizational

strategy before the start of the OKR setting. If no strategy or big picture exists on what the company should be doing and where the company should be going, then there is no way to know which Objectives should be set for that period. In addition, the OKRs can have many hierarchical levels. They always start from the company OKRs, and then there can be as many OKR levels as there are hierarchical levels in the company. Some companies further assign individual level OKRs. Finally, an Axial code is included that portrays the improper implementation and the problems that come with it.

One more Axial code was found, called Agile project management, which is a separate code from all the 4 themes presented, but closest in relation to the Characteristics of OKRs. It's not an antecedent of the OKR efficacy, but it does have an impact and a connection to the OKRs. This is demonstrated because the OKRs can often be found in organizations with an agile culture and this agile culture has been shown to strengthen and ease the OKR process, and even improve the benefits.

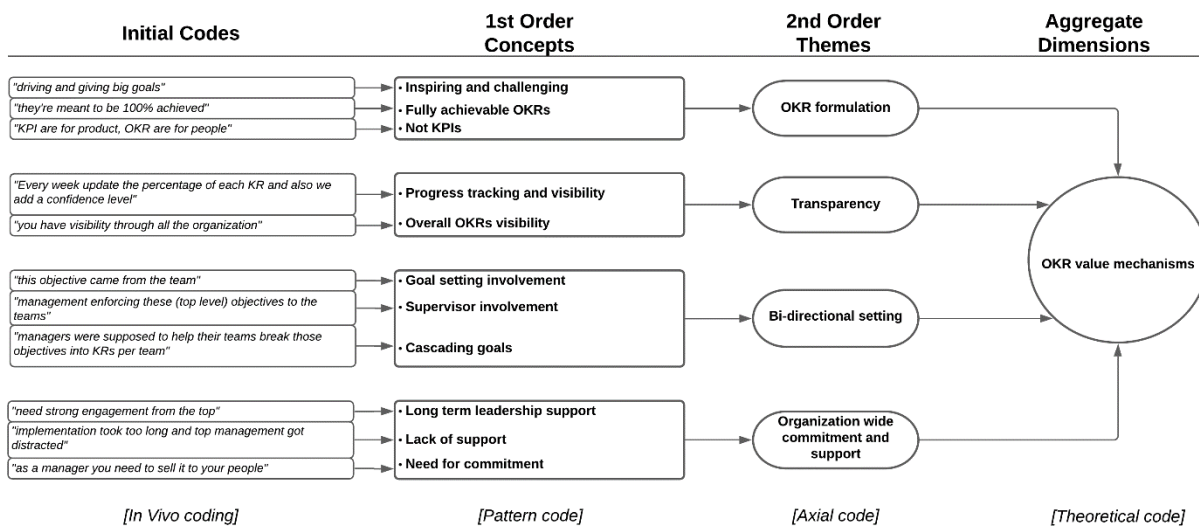


Figure 2. Data structure of theme: OKR value mechanisms.

The second theme uncovered during the data analysis is called OKR value mechanisms, and it's portrayed in Figure 2. The Axial codes in this theme represent the way in which the OKRs create value for the organization. In fact, the codes included are those which make the OKRs shared somehow, by creating a sense of shared visibility, shared involvement, and shared commitment. As well as the OKR formulation process which aims to inspire people and connect them to the future, to the strategy. A common way of setting the OKRs presented in the interviews is to have

them be inspiring and visionary, and different to the Key Performance Indicators. Another relevant power of the OKRs is their transparency. Moreover, there is an involvement in the goal setting which goes both top-down from the leadership and the management and that can go bottom-up from any employee at any level in the company. And, what became clear in the interviews is that those companies that had achieved the most benefits out of the OKRs, were the same companies where there was commitment and engagement from the top management, which was then shared by the rest of the members in the organization.

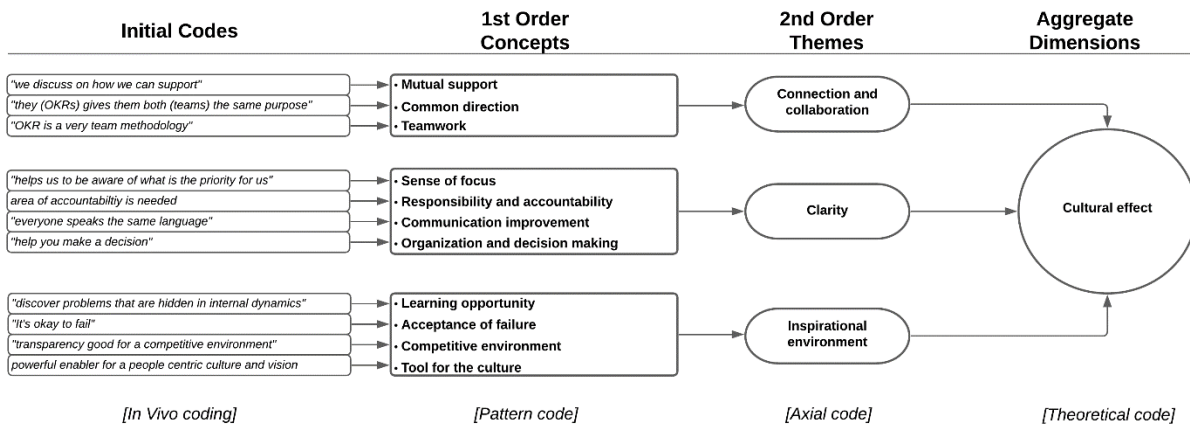


Figure 3. Data structure of theme: Cultural effect.

Subsequently, the idea behind the theme Cultural effect is that the OKRs can be a powerful enabler and powerful tool to work on the culture. This is represented in Figure 3. The first benefit coming from the OKRs, talks about the connection and collaboration. Chiefly, this is achieved through strengthening the teamwork, improving mutual support in the organization and creating a common direction. The second benefit found is that OKRs improve clarity. This applies to many aspects of clarity, such as the clarity of focus, clarity connected to responsibility and accountability of the work, clarity for decision making and also clarity through improving the communication in the organization. Finally, the OKRs are meant to be difficult, and are meant to provide a challenge for people to reach them. So that in turn employees need to learn to be more accepting of failure. Therefore, the OKRs provide a learning opportunity for organizations and they can build a positive competitive environment.

Finally, the Strategic effect includes all those interview parts where the informants have talked about how the OKRs were connected to their organization's vision or the strategic direction. As well as all those interviews that talked about the alignment of the strategy or of the overall

organization. The detailed data structure of this theme is shown in Figure 4. Indeed, the way OKRs impact the strategy or the vision of the company is through creating a better understanding of the direction and of the vision in general, by getting the employees involved in the process of strategy creation, by aligning them vertically and horizontally, and by providing companies with a practical tool they can use for vision delivery. The relationships between all these themes are discussed in the following chapter.

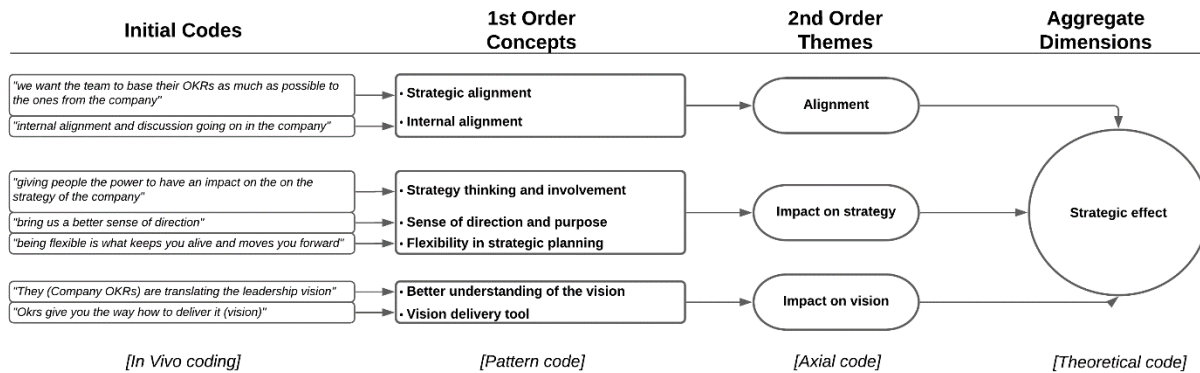


Figure 4. Data structure of theme: Strategic effect.

1.5. Discussion

The research question of this dissertation is to understand: *How do Objectives and Key Results contribute to the creation of a shared vision?* The model represented in Figure 5 is the contribution of this dissertation at answering that question.

In fact, the proposition is that the OKRs function as a boundary object that allows diverse categories of people to talk about something which is abstract, as the strategy. The methodology provides them with a tool to enforce it and redefine it in a way that makes it concrete, shaping it together.

In particular, we discovered that Characteristics of OKRs, are the antecedents of the effectiveness of the system. With their proper use and implementation, the value that the OKRs bring is increased. This relationship is further impacted in a positive way with the presence of the Agile project management alongside the OKRs, which moderates the relationship. This effect was especially visible in the company where they implemented the OKRs and the Agile project

management simultaneously. Subsequently, we propose that the Objectives and Key Results methodology contributes to the creation of a shared vision in three ways.

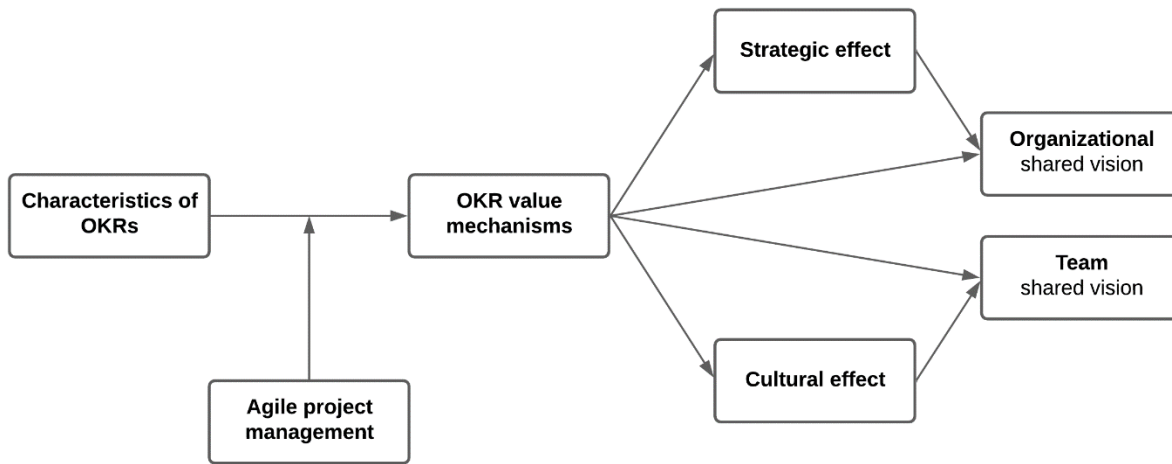


Figure 5. Theoretical model representing the relationship between OKRs and different types of shared vision.

First, they have a direct effect, through the 4 mechanisms with which this tool provides value: 1) the transparency created by the OKR visibility, which is shared by all and creates a common language that is understood by everyone; 2) the bi-directional setting, which gets everyone directly involved in the strategy creation and delivery process, either by allowing them to set their own OKRs, which makes them shared, or by giving them an opportunity to impact the company OKRs, thus allowing them to take part in the creation of the organization’s vision; 3) the way in which the OKRs are formulated, which makes them inspirational and inclusive, and connects them to the vision; 4) the commitment and support to the Objectives and the system as a whole, which is shared by all the members.

Second, they also create a Cultural effect and impact the people through creating connection, collaboration, clarity and an inspirational environment where shared vision can thrive, which in turn, indirectly impacts the shared vision.

Last, they have a Strategic effect, through the alignment created and the OKRs’ influence on the strategy and vision, which further affects the shared vision in an indirect way.

Literature identifies two types of shared vision: shared vision on a team level (Pearce and Ensley, 2004) and on an organizational level (Wang and Rafiq, 2009). The first one related to people working together, and the second related to their relation to strategy. What is an especially

interesting discovery in this study is that, each of the indirect effects contributes to the creation of one of these different types of shared vision. We suggest that the cultural effect contributes to the creation of a shared vision on a team level, while the strategic effect contributes to the shared vision creation on an organizational level. The cultural effect changes the way people work, and improves the way they communicate, giving them a shared language, and allowing them to more efficiently connect and work on a common strategy. This is supported by Gutiérrez et al (2009) who lists five prerequisites needed for the development of a team shared vision, all of which are covered by the OKRs and their Cultural effect. This conclusion is also supported by the findings in the research done by Pearce and Ensley (2004) who discover that shared vision has a reciprocal relationship with the team dynamics. Similarly, the OKRs promote exactly the same involvement and way of goal development that is needed for an organizational shared vision, based on the definition by Wang and Rafiq (2014). They are a way to formulate goals which are shared by the units, which Strese et al (2018) state is when a shared vision is exhibited. And, they bring awareness to their employees about the strategic direction, and the organization's vision as a part of the strategic effect coming from the OKRs, which aligns with the statement by Eldor (2020) about when an organizational shared vision exists.

In addition to the main theoretical model just presented, there were a couple more insights that were uncovered in this dissertation, mainly regarding the OKR implementation and the aspects of its use that have to be included in every company. We propose that without them the OKR value will be limited, and they would easily be replaceable with any other goal setting method, instead of providing the effect towards the shared vision, or the additional benefits that make them better suited for the modern business environment that are proposed in this study. Examples of these aspects are the need for OKR visibility, for setting a realistic timeline, for including storytelling and support for the process, for OKR training, and how they should be different than KPIs. On the other hand, there are some aspects of the OKRs which can be done in different ways, depending on their fit with the company's culture and needs. Examples of these are whether or not to use individual level OKRs, whether to use aspirational or committed OKRs, and whether to cascade the OKRs. In general, what was discovered about these aspects is that as long as the value behind that particular aspect is understood and is included, there is room for change in regard to what the literature proposes. For example, it's okay to use only committed OKRs, as long as they're still set to be challenging and inspirational, and there is no reprimand for failure that would hinder creativity. And, it's better to exclude individual OKRs if the company has a team centric

culture. The proposal of the study is that the process has some flexibility to be adapted in order to fit with the organization's culture, as long as its value is well understood.

1.6. Implications for theory

There is extensive academic research on the topic of shared vision, and its importance. However, the majority of this research focuses on the benefits of shared vision, and almost no research exists which explores how shared vision can be created. In fact, only one such study was found (Gutiérrez et al. 2009). Therefore, the first contribution of this study is to fill that gap in the literature. First, the study shows that OKRs can aid in the creation of a team shared vision through creating a cultural effect. In particular, the OKRs increase the transparency, the clarity and the team's communication, and get the team members involved in the OKR creation, providing them with an opportunity to discuss about their team vision. Also, the OKRs improve the collaboration and the connection in the team, which are crucial for a team shared vision. Secondly, the study contributes to the organizational shared vision literature by proposing it can be created through the strategic effect of the OKRs. This is suggested through the strategy involvement process, which shares the strategy and vision building with everyone in the organization. Also, by providing a vision delivery tool to make the steps towards that vision actionable. And finally, through the strategic alignment, which ensures that the goals of everyone in the organization are in line with its vision.

Contrary to the shared vision topic, the OKR academic literature is non-existent, showing a massive need for more than gray literature on this topic. In fact, when searching for the phrases "OKR" and "Objectives and Key Results" on Scopus, only 2 papers can be found regarding this topic. This dissertation is one of the first studies on OKRs from a theoretical perspective. The OKR methodology is described as a collaborative goal setting tool that drives organizations forwards (Doerr, 2018, Wodtke, 2016; Lamorte, 2015a). This study illustrates that the OKRs are more than just a goal setting tool, and that they have a strong relationship with the vision of the organization. It also provides a discussion into the optimal way to set OKRs and proposes certain ways of implementation that are contrary to the proposal by theory, such as the suggestion to limit the use of individual level OKRs. Moreover, the study validates the benefits that are proposed by existing gray literature, but also contributes by showing their direct effect on the shared vision

creation, both through their value mechanisms and indirectly through the cultural and strategic effect.

1.7. Implications for practice

Moreover, this study also has implications for practice that organizations can use to achieve the optimal practical benefits. Organizations already know they can use the OKRs to prioritize their goals and create a focus (Doerr, 2018; Wodtke, 2016), to increase the transparency (Doerr, 2018; Castro, 2016) and to have an impact on performance (Lamorte, 2015b; Pol, 2017). In addition, OKRs have been most often called a tool for creating alignment, and are shown to impact both the horizontal and the vertical alignment (Doerr, 2018; Google, 2019; Bas, 2019; Castro, 2016). The suggestion from this study is that through creating a shared vision, organizations can also achieve all the benefits that come from the shared vision. Such as collective engagement (Eldor, 2020), teamwork and innovation effectiveness (Pearce and Ensley, 2004), job satisfaction and organizational commitment (Oswald et al. 1994; Huang et al. 2017), and more. In this way increasing the existing list of potential benefits this methodology can bring to practitioners.

Secondly, the study provides managers with suggestions on the best process to follow, based on informants' experience, in order to have a successful initiative and effective OKRs. The crucial steps suggested are two: 1) organize an OKR training; 2) plan a realistic timeline; 3) use storytelling as a way to gain support; 4) ensure total visibility of the OKRs; 5) ensure the KRs are not KPIs; 6) exclude individual OKRs if the organization has a team-centric culture; 7) choose between Aspirational and Committed OKRs based on their fit with the culture and 8) limit cascading OKRs.

Finally, the OKRs are proposed as a practical tool to achieve a shared vision, focusing on a cultural or a strategic effect, providing managers with a choice between a team shared vision and an organizational shared vision, based on their organization's needs. If the organization wants to create a team shared vision, then the suggestion is to focus on the people, and on improving collaboration, teamwork, and clarity and on creating an environment of learning, positive competition and risk taking. On the other hand if the organization has a need for a shared vision on an organizational level, then this study proposes a focus on the strategic side, by involving people in the strategy thinking and building and using the OKRs as a vision delivery tool.

1.8. Limitations and future research

As with any other research, there are some limitations in this dissertation that can be used as an opportunity for further research. Related to the data, in this research a sample of very different companies was used, which could be narrowed in future research. As such, one future possibility is to create a sample of only those companies that are popularly associated with the OKRs method. Another possibility is to use a more narrow focus of only organizations which have an agile culture or use the Agile methodology, and test the proposed moderating effect of Agile project management. A further future avenue of research could limit the company size and focus only on startups, small and medium enterprises, or only on big multinational corporations.

Moreover, this study could be further tested and deepened with a quantitative research. One aspect that could be tested in a quantitative way are the suggestions made for conditions for a successful implementation by conducting a fsQCA, or a fuzzy-set qualitative comparative analysis, to find which of these suggestions truly are a necessary condition for the OKR's success. Also, companies which have a shared vision could create an environment that would make the OKR implementation easier, as well as more effective and efficient. Therefore, the reciprocity of the relationship between OKRs and a shared vision could be tested to understand if having a shared vision also has a positive relationship with the OKRs. A final proposition for a future research direction is to test the theoretical model and the assumptions on how OKRs impact the shared vision. One study could focus on the assumption that OKRs impact the team shared vision through the cultural effects, while another could focus on the organizational shared vision and the indirect strategic effect. For this purpose a questionnaire was created that can be used in such a future quantitative research to test the relationship between OKRs and an organizational shared vision, using transparency, strategy involvement and alignment.

2. Introduction

The year 2020 can easily be called a year of change and disruption. These multi-dimensional changes are happening to everyone and in all spheres of our lives, starting from our daily lives, our social rituals, as well as our professional lives. Additionally, most of the changes were unexpected, and occurred very rapidly that it left everyone unprepared. The same applied for organizations and their leadership. However, we cannot put all the blame on the Covid-19 pandemic, because changes have been building for years, coming from technological advancements, changing expectations and values of new generations, human interconnectivity, etc. Whereas, the new Covid-19 crisis only increased the intensity of that change, making it perpetual, because it's ongoing all the time. Also making it pervasive, because it's affecting so many aspects of life at the same time, and additionally exponential in its growth (Chima and Gutman, 2020).

Change is a problem for all organizations, because it creates a feeling of confusion and vulnerability, both in the employees and in the overall company. This can fragment the organization and isolate each of the units or individuals. Which is why, in such times of turbulence and uncertainty a sense of collaboration and cohesion is needed in order to create a resilient organization, able to perform at a high level in a quickly and ever changing environment. A shared purpose that can create a feeling of safety for the employees and a mutual trust in the organization is needed. Such a purpose can also bring the necessary cohesion and focus that helps decision making in times of uncertainty, and a collaboration towards a shared goal that is bigger than the individual (Chima and Gutman, 2020).

Correspondingly, something that any business cannot survive without is a clear and strong strategy. Admittedly, these new business environments are associated with a strategic ambiguity. Even without the additional pressure experienced by organizations in 2020, there can be many changes organizations need to expect, such as changes in market conditions, changes in the customer choices and values, changes in the organization's hierarchy, and many more. Which means that even if a strong strategy is created, the organization has to be kept in line with it through many disruptions. There is a need for leaders to learn how to shift the focus from the status quo and instead clarify why does the company exist, what does it contribute to society (Heffernan, 2020; Lai, 2019). If this strong strategy and purpose is not clarified, employees will build a sense of fear and uncertainty. Therefore, if they want to keep creating and delivering value,

leaders need to focus on what they can control. For this purpose, organizations need to clarify what is known, communicate frequently and openly and focus on short-term strategies, with a focus on creating agility and responsiveness (Lai, 2019).

Another segment of change is coming from the shifts in the employee demographics. Career paths are changing, and employees are delaying retirement and working longer years. At the same time, new generations are entering the workforce, which leads to a very diverse employee mix in the companies. There are employees with different values and needs working side by side, and each new generation changes the culture and creates new expectations regarding the way they work, and the way they're managed. For example younger and new employees, starting work for the first time in their 20s, expect engagement and discussions, because this what they're used to from their previous university environment (Knight, 2014).

Moreover, Millennials are currently the biggest population in number, based on research done in the U.S. As such, they are a big and important part of the workforce. One of the specific patterns observed about Millennials is that they are three times more likely to change their job than members of other generations. A possible reason for that comes from the fact that Millennials are the least engaged, out of all the different generations. Which means that, now more than ever in the past, there is a strong search for engagement by the employees. It's important for them to feel that their values are respected and aligned with the company. For this generation, it's crucial that there are growth and learning opportunities within the company. And, it's also crucial that they can get a deep sense of commitment to their role and their organization (Rigoni and Adkins, 2016). This is backed up by further research, which shows that 60% of Millennials listed that a sense of purpose was one of the reasons why they chose their current work place. A generational trend is the desire to see their company and the work they do contributing to the resolution of societal concerns, and the desire to take part in meaningful initiatives. In addition, these employees also appreciate and even require more communication with their managers. As well as more channels for open exchanging of ideas and channels for improved collaboration with others. These behaviors create changes in the organizational culture and the organizational tools (Benson, 2016).

All of this means that today we're living in a new dynamic environment and that organizations are operating in a turbulent business climate. We also see that there is a need for a change in the way employees are managed and motivated, in order to keep them engaged and committed to the organization, and in order to retain the best talent. The problem arises due to the fact that

many organizations are still using leadership models and organizational systems created in a different time and for a different context. Therefore, this has contributed to the need for new and improved practices, values and norms that organizations need to implement if they want to keep up with the changes that are impacting them. There is a need for companies to be more agile and responsive in order to keep and also build their competitive advantage, which has led to a change in the culture of these new organizations. Now, even more than before, there is a need for a strong culture, a strong vision and a strong alignment in the organization that can connect all members. Organizations need to be quick and to move strategically, to anticipate and then act on the change in a way that is in line with their strategic direction. Organizations need to be disciplined and organized in their efforts through all the levels of operation, and able to involve all the different teams and departments (Ross, 2019).

For all those reasons presented there is a need for more than just a powerful vision. There is a need for a vision which can bring people together, which can give them focus and clarity, but also connection and commonality with the others. A vision that can unite, support and empower employees. This means there is a need for a shared vision. Precisely, this shared vision is a common mental model for the future strategic direction of the organization and it embodies the collective goals of its members (Eldor, 2020; Pearce and Ensley, 2004; Hoe, 2007; Wang and Rafiq, 2014; Li, 2005; Huang et al. 2017, Gutiérrez et al. 2009). As such, it is not only understood and merely accepted by the employees, but it's shared and can even be created by them. By taking part in this shared vision, employees feel more engaged and therefore more connected to the organization. As seen previously, new ways of engagement and connection are crucial for reducing turnover by Millennials.

Shared vision is a beneficial concept for organizations in many aspects. First of all it can improve the team dynamics. This is done by increasing the team potency, or the belief shared by the members that the team can be successful. And the teamwork, or the effectiveness with which team members work together, coordinate and accomplish their goals, by clarifying what is important, which are the goals and which are the roles and the expectations of all the team members. It allows employees to see how their efforts contribute to the big picture, and how to align themselves to this direction (Pearce and Ensley, 2004; Somboonpakorn and Kantabutra, 2014). There is an increase in the altruistic and do-good activities, which can refer to helping other employees with problems or with their work, or to interpersonal actions that prevent problems in the team. As well as a decrease in the social loafing, which is the affinity of employees to focus more on social interactions rather than the activities of the team, through increasing trust,

understanding and empathy between the members, and limiting conflict and dysfunction (Pearce and Ensley, 2004). Through connection with the team reflexivity process, the process where team members reflect on the team's goals and strategies, the shared vision can also improve the team's performance and creative output by making the team better adapted to the anticipated circumstances (Kakar, 2018). All of this can create a type of work environment where employees prosper and where they truly enjoy working. It can create a strong employer branding moment and help to reach and employ the most talented people.

Additionally, shared vision can lead to the betterment of the job attachment and organizational commitment in employees. There is a need for more than just high pay, rewards and benefits to keep employees committed (Oswald et al. 1994). Indeed, employees want to understand the impact of their work, they want to have a sense of purpose, and they thrive when they do meaningful work (Benson, 2016). In a culture with a shared vision, employees are better able to match their expectations to the achieved organizational outcomes, better understand how their actions affect the company and increase their feeling of power. As a consequence, this can reduce the turnover of the employees hired (Oswald et al. 1994). As well, shared vision is an antecedent to collective engagement of the employees, which in turn creates a strong and difficult to emulate competitive advantage. Having shared goals and a common direction incites employees as a whole. Making them feel like a part of a community and more cognitively and emotionally connected to their goals and community (Eldor, 2020). As shown previously, Millennials are the least engaged generation in the workforce (Rigoni and Adkins, 2016; Benson, 2016), so through building a shared vision this issue can be addressed. Furthermore, shared vision has a positive relationship with the innovation culture in an organization, because it provides a way for employees to focus on exploration and exploitation activities simultaneously, thus improving the contextual ambidexterity of the organization and the innovation process (Wang and Rafiq, 2014). Again, this is positive impact to the employee engagement and satisfaction, especially in the case of Millennials, who are drawn to entrepreneurial environments and the opportunities for growth (Benson, 2016). Since a shared vision means that the members of the organization have collective or common values and goals, they tend to more easily share ideas, knowledge and resources and channel them in line with the direction of the organization (Strese et al. 2018).

But, this shared vision is not just a methodology that can be implemented, it's a state that is difficult to nurture. Despite the long existence of the concept of shared vision, there is a lack of focus in the academic literature on the way shared vision can be built. Most of the focus is on the

benefits of it, rather than the antecedents. As such, in this dissertation the research is done with the aim to learn what can lead to the creation and improvement of a shared vision.

Subsequently, due to the understanding that goals go hand in hand with the development and delivery of a vision, I've also researched the concept of goal setting. The main belief governing goal setting theory is that conscious goals can affect action. As such, academics have been researching this concept and all the benefits of it for decades (Locke and Latham, 2002). At the same time, practitioners have been using goals and objectives as a cornerstone of their strategic management practices. People have been talking about SMART goals, Big Hairy Audacious goals, cascading goals and many others, as a way to understand which is the best way to achieve the benefits of goal setting. Based on the theory by Locke and Latham (2006), goals have a few functions: to channel attention and effort to tasks and activities relevant for the goal and away from those that would hinder the goal achievement, to energize people, to affect people's initiative through the discovery and use of relevant knowledge, skills or strategies and to affect endurance and persistence. Through these functions, as well as through the many mediators and moderators, goals can affect performance and productivity.

To put it differently, in order to positively affect performance, there is a belief that goals should be specific and challenging. The more challenging or difficult goals stimulate the employees and bring out their best efforts. Likewise, the more specific the goals are, the better they can focus the attention of the employees and aim their efforts in the right direction (Locke and Latham, 2002; Locke and Latham, 2006; Gutiérrez et al. 2009; Hollenbeck and Klein, 1987). Furthermore, it was discovered that the commitment towards the goals, as well as the self-efficacy, or the belief and confidence of the person that they can achieve the goal, are very powerful prerequisites for the successful achievement of the goals. One of the strongest effects on performance is obtained when people are fully committed to their goals. This is particularly true in the case of challenging goals, due to the extra effort needed to achieve them and the higher risk of failure. Some of the factors that lead to goal commitment are how public and visible the goals are, how specific they are, how inspired and committed to the organization the employees are, how much freedom they have on how to behave to reach the goal, how much support they have, which social influences are present, and more (Locke and Latham, 2002; Locke and Latham, 2006; Hollenbeck and Klein, 1987; Chai et al. 2017). What is clear is that there are many elements of goal setting that need to be managed in order to achieve the best performance.

Traditionally, there have been management practices and methodologies that have aimed at managing all these factors in order to ensure the goal fulfillment achievement, and that they're properly set, tracked, and linked to the strategy of the company. One such methodology is the Management by Objectives, or MBO, created by Peter Drucker, the father of modern corporate management. MBO can be seen as a combination of goal setting, participation in decision making and objective feedback. Goal setting is the primary process and why MBO was created. Through the goal setting process of MBO, communication and productivity are improved, because it helps clarify the focus of the organization, and channels the effort and resources in that direction. The second process is the participation in decision making. The level of understanding throughout the organization is increased and an exchange of information is happening because of this process. And, third is the process of giving objective feedback, taking part after each period for the objectives ends (Rodgers and Hunter, 1991; Greenwood, 1981; Dinesh and Palmer, 1998).

MBO has been used as a management tool since the 50s, and it was first used in the book "The Practice of Management" published in 1954. The main reason for this use is that it increases productivity in the organization (Rodgers and Hunter, 1991; Dinesh and Palmer, 1998). Along with this advantage, MBO also increases motivation and job satisfaction in employees, and coordination and vertical alignment in companies ("MBO: Definitions, Benefits and Examples", 2020; "Management by Objectives", 2017; "Management by Objectives (Drucker)", 2011).

However, MBO has some disadvantages as well, which is why in recent years there has been an increased popularity of another tool, a successor of the MBO methodology, one which is better suited for the new business climates and the needs of today's organization. Due to this it many digital companies among which Google and Intel have introduced this model, and increased its popularity. That methodology is called Objectives and Key Results, or OKRs for short.

To begin with, OKRs are an updated goal setting methodology that goes beyond the tools of the past and provide a way that the practical goals of the employees can be linked to the abstract notion of the vision (Doerr, 2018). The acronym stands for Objectives and Key Results, which are the two main building blocks of the methodology. The Objective is the qualitative part of the goal, the inspirational and meaningful part that motivates people to work hard and to want to reach it. The second building block which is named Key Results, refers to the quantifiable part of the goal, the part that says how the Objective will be achieved. The KRs are time-bound, verifiable and realistic, and they highlight outcomes instead of output or activities (Doerr, 2018, Wodtke, 2016; Lamorte, 2015a).

As an organizational tool, the OKRs bring alignment to the strategy and across all the units of the organization. Organizations start by setting the top level Objectives first. Then all the other levels set their own Objectives, always keeping in mind the company's OKRs. This tie between the teams' and the departments' Objectives and the vision or direction of the company is how the vertical alignment is created. Coupled with this the OKRs also create networks across teams and departments, therefore the horizontal alignment is also improved. Without alignment there is often a mismatch between the strategy planning and strategy execution. Which is why, one of the main purposes of OKRs, aside from goal setting, is the facilitation of alignment (Doerr, 2018; Kathuria et al. 2007; Klanwaree and Choemprayong, 2019; Wodtke, 2016).

In contrast to Management by Objectives, The OKRs are not a tool to be used for performance appraisal or performance management. Rather, they're a strategic delivery tool and are used for those activities that aim to manage the resources in an organization to be aligned with its vision, mission and goals at all levels and teams (Zhou and He, 2018; Shende, 2019; McLean, 2018; Perdoo, 2019a). However this is not the only difference between the two methodologies. As a successor to MBO, the OKRs have updated the process and adapted some of the characteristics in order to answer to the specific needs of the new dynamic and agile environment in which companies operate today, as well as the expectations of the modern employees, in order to keep them engaged and satisfied. As such, the OKRs are meant to be set at least quarterly, they allow for more freedom in the goal setting process and a strong bi-directional flow of communication and involvement in the strategy and they are always transparent and shared with the whole organization (Doerr, 2018; Charoenlarpkul and Tantasanee, 2019; McLean, 2018).

Using this tool, all Objectives of every member in the organization are put out in the open, therefore improving the transparency in the organization. The Objective tracking is also shared with the organization and the progress and expectations regarding the Objectives are completely visible. With this transparency there is no need to wait for problems to stack before implementing change (Doerr, 2018; Zhou and He, 2018). Similarly, through the time dedicated into setting only the most prioritized goals, they increase the focus of the employees and enable them to work on that which is the most important. They force top management to sit down and think about the strategic direction of the organization, and then they force all other employees to stop and think what are the main parts of their work that they need to prioritize in that period. The OKR methodology talks about setting very few Objectives, because too many Objectives distort the focus from what matters (Doerr, 2018, Shende, 2019; Wodtke, 2016; Lamorte, 2015a). Also, the Objectives are set following the learnings of goal setting, as difficult and specific, and allow

employees to learn through them, to use creativity and innovative thinking to go beyond their limits in order to achieve the goals and to accept the occurrence of failure when they don't. Which is why, most often the OKRs are not meant to be 100% achieved, but rather 70-80% only. This is specifically done to inspire creativity and bring out the most of the employee (Locke and Latham 2002; Doerr, 2018; Wodtke, 2016; Lamorte, 2015a; Google, 2019).

OKRs give employees a common direction and focus, give them the ability to take active part in the strategy of the organization, allow for autonomy as well as connection, and give all members the knowledge about the strategy, the big picture, the purpose of their work and the work of their organization. This is why I believe OKRs are a powerful tool for any organization, but especially powerful in developing a shared vision. As such, the focus of this research, or rather the research question that emerged is: *How do Objectives and Key Results contribute to the creation of a shared vision?*

To address this research question, the dissertation uses a qualitative research approach. The data sourcing started by creating a list of successful companies that use OKRs and were mentioned in resources as an example. Two of the companies on the list, Google and Zalando, were reached through personal networking channels. The rest of the companies were sources through the use of the mailing list for Alumni members of the student organization Board of European Students of Technology. Following this step, the data collection was conducted. This was done through 10 semi-structured, in-depth interviews coming from the 9 companies sourced. The interviewees taking part are practitioners coming from companies where the OKR methodology is used or was used in the past, which gives them experience in implementing, using, tracking and communicating about the Objectives and Key Results. As such, they were treated as knowledgeable agents during the interview process. In particular, the interviews followed an interview protocol, in order to provide consistency across the data gathered. The data gathered was then analyzed and coded using multiple coding cycles. To begin with, Initial Coding was used for the first cycle. Followed by Pattern, Axial and then Theoretical Coding. Finally arriving at the main themes, along with their relationships, which ultimately are used to answer the proposed research question.

These central themes in the research are "Characteristics of OKRs", "OKR value mechanisms", "Cultural effect" and "Strategic effect". The first two themes provide additional information into the OKR methodology. The first includes the antecedents for a successful implementation of the OKRs that were observed through the interviews, which are the OKR hierarchy, the OKR training

and their connection to strategy. While the second theme includes the main mechanisms through which the OKRs provide value. This is the starting point for answering to the research question about how the OKRs contribute to the shared vision. Additionally, a moderator of this relationship was also discovered which is labeled as “Agile project management”. Furthermore, the second two themes relate to the effects that the OKRs create and divides them into two sides, the cultural effect which is related to the people and the strategic effect which relates to the strategy. In fact, the final theoretical model proposed, as an answer to the main research question and the main contribution of this dissertation, combines these 4 themes together.

The idea behind this model is that for the shared vision to exist within a company, that company’s people and their strategy need to be brought together. If the people and the strategy are kept apart, they would have no understanding of the strategy, they would only have a broad knowledge of the vision statement, but no involvement in it, no embodiment of this strategy in their work and their goals, and no input on the direction the company is taking. Which means that a shared vision would not exist in that organization. In fact, the proposal in this dissertation, based on the qualitative research, is that OKRs are the practical tool which can be used to bridge the gap between the people and the strategy within an organization and through the connection enable the creation of a shared vision.

In particular, the OKRs are found to contribute in 3 ways. Initially, they have a direct effect on the shared vision creation using the mechanisms through which they provide value, which are included in the theme “OKR value mechanisms”. These mechanisms for value are the transparency created by making the OKRs visible and shared by everyone, the bi-directional OKR setting, which gets everyone involved in the strategy process, the OKR formulation, which promotes the creation of inspirational Objectives and the organization wide commitment and support for the Objectives, as well as the OKR process as a whole. Secondary, they have an indirect impact through the “Cultural effect” which impacts the people side of the problem, creating collaboration, connection, clarity and an environment where a shared vision can thrive. Finally the third is another indirect impact, which is achieved through the “Strategic effect” that influences the strategy side of the problem, through increasing alignment, involving people in the strategy thinking and building process, clarifying the strategy and the vision, and creating a vision delivery tool.

Each of the OKR mechanisms that provide value is connected in some way to the shared vision and the cultural and strategic effects. Through having the OKRs and their progress visible, they

are shared by everyone. They provide a common language through which the employees can think and communicate on the topic of strategy. Then, through the bi-directional OKR setting, the strategy is again shared and the people are additionally involved in the strategy process. This allows them to have a voice and an impact on their own team's goals and vision, as well as the company's goals and vision. Thirdly, through the way the Objectives are formulated in an inspirational and challenging manner, it connects them to the vision, and bring the strategy closer to the people. And finally, through the commitment and support by the organization, the impact of all the previous benefits is strengthened. Therefore all the different mechanisms either connect the people with the strategy, or provide a way to deliver and advance towards this vision, and they do this in a way that makes them shared between everyone, therefore creating a common idea between the organizational members of what the future of the company will be, or a common mental model of the future. Which means a shared vision is created.

This new theoretical model which provides an answer to how the OKRs can help build a shared vision is the main theoretical contribution of this thesis. But, an additional insight coming from the research, is that the OKRs help in the creation of two types of shared vision. These are the shared vision on a team level and the shared vision on an organization level. Each of the two is influenced by the OKR value mechanisms, but each is also influenced by the indirect effects of the OKRs. In particular, the cultural effect helps build the team shared vision, while the strategic effect aids to build an organizational shared vision.

Moreover, the discoveries made regarding how the OKRs should be implemented and how they connect with the Agile methodology are a contribution both to theory, due to the lack in academic literature on the topic of OKRs, but also as a contribution to practice, due to the useful and applicable information that organizations can use. Regarding the implementation, the main concepts that are crucial to be included in every company that wants to implement the OKRs are described. But, a distinction is also made on those concepts that provide room for adaptation and flexibility in the OKR implementation in order to make them work for that particular organization and to create a fit the organization's culture. These insights deepen the literature about Objectives and Key Results, and provide a list of things to do and to avoid for companies that want to gain the advantages of the OKR system.

In conclusion, we see that OKRs are the modern goal setting tool that helps organization to stay focused and aligned in times of turbulence, that helps them to adapt quickly with short OKR cycles, that bring clarity and focus towards what is important in times of uncertainty, that

strengthens teamwork, collaboration, communication and keeps people engaged in times of high disengagement of the workforce. And, above all that provides a purpose the employees, brings them closer to the strategy, makes the vision actionable and concrete and creates a culture where the shared vision can be created and can thrive.

3. Theoretical Background and Literature Review

3.1. Shared vision

All new organizations start from an idea. Behind this idea exists the vision of what the organization can be and how it can grow. However, today the environment in which organizations exist is changing, it is becoming more uncertain and turbulent. In this new context they inhabit, organizations need to be more innovative, more adaptive and responsive to the changes happening around them. There is a need for a way they can make sure all employees understand what the purpose and the strategy of the organization is. There is a need to make sure all members are moving in the same direction, that they stay aligned through changes and that they can easily adapt to these changes. For organizations to survive in this context there is a need for a deep understanding of both their core purpose and their envisioned future. This is where the powerful concept of vision plays a vital role. The vision communicates the direction to the organization, it aligns all employees and gives them the feeling of purpose. The problem is that when the term “organizational vision” is mentioned, for many employees it is just a slogan their leadership repeats at events and a phrase they remember by heart without thinking more in depth about how that statement connects to the core of the organization. Just because it is said in meetings and can be seen on the company website, it doesn't signify that this vision is present in the daily life of its members. This version of a vision is wasteful, because it loses the true power a vision can have, a power to bring growth and change, to drive success, and above all a power to truly unite people. This type of vision is used for external communication, rather than internal focus of purpose (Palmer, 2019; Parsons and Associates, 2019; "Do others see what you see", 2018). Which is why for the organizations and the context today an improved concept is needed, the concept of a shared vision. This shared vision will be one of the main topics of research in this dissertation.

3.1.1. What is a shared vision?

To start talking about what shared vision is, we need to define it. A definition I will be using in this dissertation is: Shared vision is a clear and common mental model for the future strategic direction

of the organization and it embodies the collective goals of its members (Pearce and Ensley, 2004; Hoe, 2007; Wang and Rafiq, 2014; Eldor, 2020; Li, 2005; Huang et al. 2017; Gutiérrez et al. 2009). It's a vision that has been internalized by the organization's members and provides a basis for action among them. So, unlike the previous description of a vision statement, which is just simply shared in a top-down manner, a shared vision is embodied, understood and accepted by the employees as a force that drives them forward. It creates unity among the members and their actions (Eldor, 2020; Pearce and Ensley, 2004; Hoe, 2007; Wang and Rafiq, 2014). Everyone wants to feel connected and wants to feel as a part of the whole. We want to understand what the purpose of our organization is, what is the direction in which it's going and how we can help contribute to this. And the shared vision is a perfect tool to achieve this type of culture. It's from everyone, for everyone (Palmer, 2019; Coene, 2017; Parsons and Associates, 2019).

This shared vision can be achieved in two ways. It can either be built by the team, or by the leader. For either of these ways, it's the challenge of the top leadership to create a culture where such a vision can exist. This shared vision can be developed from the top leadership, in a way that provides direction and inspires commitment and change, and engages the employees (Coene, 2017; Parsons and Associates, 2019). But, shared vision can also be developed collaboratively from the members themselves. An innovative leader can share their personal vision, and the teams can bring this vision to reality. Or, a leader can listen and understand their employees and share a vision that addresses their needs (Gutiérrez et al. 2009; Palmer, 2019; "Do others see what you see", 2018).

A crucial part that distinguishes a vision statement from a shared vision is that the latter gets everyone involved. In the latter case the employees understand the vision, they agree with and are inspired by the strategic direction, and are collectively connected with it. This creates a feeling of ownership towards the company. Regardless of the role or position, employees can feel that it is their company. That they're working for a vision they take part in. Their behavior is shaped by this vision, they understand what is expected of them. Without it, there is no clarity of what behavior is expected and appropriate. The traditional approach to creating a vision fails at providing the same benefits, mostly because employees have a hard time connecting to it. This happens when the vision is created without thinking of the needs and goals of the members of the organization (Gutiérrez et al. 2009, Palmer, 2019; Coene, 2017; Parsons and Associates, 2019; "Do others see what you see", 2018).

In fact, a shared vision can't be established and then forgotten. It's a type of vision that is alive and that the whole organization continuously works to realize. This is true whether we are talking about a start up with only a few people or a big company with hundreds or thousands of employees. But it's not an easy task to create a shared vision. When it's only on a team level or in a company with very few employees, sharing the vision is easier, as there are less people to involve. However, as organizations are growing, so is the need to keep their many employees engaged and connected. Therefore, there is the need for a method that can help transmit the vision to the many members. To scale up the vision diffusion and make sure it's shared by everyone, and not only accepted on a superficial level (Palmer, 2019). The question that arises is: How do we get the vision to be shared among so many people? This is a very important question that I'll aim to answer with this research.

3.1.2. Why we want to achieve a shared vision?

After understanding what a shared vision is and how it is different than a traditional vision statement, it's important to understand what the main benefits an organization can achieve by creating and nurturing a shared vision are. Why should organizations care and put the extra effort into developing a shared vision?

Some things were already mentioned when distinguishing it from a traditional vision. It nurtures a culture in which employees can thrive. A culture with a sense of teamwork, unity, engagement. A place where the norms and behaviors expected are created by the employees themselves, and as such give a feeling of pride and drive to commit to them. This sense of common identity spreads through the company and can be a way to attract top talent. When there is a shared vision, there is also space for some inefficiency in the processes of knowledge acquisition and dissemination. The main elements of the strategy are known through the shared vision, which leaves room for defining the specific steps and details later. It allows for some flexibility, while still keeping the activities in the same direction. Shared vision transforms the company into 'our organization'. It encourages innovative thinking, risk taking and experimentation. Driving the company forward, creating a foundation for growth and success (Hoe, 2007; Gutiérrez et al. 2009; Palmer, 2019).

3.1.2.1. Team dynamics

Teams are a central building block of most companies. And the dynamics of the team are crucial for organizational health and success. Without it, organizations can't bring out the full potential of their employees. Which is why so many businesses focus on how to improve teamwork and positive behaviors from team members. And, how to limit free riding, aggressive or negative behaviors that disrupt the communication and collaboration of the teams.

Team processes and team dynamics influence the performance and the ability of teams to be innovative and successful. Having a vision, or a direction of where the organization or the team wants to be in the future and trust in the team is very important in predicting the success of a team. But, when the team takes part in deciding its goals and its direction, this relationship is even stronger. Based on previous literature, we know that shared vision can influence this team dynamic and in turn, shared vision can also be influenced by those processes, it's a reciprocal relationship. Shared vision can influence the culture and the team dynamics through a few processes, the ones I will focus on in this dissertation are teamwork, team potency, team reflexivity, altruistic or courtesy behavior and social loafing (Pearce and Ensley, 2004).

Team potency

The first concept I want to address is team potency, which is the belief shared by the members that the team can be successful. In literature, team potency has been linked with high team performance, as well as higher personal confidence and goal attainment. So, in a state where there is a shared vision, members have a better understanding about their tasks and what is expected of them, and about the overall performance of the team. It is understandable that this leads to a higher level of confidence that the team is on the right track, that they are working on the right activities and that the team will be successful, which is the team potency. Furthermore, when there is a clear sense of purpose and direction it breeds proactive behaviors. It can be used as a communication tool to motivate team members and to incite self-efficacy, which in turn increases the chances of the team to be prosperous (Pearce and Ensley, 2004; Somboonpakorn and Kantabutra, 2014).

Teamwork

Next is teamwork, or the effectiveness with which team members work together, coordinate and accomplish their goals well. It is also affected by shared vision. When teams understand how their efforts contribute to the big picture in the company, and understand how to align their work to this

direction, it contributes to effective teamwork behaviors. When they understand their place within the team, and their place within the organization, they can more easily engage with others. On the other hand, with an unclear common direction, divergent opinions arise, which makes coordination very difficult. Thus, shared vision helps cultivate close relationships and trust, and helps the process of learning among the members. Working on teamwork needs a lot of coordination and communication, and we can intuit a positive link between these two concepts. But, this isn't limited to positive behaviors just within one team, but even for the cross team collaboration. With shared vision, teams better observe the connections and the dependencies between them and other teams, which leads to a strengthening of positive teamwork behavior (Pearce and Ensley, 2004; Somboonpakorn and Kantabutra, 2014).

Altruistic and do-good behavior

Even altruistic or courtesy behavior is increased by shared vision. These do-good behaviors refer to helping other employees with problems or with their work, or to interpersonal actions that prevent problems. It's credible that when team members understand what their team's purpose is, what everyone's role within this team is, and trust each other, they can be more understanding or empathetic to the problems of their colleagues and better interpret how they can help. This awareness leads to better anticipation of problems and their prevention, through reduction of confusion and conflict. Team members are also more aware that helping other members insures the success of the team as well. As with the previous team dynamic variables, in this case alike the nurturing of the considerate behaviors leads to a virtuous cycle that also affects and increases shared vision (Pearce and Ensley, 2004).

Team reflexivity

Another team process that should be mentioned here is the team reflexivity. This is the process where team members reflect on the team's goals, strategies and activities and based on this reflection are able to adapt them to anticipated circumstances. A team that takes part in the process of reflection is more able to adapt and prosper in a dynamic and evolving environment, because they are more conscious of the consequences coming from the team's actions and decisions. Team reflexivity is a good tool to promote team creativity and innovation and ultimately team performance. But, the literature shows that team reflexivity alone is not enough to lead to innovation. Rather, shared vision is needed, because when team reflexivity is present without clear collective goals and rewards, innovation remains at the individual level instead of being attained at the team level (Kakar, 2018).

Social loafing

The final team dynamics variable I will talk about is social loafing, which is the affinity of employees to focus more on social interactions rather than the activities of the team. Given that employees who socially loaf tend to escape from their responsibilities, not engage with the other team members and reduce knowledge sharing, this can be very damaging to the productivity of the team and is something that should be limited. In this case the relationship between social loafing and shared vision would be negative, because shared vision improves goal visibility and commitment. It can lessen the prevalence of social loafing through clarifying the roles of each team member, limiting the conflicts and the dysfunction of the team. So, when there is high shared vision, we can expect an effect on social loafing within teams. However, research has shown that it is difficult to fully abolish social loafing, even with shared vision, because employees can focus on their objectives and the direction, but after finishing their tasks, they can go back to this disruptive behavior. However, in the absence of shared vision the behavior would be much more prevalent (Pearce and Ensley, 2004).

3.1.2.2. Job satisfaction and organizational commitment

Job satisfaction and organizational commitment are very important factors for most companies. The issue with keeping employees happy and committed to their work and to their organization is that companies think that the key to achieve this is solely with high pay, rewards and benefits. While, these job elements are very important to make sure that employees don't become dissatisfied, by themselves they are not enough. Which is why research has turned towards understanding which aspects of the company's activities, culture and norms can lead to an increase in the employees' job satisfaction and organizational commitment.

Shared vision has drawn the attention of researchers as playing a key role in achieving this satisfaction and commitment. Employees with a higher shared vision tend to have higher organizational efficiency and effectiveness, better understanding of their role and activities and less role conflicts. Employees are better able to match their expectations to the achieved organizational outcomes, better understand how their actions affect the company and increase their feeling of power. When they understand and support the vision, they can create an alignment toward that strategic direction and the values of the organization and become more committed to it. They can have a heightened self-esteem, sense of responsibility and control and tend to view

their jobs as more meaningful and important (Oswald et al. 1994; Huang et al. 2017; Chai et al. 2017; Gutiérrez et al. 2009).

Oswald et al (1994) have researched how strategic involvement and having a salient vision can increase employees' attachment to the job and the organization. They view a salient vision as one that has been clearly articulated and understood, a vision for which the leadership has support and agreement and one that is seen as appropriate by the organization. All of these elements are a part of the shared vision concept we have defined before, whereas the concept of strategic involvement is related to the bottom up thinking present in the shared vision. In their study, Oswald et al (1994) found that a perceived strategic involvement leads to both job satisfaction and organizational commitment and that the interaction between this strategic involvement and the vision salience significantly reinforced both. Being involved in the strategic actions increases the commitment to that strategy. They ascertain that the strategic involvement has to take place within an environment with a salient vision in order for the full benefits to be achieved. In fact, in the absence of this vision any potential advantages would be gone (Oswald et al. 1994).

Subsequently, the research by Huang et al (2017) recognizes that a very meaningful antecedent of job satisfaction is the career growth opportunity. This is the career growth employees undergo in their current organization. They go more in depth in this topic and discover that shared vision plays a moderating role between career growth opportunities and job satisfaction, between job satisfaction and turnover intention of employees, and also amid emotional exhaustion and turnover intention. In their view employees in an organization with a high degree of shared vision and sufficient career growth opportunities have an even stronger job satisfaction, as well as a bigger reduction to the turnover intention under these circumstances (Huang et al. 2017).

3.1.2.3. Collective engagement

Going a step beyond commitment is the notion of collective engagement. Engagement is a desirable human capital, and as such it leads to a competitive advantage that is not easy to obtain or duplicate. In fact the state of engagement is described as a focused effort by employees to direct their physical, cognitive and emotional energy towards the achievement of the organization's goals and the intention to go beyond the normal requirements. This fulfilling and positive state is transferable between the members of the team or the organization, increasing their shared motivation, passion and purpose. Engaged employees are the key to high

productivity, because they are actively and enthusiastically immersed in their work. And when employees work together closely, their mindsets and mental states become more similar, which together with social influence and learning, and common managerial habits leads to a collective state of engagement.

After understanding what collective engagement is, we can see a clear connection between that concept and the concept of shared vision, a strategic methodology of the organization, which is in common for all its members. In fact, based on the research by Eldor (2020) we know that shared vision is an antecedent of collective engagement. Having shared goals and a common direction incites employees as a whole. Making them feel like a part of a community and more cognitively and emotionally connected to their goals and community. Likewise, by following the 3 psychological conditions of engagement we can see how shared vision contributes to it. The first one is meaningfulness, meaning that organizational members that feel their work and their role as meaningful, also feel they are useful and valuable. Shared vision contributes to this by illuminating to employees how their work contributes to the high level goals, therefore generating a sense of importance and meaning. Based on the second condition, which is psychological safety, employees who don't feel scared of the negative consequences to their career or status while doing their jobs, are ultimately more engaged in their work. The clarity and reduced unpredictability and uncertainty regarding what is expected from the employees is gained from the increase in information about future plans when operating in a culture with a shared vision. This is how shared vision connects to the second psychological condition. The third and final condition is the one of psychological availability, which is the ability of employees to willingly invest themselves to their role. Psychological availability is reached when employees' goals are aligned with the company's direction. Hence, by promoting a strategic direction that encompasses the collective goals of its members, shared vision also increases the employees' psychological availability. Following this research, we can state that organizations struggling with keeping their employees engaged, should focus their efforts on nurturing a shared vision first (Eldor 2020).

3.1.2.4. Innovation

Innovation processes have become a core part of organizations that want to have a continuous competitive advantage, especially for organizations that operate in dynamic environments where conditions are constantly evolving and changing. Previous research shows that shared vision has

a very important role within the innovation process. This mental model of the future is the base for employee's planning, goal setting and motivation.

Innovation effectiveness

The concept of innovation effectiveness in this dissertation follows the definition by Pearce and Ensley (2004), where innovation effectiveness includes both the innovation development speed and the significance of this innovation. At the same time taking into account that this innovation should be implemented in a productive manner. In their research, Pearce and Ensley (2004) found a reciprocal relationship between shared vision and innovation effectiveness. They found that previous innovation success can help further clarify the vision within the team. And, that this vision also leads to higher levels of innovation, which in turn reinforces the vision again in a cyclical manner (Pearce and Ensley, 2004).

Having a clear vision and purpose gives the organization the ability to set metrics and better track the success of the teams and the organization. This early success of teams, in turn has a positive relationship to the subsequent innovation success.

Since a shared vision means that the members of the organization have collective or common values and goals, they tend to more easily share ideas, knowledge and resources. In this state of shared vision within the organization, it means that the resources are channeled towards the best ideas and are in line with the direction of the organization. Additionally, shared vision can increase the support in the organization for new innovation initiatives and ease the sharing of knowledge to influence its success. All of the previously mentioned drive the innovation performance and effectiveness (Strese et al. 2018).

Ambidexterity

One organizational concept that is much related to innovation is the concept of organizational ambidexterity. Following the research of Wang and Rafiq (2014), organizational ambidexterity can be defined as the capability of organizations to take part in both exploitation and exploration simultaneously. Exploitation is connected to existing competences, while exploration with new competences. Therefore, the former is more associated with incremental innovation and the short term, while the latter is critical for the long term and radical innovation. Finding the balance between these two competing organizational activities is very challenging.

Achieving this balance can be done through creating some structural or temporal separation between the exploration and exploitation activities, as in the case of structural and cyclical

ambidexterity. Structural ambidexterity achieves this through the separation of the units or teams in charge of the exploration and the exploitation activities. These units tend to have different management, cultures and structures. On the other hand, cyclical ambidexterity means that the two activities take place in a cyclical way within the same business unit. However, the balance can also be reached with contextual ambidexterity, which is the coexistence of the exploration and exploitation within the same business unit simultaneously. The need for contextual ambidexterity comes from the fact that often firms are left with no choice, except to focus on both short term performance and the search for new opportunities at the same time. And, those firms that are able to achieve it gain an advantage, especially in dynamic environments (Wang and Rafiq, 2014).

Contextual ambidexterity is very connected to the organizational culture. It results from a culture which promotes both discipline and creativity, which is difficult to nurture. Wang and Rafiq (2014) express that one of the two building elements of an ambidextrous organizational culture, which is seen as an antecedent to contextual ambidexterity, is in fact shared vision. Since contextual ambidexterity needs a bottom up approach of involving the employees, shared vision becomes a very useful tool for building this culture. Shared vision enables the individuals within the firm to effectively divide their time between the two activities depending on the circumstances. It can bring stability, direction and the autonomy needed for flexibility and change (Wang and Rafiq, 2014).

3.1.3. How can we achieve a shared vision?

Cultivating and advancing the vision and the future strategic direction of an organization is one of the most critical aspects of a corporate strategy. But, as we have seen before this is not an easy process and there is very little focus in research on what are the antecedents of a shared vision. One such paper is Gutiérrez et al (2009), in which are listed five prerequisites that are needed for the development of a shared vision, at least on a team level, which are the needed steps to reach this state. They are: a) an existence of a team identity, where a clear composition and structure of the team is known; b) a clear understanding of all the roles within the team and their assignment to the particular members; c) a true teamwork where there are team meetings and where work and goals are shared and done together; d) the team members are motivated and rewarded when

doing teamwork activities; e) a support from the leadership of the organization (Gutiérrez et al. 2009).

However, most of the other papers researched for this dissertation focuses on the outcomes of shared vision or view the concept in a moderating or mediating role. Which is why in this dissertation, the aim is in understanding how can a shared vision be developed?

As a leader, shaping the culture and the vision when managing a small team of people is easier. There is more room for informal communication and promotion of the leader's image of the future. However, as the organization grows and develops, this becomes a much more challenging task, and the leader can't be present everywhere and can't engage with every single employee. It's necessary to make sure people understand and approve of the vision, and that they connect and commit to it. Leaders need to be open to hear the opinions of the other organizational members and find a way to involve them in the process. Cultivating this vision is a never ending process, and even after attaining it, the shared vision needs to be sustained. Creating a shared vision needs a solid foundation and framework. Therefore, the aim will be to discover if there is a framework or a methodology which can be used as a tool for the shared vision (Gutiérrez et al. 2009; Craig, 2019).

3.2. Goal setting

A vision is a guideline on managing change and continuity. It provides answers on what is the core of an organization and how it can progress in the future, or rather which future should be stimulated. This envisioned direction behind the vision is represented by a highly ambitious goal, often called a Big, Hairy, Audacious Goal (BHAG). The goal is used to drive progress and provide a better clarity on where the finish line is. When building a strong vision, the next step is to create goals that align the employees towards this vision and focus their effort in the right direction. There is a need to make the vision actionable and traditionally goal setting is the mechanism through which this is achieved (Collins and Porras, 1996).

In order to start talking about goal setting, a definition is needed of what a goal is. The definition is taken from the multi-year research by Locke and Latham (2002). In this study, a goal is defined as the object or aim of an action, usually within a specified time limit. In particular, they limit their focus on conscious goals, and leave out mere intentions about taking certain actions, such as “applying to university”. In fact, the theory of goal setting was created inductively in organizational psychology in the span of over 25 years of field and laboratory research following the belief that conscious goals affect action. Even though goal theory has been researched for decades, it’s considered an open theory, one where new discoveries are still being made and included (Locke and Latham, 2002; Locke and Latham, 2006).

3.2.1. Goal functions

Goals are linked with desired future outcomes and the process starts with a dissatisfaction of the present state, which creates a drive and a desire to change some aspect of it and reach a new outcome. They serve a few functions, and these are the mechanisms through which they affect performance. The first function of goals is to channel attention and effort to tasks and activities relevant for the goal and away from those that would hinder the goal achievement. This function has been observed in their research when investigating the improvement of task performance when the participants were given feedback on it. They saw that participants only improved those aspects of the task for which they had set goals. Goals also serve the function of energizing people. This comes from the observation that difficult goals are accompanied with more effort than easy goals. Additionally, goals affect people’s initiative through the discovery and use of

relevant knowledge, skills or strategies. In order to attain the goal, they can use skills and knowledge they have, acquired either from direct experience with the activities required by the goal, or from similar contexts, or they can find an appropriate strategy to help them reach the goal, which can motivate them to obtain the needed know-how. The latter occurs when the goal attainment requires complex or new tasks to be performed. Finally, the fourth function of goals is to affect endurance and persistence. This is done through a trade-off between the time given to achieve a goal and the amount of effort needed. When people see that through working towards attaining important and meaningful goals, they succeed in the various challenges of the job and are able to grow, they tend to get a feeling of success in their work and an overall job satisfaction (Locke and Latham, 2002; Locke and Latham, 2006).

3.2.2. How goals affect performance

“The success of goal setting depends upon taking account of the mediators and moderators that determine its efficacy and applicability” (Locke and Latham, 2006).

What Locke and Latham want to say is that goal setting has very reliable benefits. But, these outcomes would not be reached if we disregard the effects of all the moderators and mediators of goal setting, such as to set specific and high goals, to measure the progress and provide feedback on it, to induce goal commitment, to take into account the individual's goal orientation, etc. Which is why, in this next chapter I will go into detail of a few of the mechanisms through which goal setting achieves its effects.

3.2.2.1. Goal specificity and goal difficulty

One of the first things that need to be mentioned when talking about goal setting is the goal specificity and difficulty. These have been mentioned in most studies and it has been widely accepted that when goals are both specific and difficult they lead to a high performance. While, the opposite is true when the goals are easy, or when they're vague. An example of this is the goal to “do the best you can” (Locke and Latham, 2002; Locke and Latham, 2006).

There is a positive and linear function between the goal difficulty and the levels of effort and performance, meaning that the highest goals lead companies to attain the highest results. This

stops being true after the limit of the capability of the person is reached, in which case the level of performance remains the same or starts to decrease. The more challenging or difficult goals stimulate the employees and bring out their best efforts (Locke and Latham, 2002; Locke and Latham, 2006; Gutiérrez et al. 2009; Hollenbeck and Klein, 1987; Chattopadhyay et al. 2018). Indeed, in a study participants were given goals that were either status quo goals or improvement goals, where they had to achieve a small, moderate or large increase in comparison to the baseline. They were asked to rate their perceived difficulty and to choose which goals they would prefer to work towards. Participants chose modest improvement goals over status quo goals and they expected higher satisfaction from them, despite knowing that those goals were more difficult (Chattopadhyay et al. 2018).

Goal specificity alone is useful, but doesn't directly lead to a higher performance, because this also depends on the difficulty of the goal. So when we talk about goals with the same difficulty, when it can be controlled, then goal specificity increases performance. The problem with goals that urge the person to their best is that there is no external reference or scale to measure whether and how much the goal has been achieved and they are measured purely by the individual's perception and understanding. This, in turn, leads to a wide range of possible performance levels, which can be resolved with setting specific goals, because they reduce the uncertainty about what needs to be done and therefore reduce the variation of performance. The more specific the goals are, the better they can focus the attention of the employees and aim their efforts in the right direction (Locke and Latham, 2002; Locke and Latham, 2006; Gutiérrez et al. 2009; Hollenbeck and Klein, 1987; Chattopadhyay et al. 2018).

Finally, we can also link both of these concepts to the theory of shared vision, based on the study of Gutiérrez et al. 2009. In their study they determine that goal specificity in a team setting clarifies the focus and priorities to the team and orients them towards a common organizational direction. This goal specificity helps develop a common mental model of the future, which based on the definition previously mentioned is a shared vision. Additionally, the goal difficulty requires a cohesion from the team in order to achieve the challenging goals, which can stimulate the development of a shared vision. Because of this, teams are developed with higher levels of communication and cooperation and an increased trust coming from the clarification of roles and expectations of the members (Gutiérrez et al. 2009).

3.2.2.2. Goal self-efficacy

Self-efficacy is a concept that is related to the rest of the concepts mentioned in this chapter, because it can mediate the effect of those other variables related to goals, such as feedback, participation in goal setting and decision making, personality and autonomy. It is the belief and confidence of the person that they can achieve the goal.

First, in those cases when employees are assigned a more difficult goal, those with high levels of self-efficacy are better at creating effective strategies on how to achieve it. It leads to a higher goal commitment in people and a better acceptance of critical feedback. Additionally, it has a positive relationship with future performance. In the case when employees in an organization set their own goals, self-efficacy has an impact on the level of the set goal. A low self-efficacy leads to lower goals, while a high self-efficacy leads to more difficult goals (Locke and Latham, 2002; Locke and Latham, 2006; Chai et al. 2017; Hollenbeck et al. 1987).

Based on Locke and Latham (2002), self-efficacy can be increased in employees by providing the training needed to perform their tasks and reach the goals, by providing role models for them and through an expression of trust by the leader in the employees' abilities. When employees get assigned hard goals, this can increase their self-efficacy, because it can be seen as the leader communicating their confidence in the employee's capability.

3.2.2.3. Goal orientation

Goal orientation is a personal motivational preference of individuals that affects their effort during learning and goal achievement. In particular, there are two categories of goal orientation – performance goal orientation and learning goal orientation. Performance goal orientation is observed in those people that have a strong desire to show their competence and capabilities to others and gain positive and avoid negative feedback. These individuals want to avoid activities that they're not familiar with, where they can make mistakes, because they do not want to be judged negatively. Therefore, they choose easy goals and avoid challenging goals, in order to achieve them fully and receive praise. Following failure, they tend to lower their persistence or effort (Locke and Latham, 2002; Locke and Latham, 2006; Joo and Park, 2010).

Based on the study by Joo and Park (2010), performance goal orientation has a positive influence on job or career satisfaction, but no relationship was found between it and organizational commitment. This can come when employees are assigned appropriate goals for their abilities and gain feedback that accentuate their strengths as a performance goal-oriented person (Joo and Park, 2010). On the other hand, a learning goal orientation is the desire of an individual to acquire new knowledge and develop new skills in order to improve their abilities and be better adapted in different situations. Therefore, these employees pick goals that lead them to acquire these knowledge and skills (Locke and Latham, 2002; Locke and Latham, 2006; Joo and Park, 2010). Following again the study by Joo and Park (2010), learning goal orientation had the opposite relationships than performance goal orientation. It had a positive impact on the organizational commitment, but no relationship was found with career satisfaction. This could come from expectation that those who are learning goal-oriented employees tend to experience an emotional attachment, a better acceptance of the organization's culture and goals and a willingness to remain in that organization, which can lead them to dedicate more effort for the company (Joo and Park, 2010).

In general, regardless of the goal orientation of the individual, when they're assigned a specific and difficult learning goal it increases their performance. But, when the goal is self-set, performance is highest in a high learning goal orientation state. Concerning the ability of teams to adapt to dynamic circumstances, it was discovered that teams were best able to adapt when they had difficult goals, matched with a high learning goal orientation. On the other hand, difficult goals could have a negative effect on the team when they had a very low learning goal orientation (Locke and Latham, 2002; Locke and Latham, 2006; Joo and Park, 2010). In school settings, those students with a learning goal orientation had a better performance than those with a high performance goal orientation, coming from their desire to attain new knowledge, instead of focusing mainly on their grades and their performance (Locke and Latham, 2002).

3.2.2.4. Goal feedback

Receiving feedback on the goals and their progress is crucial for the effective goal achievement. It provides employees with a clarification on how they're progressing in order for them to be able to orient themselves in the right direction and readjust their efforts and strategies if there is a need for it. If they discover they're below the expected output, employees can adjust their time management and performance or develop a new strategy for success. It has been discovered

that goals alone are less effective than combining both goals and feedback. Individual feedback puts a focus on their performance, just as team feedback puts a focus on the team's performance (Locke and Latham, 2002; Locke and Latham, 2006).

3.2.2.5. Goal commitment

Finally, the last and one of the most important moderating variables to mention when discussing goal setting is goal commitment. One of the strongest effects on performance is obtained when people are fully committed to their goals. This is particularly true in the case of challenging goals, due to the extra effort needed to achieve them and the higher risk of failure. Commitment is the extended determination to attain a goal and it is what sustains the person's effort to the achievement of the goal over time and what makes them unwilling to give up on the goal or substitute it for an easier one. It helps people and teams optimally use their resources and remain better focused and more persistent. Additionally, goal commitment has a positive relationship with goal self-efficacy, which increases the probability of goal achievement (Locke and Latham, 2002; Locke and Latham, 2006; Hollenbeck and Klein, 1987; Chai et al. 2017).

The two main factors that lead to goal commitment are the attractiveness of goal achievement and the expectancy of goal achievement, and based on Hollenbeck and Klein (1987), both of them are umbrella terms containing the list of antecedents of goal commitment. Attractiveness is connected to how important goal achievement is to people, and how important the results they expect to reach are. While expectancy is the confidence towards the achievement of the goal, which is a variable already mentioned previously, self-efficacy (Hollenbeck and Klein, 1987; Locke and Latham, 2002, Chai et al. 2017).

When talking about attractiveness of goal attainment, some of the factors that affect it are publicness, volition, specificity, inspiring vision, competition, reward structures, and the employee's personal need for achievement, commitment to the organization and personality (Hollenbeck and Klein, 1987). Publicness refers to the extent to which people know about the goals of others. When a public commitment to a goal is made, this increases the importance to reach that goal because the person's integrity and social status is affected. The same happens when a leader shares an inspiring vision that the employees connect with or when the employee is involved in the goal setting process, which in a sense, makes them own the goal. This latter case implies volition, or the freedom of an employee to do a desired behavior. As previously

mentioned, how specific and explicit a goal is increases the attractiveness of achieving it (Hollenbeck and Klein, 1987; Locke and Latham, 2002). Incentives, as a part of a reward system for goal achievement, also influence goal commitment through attractiveness. However, when there are difficult goals, and the reward is obtained only when goal is 100% reached, incentives can have a negative effect (Hollenbeck and Klein, 1987).

Whereas, some of the factors that fall under the umbrella of the expectancy of goal achievement are goal difficulty, leadership support, past success, personal ability, social influence, etc. Social influence in this context comes from knowing other people's goals and commitments, which can influence the setting of harder goals and bigger goal commitment. Support from the team leader or the supervisor can be a positive and friendly behavior coupled with active listening to the opinions of the employee. Leaders that are viewed in this way by employees, can set more challenging goals, which tend to be better accepted and seen as fair, increasing both expectancy and commitment. When the leader shows confidence, so do the followers. Finally, also personal factors such as the employee's abilities and their past successes are relevant, because they increase the trust and confidence of the employee, and their commitment (Hollenbeck and Klein, 1987).

3.2.3. Who sets the goals

The last thing that needs to be noted is who should set the goals. In an organization, goals can be set from the top and then cascaded down. Alternatively, they can be self-set from the individual/team or they can be set together with the leader through participation. What we've seen is that goal setting has a positive effect regardless of who sets the goals, but what I want to discover is whether a particular way of setting the goals can achieve some higher benefits.

Based on Locke and Latham (2006), in terms of motivation, there is no difference in effectiveness between taking part in the goal setting or having a goal assigned when the purpose behind it is properly communicated. In contrast, when no reason is given for the goal, there is a significant difference between a goal set through participation or an assigned one, where the former leads to a higher performance. Additionally, there is a cognitive benefit from participation because of the information exchange that occurs. And, the participation in strategy development can increase both self-efficacy and performance (Locke and Latham, 2006).

According to Doerr (2018), in the past the most common way of goal setting was strictly driven from the top. Top level objectives were set by the senior executives, which were then passed down to the departments, and all the following management levels. This cascading down of goals can create a unity and make sure that all the members of the organization are working towards the exact vision that the CEO has set. However, there are some negative outcomes of cascading goals. First, it takes a very long time, because each level has to wait for the goals from the previous one and as a process it cannot be done very often, which leads to a loss of agility. Secondly, there is not much room for change or flexibility, because any updates made have to be cascaded down again or there would be a loss of alignment, which leaves the company unable to respond quickly if there is a need. Another concern is that upper management might not have all the information on the daily operations that the final teams have. And, in this top down approach to goal setting, there is no step in which input is received from frontline employees experienced in parts of the work that managers aren't. Furthermore, significant individual goals that are specific to a particular role or individual could be overlooked if there is no direct link to the higher level goals. A final issue with cascading goals is that, although it can create a vertical alignment, it doesn't influence horizontal alignment across teams or departments (Doerr, 2018; Grote, 2017).

3.3. Management by Objectives

As seen in the previous chapter, goal setting is a very useful practice for organizations. In order to amplify the benefits of the goals, there is a need for commitment, tracking and feedback. The goals should be set in a way to align the activities of the employees with the vision of the company. In the past, in order to achieve this and reach the goals, methodologies like Management by Objectives, or MBO have been used.

3.3.1. What is Management by Objectives

Management by Objectives is a managerial tool developed by Peter Drucker, the father of modern corporate management, and he was the first to publish and use the term in his book "The Practice of Management" (1954). MBO is defined as the process of joint goal setting by the superior and subordinate managers, where they determine together which are the goals of the organization and divide their respective areas of responsibility (Greenwood, 1981). Based on the objectives set they can then manage their teams or units and evaluate the performance of their members. The main focus in the MBO tool is that subordinates take part in the objective setting, instead of receiving them in a purely top down matter. Key elements of Management by Objectives are the joint objective setting, the objective-strategy linkage, and the accent on measurement and review (Rodgers and Hunter, 1991; Greenwood, 1981; Dinesh and Palmer, 1998). MBO is now a tool with a long history behind it, and in more recent articles this participation in the goal setting by the subordinates has been expanded also to the individual employees, not just the managers ("MBO: Definitions, Benefits and Examples", 2020; "Management by Objectives", 2017; "Management by objectives (Drucker)", 2011).

3.3.1.1. Manager's letter

The foundation for MBO comes from the concept "manager's letter". This concept was used by employees (both managers and subordinates) where they had to write a letter to their superior in which they listed the goals they intend to achieve for the next period, along with which activities would be needed to reach the goals and which measurements would be used to track the

progress. After receiving the manager's letter, the superior could edit it and then would accept it as an agreement of the work the subordinate would have to do for that period. The manager's letter evolved into a monthly letter where the same goals, initiatives and standards were reported, together with the progress from the previous month. Drucker was the one who saw the potential of this concept and used it as a foundation for the theory behind Management by Objectives (Greenwood, 1981).

3.3.1.2. The process of Management by Objectives

The process of MBO, starts when the organization sets their top level objectives for the period, usually for the following quarter. These organizational objectives are linked to the strategy of the organization and are aimed at driving it towards the direction of the vision. Drucker (1954) has said that the true purpose of management is to decide what the business actually is and what it could be, and this is done through setting objectives. Following this step, the goals are then cascaded down to each of the next managers in the hierarchy, who then set their goals in alignment with the ones coming from the top and then share them with their unit. At this point communication flows in a top down manner, through the whole organization. In the next step the organizational goals are to be translated into individual employee's goals. This is done in a one-on-one meeting between the employee and the manager, where they look at and agree on how the employee can contribute to the manager's targets. In this way the employee is also involved in the process, they can better understand what is expected of them, and how they contribute to the overall strategy of the organization. In addition, there is an opportunity for a bottom up communication, where employees can give input on some operational issues, or suggest new goals with a fresh perspective to that of management, coming from their experiences. When all the objectives are set, their progress is monitored and reported to the manager and at the end of the period the employee's performance is evaluated and they are provided with feedback based on their achievement of the objectives. So, we can see that other than a goal setting tool, MBO can also be used as a performance management tool where the achievement of the objectives can be linked to some reward for the employees, such as with paid incentives (Rodgers and Hunter, 1991; Greenwood, 1981; Dinesh and Palmer, 1998; "MBO: Definitions, Benefits and Examples", 2020; "Management by Objectives", 2017; "Management by objectives (Drucker)", 2011).

One very important aspect that is needed for the process of Management by Objectives is that the top leadership supports and is actively involved in it. The need for commitment from top management is not unique for MBO, but it's an important parameter to be mentioned. In fact, when there is a lack of top management commitment, coordination problems can occur, along with isolation of the different units. There can be an increase of interdepartmental conflict and a deterioration of the success of the MBO program (Rodgers and Hunter, 1991).

3.3.1.3. MBO as a combination of goal setting, participation in decision making and objective feedback

As was seen in the description of the process of MBO, we can observe that Management by Objectives consists of three processes as components, which are goal setting, participation in decision making and objective feedback. Goal setting is the primary process and why MBO was created. It follows the logic of Drucker, that the objectives of an organization cannot be assumed as known or obvious. Instead they are risk taking decision and the creation process of objectives needs to be a continuous one, where objectives are cyclically reviewed and updated. Through the goal setting process of MBO, communication and productivity are improved, because it helps clarify the focus of the organization, and channels the effort and resources in that direction. When everyone knows and has agreed to their specific goals and their deadlines and they understand the reason behind the goals, then they don't need to be strongly controlled by management. Instead, they can be allowed to track their progress and rely on self-control to make sure the objectives are reached (Rodgers and Hunter, 1991; Greenwood, 1981; Dinesh and Palmer, 1998).

The second process is the participation in decision making. The level of understanding throughout the organization is increased and an exchange of information is happening because of this process. Employees become more aware of the top level objectives, while managers become more aware of the daily problems subordinates are facing in execution of their objectives. The belief in some research is that for participation in decision making to be successful it needs to be used together with goal setting (Rodgers and Hunter, 1991; Greenwood, 1981; Dinesh and Palmer, 1998).

Finally, the last process is the one of giving objective feedback. After each period for the objectives ends, managers do an evaluation of the employee's activities and after that they provide feedback

that can help the employee better do their job in the future and more efficiently reach their goals (Rodgers and Hunter, 1991; Dinesh and Palmer, 1998).

3.3.2. Advantages and disadvantages of Management by Objectives

The main advantage to mention is the increase in productivity. Each of the three processes that comprise MBO leads to an increase in productivity, and following that logic the process of MBO should have the same positive relationship with productivity. Goal setting improves communication and clarifies the focus and direction the organization is taking, which improves the employees understanding of their goals and roles and leads to an increase of productivity. The participation in decision making increases understanding and knowledge sharing that can go in both directions, as well as a sense of commitment from the employees towards their objectives which, again increases productivity. And finally, feedback can influence productivity because when employees are given critical feedback, this reduces uncertainty about expectation and standards needed to reach the next period's objectives, and when they receive positive feedback, it gives a sense of achievement and motivation (Rodgers and Hunter, 1991; Dinesh and Palmer, 1998). The meta-analysis done in Rodgers and Hunter (1991) proves that MBO produces an increase in productivity.

Advantages other than productivity, some of which have already been mentioned as reasons behind the increase in productivity, are the increase in motivation and job satisfaction. The improved relationships between employees and managers, as well as the improved lines of communication and coordination in the company. Since, objectives are first cascaded down and then individual objectives are created based on the top level objectives, this creates a strategic alignment in the organization. Which also drives the focus of all employees based on the top level strategic plan. There is an improved goal commitment and sense of identity, due to the participation in the goal setting. And, MBO is also a very versatile tool, which can be implemented in any company ("MBO: Definitions, Benefits and Examples", 2020; "Management by Objectives", 2017; "Management by objectives (Drucker)", 2011).

But, MBO has some disadvantages as well. In the implementation of the process, too much focus can be put on the goal setting, instead of the expected outcome. It can be isolating to some teams or departments and lead to poor teamwork, because they can focus too much on their own targets and be reluctant to support others. The development of teamwork is also limited, because

employees are not given a chance to work together in creating the team objectives. Also, as it is often used to evaluate the performance of the employees and can be linked to rewards for them, it can guide employees to attempt to reach their goals even if it results in a bad quality of output. Additionally, because the goals need to cascade down before each level can set their own objectives, and because of the need for one-on-one meetings between employees and managers, MBO tends to be very time-consuming. Moreover, with the focus on creating all objectives following the ones coming from the top, it can limit the possibilities for creativity and innovation that employees could choose to undertake. As well as, some activities that are very specific to their work, but not connected to the management's objectives (Levinson, 2003; "MBO: Definitions, Benefits and Examples", 2020; "Management by Objectives", 2017; "Management by objectives (Drucker)", 2011).

These problems bring about some questions that are important to keep in mind going forward. How can we make sure that the goal setting doesn't disrupt the teamwork and the collaboration? How can we make the process be faster and easier to manage? How can we leave room for innovation and new ideas to come up? And how can we make sure that both the organization's purpose and the individual's purpose can be met?

3.4. Objectives and Key Results

Organizations today need to update their ways of working and adapt to the circumstances arising from an increasingly dynamic environment. As well as, adapt to the needs of employees to connect to the organization, and feel a sense of purpose and meaning in their work. Therefore, organizations must find new methodologies that help them to be more flexible and responsive and that allow them to keep their employees focused, aligned and engaged. Such a methodology, which has been used in Google and Intel, and has been gaining popularity in the past years, is the Objectives and Key Results methodology. Objectives and Key Results, or OKRs are the successor of the MBO methodology, a new and improved tool uniquely adapted to the needs of the modern organizations. It is a modern goal setting methodology that goes beyond simply setting and tracking goals, but rather aims to relate the goals to the vision through an inspiring and visionary Objective. They provide a practical way that the concrete goals can be linked with the abstract vision (Doerr, 2018).

As a theoretical concept, OKRs haven't aren't present in academic literature. A lot of what is known about OKRs comes from books and practitioner's articles, and very little from research papers, which allowed for a wider range of freedom to choose the research direction of this dissertation and made the subsequent theory building challenging, but also very interesting. Which is why during this research, other than answering how OKRs contribute to the creation of a shared vision, I will also try to learn as much as possible about the OKR methodology in general, its implementation and benefits.

3.4.1. What is Objectives and Key Results

OKRs are a structured and collaborative goal setting methodology that aims to lead organizations forward. The acronym stands for Objectives and Key Results, which are the two main building blocks of the methodology. It is a tool to improve focus, alignment, transparency and productivity. They are a framework for critical thinking meant to help employees work together, work better and more focused. It helps with execution and engagement. Disciplines thinking about the major goals. Using this tool gives leaders visibility into what every part of the organization is doing, and vice versa, allows all employees to have an understanding of what the leadership is focusing on and the direction the organization is taking. It helps ensure that the prioritized actions are

connected to the same issues everywhere in the organization. The OKR methodology has a simple structure that is very easy to understand, but takes work, commitment and communication to implement well (Doerr, 2018; Trinkenreich et al. 2019; Zhou and He, 2018; Shende, 2019; Wodtke, 2016; Lamorte, 2015a; McLean, 2018; Google, 2019). This pairs well with an important philosophy of Doerr (2018): “Ideas are easy. Execution is everything.”

This system can be used in any organization regardless of its size. For small companies or startups it forces the members to stop and think what their priorities are and to make sure that every resource is used to advance the organization in the same direction. In medium sized companies, they additionally help with both vertical and horizontal alignment and provide a common language for execution. While, in large organizations OKRs further provide a much needed connection among the many teams and departments and a frontline autonomy to help make decision making and daily work more efficient. In the end, OKRs aim to create a balance between autonomy and alignment. One thing that is important to mention is that this methodology is not suited for all types of leadership or cultures. The authoritarian leadership style, for example, is not well suited for this management tool (Doerr, 2018; Wodtke, 2016).

3.4.1.1. The structure of OKRs

OKRs divide goals into two building blocks: the Objective and the Key Results. The first part, the Objective, is the qualitative part of the goal, where we say what we want to achieve in the future. It should be meaningful and inspirational, concrete and actionable, so it motivates people to work hard and to want to reach it. The framing of the Objective should be positive, leading employees to track positive, rather than negative events’ progress. It should also use language that is internally used and understood by everyone in the company. So, if someone from the HR team reads an Objective of the IT team, they should be able to understand it, even if they don’t understand the specific IT terminology (Trinkenreich et al. 2019; Shende, 2019; Wodtke, 2016; Lamorte, 2015a; Perdo, 2019b; Google, 2019; Castro, 2016; “Set goals with OKRs”, n.d.).

On the other hand, the second building block which is named Key Results, refers to the quantifiable part of the goal, the part that says how the Objective will be achieved. They are a time-bound, verifiable, and a realistic way to measure progress towards the Objective. They allow for the specification of what the Objective means to the individual or the organization. And, answer

what would have to happen for the successful achievement of the Objective. They support the inspirational language of the Objective by quantifying it. It's important that the Key Results highlight outcomes instead of output or activities. They aren't meant to be tasks that can be achieved in a day. Once all these outcomes (all the KRs) are reached, we should have also reached the Objective. When an Objective has a longer time frame, for example over a year, Key Results can be progressively developed and added. In this case also, when all the KR are achieved, so is the Objective. The KR, as opposed to the Objective, can be written with a more technical language specific to the team or the department they belong to (Trinkenreich et al. 2019; Shende, 2019; Wodtke, 2016; Lamorte, 2015a; Perdoo, 2019b; Google, 2019; Castro, 2016; "Set goals with OKRs", n.d.).

There are three types of Key Results based on their metrics. They can be a baseline metric KR, a target metric KR or a milestone. The baseline metric KR is used when the company becomes aware that it's important to track a certain metric, however this metric has not been tracked before and there is no data about it. Therefore, before a number can be included in the KR, an initial value needs to be obtained that will later be used to track the progress. An example is to count the number of invoices received per week. The second type is the target metric KR, which is the most common one. It is the one that aims to reach a specific level of change from the current value. The target set can be positive, negative or a range, although it's recommended to set positive target KRs. An example can be to have 10 posts on the blog by the end of the month. The milestone KR is one that cannot be created as a metric. These types of KR are necessary sometimes, because not every KR can always be expressed using numbers, however they should not be used too often (Lamorte, 2015a; Castro, 2016).

Additionally, some companies can choose to add a third block to the model. The third part are the Key Activities. It is not a mandatory part and the effects of the OKR methodology are not diminished if the Key Activities are left out, however some companies choose to add it as an additional step which helps clarify the OKRs. These activities list the actions and initiatives that should be done in order to reach the Key Results. They can be very specific for the daily work of the teams and may be frequently revised, so they often remain internally within the team, and are not disclosed to the rest of the organization. However, if they are used it's important to set the Objectives and the Key Results first, and only then look at which activities can support the outcomes that the company wants to achieve. In this way the focus remains on the results and it's easier to judge whether the activities or initiatives the company is implementing are impacting the Key Results or if they should be eliminated (Doerr, 2018; McLean, 2018).

3.4.1.2. Structured goal setting

As mentioned before, OKRs are primarily a methodology for structured goal setting. Therefore, the theory that was described in the previous chapters applies also to the Objectives and Key Results. To start with, OKRs implement the discoveries by Locke and Latham (2002) that goals should be specific and challenging in order to reach their full potential. For this reason, OKRs put a focus first on structure and clarity. It's important to take the time needed to think properly about the Objectives, their impact, and their phrasing, and the same for the Key Results that go along with them. It's important to use a language that is clear and understandable by everyone, instead of vague wordings that can lead to misunderstandings. Moreover, a well-established structure on how to set the OKRs is also needed, because all the steps of the process have been designed in order for the methodology to give the expected advantages. Most companies strive to set difficult Objectives in order to increase the performance and innovation of their employees. In addition, OKRs aim to gain an elevated goal commitment, by involving the employees in the goal setting and making their commitment visible to the rest of their company. And finally, the OKRs aim to improve the self-efficacy through measurement of the progress, through feedback and through support from other team members (Doerr, 2018; Locke and Latham, 2002).

3.4.1.3. Successor of MBO

As presented previously, OKRs are the successor of Management by Objectives. Some of the structure of OKRs come from MBO, but at its core they are an updated version adapted for the needs of the new uncertain and agile environment in which companies operate today.

Starting from the structure, other than an Objective, the OKRs also have a list of KR's that go with it. These KR's try to answer to how the Objective will be reached, taking the clarification to an additional level. Also, the OKRs are meant to be set at least quarterly in order to be more responsive, while the Objectives in the MBO method are mainly set for longer periods of time, such as annually. This allows for a bigger flexibility and agility by the OKRs. The strategic involvement in the process of goal setting, as an idea, comes from MBO, however OKRs have taken it a step further. While, in the MBO system, employees have some say in the goals they're assigned, these goals still mainly come in a top-down direction and the manager is very involved in the process. OKRs allow for more freedom and a stronger bi-directional flow, where the top

level Objectives can come from a suggestion by any employee. Another very important distinction is that MBO are tied to the compensation of employees, and therefore used as a performance appraisal method. OKRs, on the other hand, could be used as a communication tool for the performance management, but should never be connected to compensation. Finally, the OKRs, unlike the Objectives in MBO, are always transparent and shared with the whole organization (Doerr, 2018; Charoenlarpkul and Tantasanee, 2019; McLean, 2018).

3.4.1.4. Performance management

Performance management is a very important part of management, it locates the gaps in performance between the present and the expected and finds a way to decrease them. Tools such as MBO, or Key Performance Indicators, can be used as a part of the performance appraisal process. As mentioned previously, this is one of the major differences between such tools and the OKR methodology, and OKR should never be used for performance appraisal. This is one of the key tenets of OKRs. As a tool they belong to the strategic management activities, which are those activities that aim to manage the resources in an organization to be aligned with its vision, mission and goals at all levels and teams. They help focus and align the organization and use ambitious goals that encourage innovation and creative thinking. They are a tool to help with strategy delivery, they map the strategy and present a map to success to the employees. If OKRs are used as a performance appraisal tool, this would stunt this innovation process by making people avoid risks and set easy Objectives that can be reached easily in order to get their compensation, which would limit the power of the system. As such, HR shouldn't be the department in charge of the OKRs. They have an important role in it, such as training, communicating and making sure everyone sets and tracks their OKRs. But, ultimately the leadership should be in charge of the OKRs (Zhou and He, 2018; Shende, 2019; McLean, 2018; Perdo, 2019a).

3.4.2. The process of OKRs

The process of OKRs can vary from company to company. Based on Larry Page (Doerr, 2018), OKRs should be taken as a blueprint, and then adapted or made into what works for the particular

company, into what they want to see happen. However, in this chapter I will describe the main process following the grey literature examined.

The process starts with the creation of the top level Objectives of the company. They are created by the CEO or the C-level executives and are aimed at linking the goals of the organization with its strategic vision. However, these top level Objectives are not purely created by the top management, but rather with an input from the employees at any level of the organization. All employees, teams, and departments are encouraged to share their knowledge with the top leadership, and these opinions are taken into account during the creation of the top level Objectives. The logic behind this decision is that top management can't have all the insights from all levels of the organization, and sometimes specialized teams and employees have a better understanding of some organizational domains and the changes that occur there than the management. Furthermore, innovation often can be found at the edges of an organization and less at the top, so very powerful Objectives can stem from these employees' input if a process is created that can leverage it. Consequently, a very important part of the OKR process is the bi-directional goal setting and communication. The optimal and desired situation is when there is an equal balance between top-down and bottom-up Objectives, which makes a business capable of focusing on both the organization's and the employees' goals. This balance is reached through the encouragement of transparency, clear and open communication, along with enabling creative thinking (Doerr, 2018; Klanwaree and Choemprayong, 2019; Zhou and He, 2018; Wodtke, 2016; Castro, 2016).

Once the top level Objectives have been created, each of the departments and teams, regardless of the hierarchy can start setting their own OKRs. The Objectives of the teams should be aligned with the top level Objectives and should drive it in the same direction. The Objectives set should be only a few, in general from 3 to 5, so they can keep the focus of the team on the most relevant goals. For each of those Objectives, there should be created a few Key Results, which should again be at most 5. Each of the KRs represents an output the team will aim to reach, and once all KRs are reached the Objective can also be achieved. In the OKRs system, unlike the MBO methodology, the goals don't cascade down from the top, but it allows for a simultaneous and aligned creation of Objectives. Also, the OKRs aren't set from the team manager, but rather the team itself. The manager can be involved during the process to help keep the team aligned, or they can be involved in the end, to check and approve of the final version. Usually, the manager is more involved in the setting of the Objectives, while more freedom is given in the setting of the KRs. Hence, another important part of the process of OKRs is that employees are involved in the

strategy planning and implementation. Therefore, they get the sense of ownership over their goals. This also allows companies to limit the over-alignment through encouraging goals to arise from the bottom as well. Following this step, some companies choose to continue to an additional individual level of OKRs for each employee, while some decide to stop at the team level OKRs. The same process of involvement applies for the individual OKRs (Doerr, 2018; Zhou and He, 2018; Shende, 2019; Wodtke, 2016; Castro, 2016).

However, the OKRs are not meant to be set and then forgotten. Rather, an important aspect of OKRs is that they need to be continuously tracked. They cannot be forgotten until the end of their cycle to find out if they were fulfilled or not. In this way, what was planned and what has realistically been done at the company will not match. With everyone keeping track of the progress of their OKRs and communicating this to the rest of the company, employees can see how their activities contribute to the progress of the company. When employees feel like their work matters and when they feel like an integral part of the company, they feel engaged. Employees that know their work is on target can more easily stay motivated and engaged. And making progress is one of the biggest motivators for people (Doerr, 2018; Shende, 2019; Wodtke, 2016; Castro, 2016). In a study done in California people who recorded and sent weekly progress reports to somebody about their goals achieved 43 percent more of them than people who didn't share their goals. OKRs can keep track of the goals in two ways. First they, track how much of the KR has been achieved, usually done in percentages. And secondly, they track the confidence level of each KR. This means those responsible for the KR, have to update how confident they are that they will reach the full Key Result. This creates a deeper understanding on where each OKR is (Doerr, 2018).

Although, OKRs are a fairly simple methodology, it's not easy to implement them optimally from the very first try. Therefore, it's important to keep track of the process and to learn from each OKR cycle (Doerr, 2018; Wodtke, 2016).

3.4.3. Why choose to use OKRs

As John Doerr (2018) says, leaders are starting to use the OKR system as a way to change their organization's culture. It becomes a scheme for a positive culture. If used properly the author proposes that they can align the employees and teams with meaningful and common goals, increase transparency, accountability and communication, all of which are very important building

blocks towards a healthy culture, filled with high performing and engaged people. Teamwork is improved through common Objectives, and celebration of common results and accomplishments. It's a flexible method that aids companies in managing continuous change. When OKRs have been well implemented and accepted in an organization, the different benefits they bring tie well together. Responsibility and accountability are bound with alignment and transparency. When it's clear to everyone why the goals are important to the company and how they connect to other people and teams, employees value their contribution to the progress of the company. Their responsibility doesn't come from the top, but from a social contract, to be part of the organization, instead of being the one holding it back. This breeds a culture built on collective responsibility. An example of this is Google, where each team has a collective responsibility for the Objectives they set, while individual responsibility continues for distinct Key Results (Doerr, 2018; Klanwaree and Choemprayong, 2019).

Indeed, OKRs are most known today in connection to Google. They were created at Intel, but they were implemented as a management tool at Google shortly after (Doerr, 2018). As such, they have a role in the subsequent success of this company, which can be seen when reading the foreword of "Measure what matters", a foreword written by Larry Page, the co-founder of Google. In Google, the OKR system is a part of their performance and incentive system. In particular, the OKRs are used for setting goals and stating the company's priorities and are seen as a critical part of their corporate innovation system. It's believed that their combination of bottom up idea generation and top down priority clarification has a positive effect on innovativeness. They are a tool to focus an organization distinguished with less structure in a common direction and create a strong connection between innovation and the strategic intent (Doerr, 2018; Steiber and Alange, 2013).

3.4.3.1. Focus

In today's world filled with an abundance of choices and uncertainty, organizations need to decide in which direction they want to focus their limited resources. Successful companies know how to prioritize the few goals that make a difference and put an emphasis on the work that is important.

Here is the first main advantage of using the OKR methodology, they help focus the organization in the right direction. They force top management to sit down and think on what is the strategic direction of the company, what do they want to do and become. Because without it they can't

create the top level OKRs. They force all other employees to stop and think what are the main parts of their work that they need to prioritize in that period. They force everyone to think about the Objectives together with time frames and deadlines. The focus of the company is always on what is most important for the following period. It becomes the compass and the way to assess how well the company is doing. It's a framework where you can say "no" to the things that are not a priority in that moment and more easily make decisions regarding the work. But, in the case when there are some changes in the business and there is a need for a change of focus, this can more easily be done with the OKRs. They can be modified based on the new insights and the change in focus can be communicated through them (Doerr, 2018; Shende, 2019; Wodtke, 2016; Lamorte, 2015a; Bas, 2019; Niket, 2014).

However, a lot of companies, and even individuals, make the mistake of writing down every goal they can think of, ending up with a long list of cluttered tasks that can be daunting and impossible to execute. This creates confusion with employees about what the company is about, what they want to achieve and where they want to go. In contrast, OKRs put a limit on the number of Objectives or Key Results that can be defined. They follow the belief that less is more. OKRs are a tool for precise communication about the main focus of the organization that aims to clarify this confusion (Doerr, 2018; Wodtke, 2016; Lamorte, 2015a; Bas, 2019). This is one of the ways in which the OKR methodology differs from other goal setting techniques. And, here we can also place the main difference between OKRs and another tool that is often compared, Key Performance Indicators or KPIs. While, KPIs measure the indicators that are needed to keep the organization running in the present, OKRs look to the future and imagine where the organization could be. The OKR methodology talks about setting very few Objectives, because too many Objectives distort the focus from what matters (Doerr, 2018; Wodtke, 2016; Eceizabarrena, 2016).

3.4.3.2. Transparency

When using the OKR system, everything is put out in the open. Any employee, at any level or position in the company can see everyone else's Objectives and Key Results. Meaning that any employee can identify which are the most relevant goals for the CEO, for the HR department, for other teams they collaborate with, or even other individuals, if the organization chooses to set personal level OKRs. It's important that all teams have an insight into the performance goals of other teams. Previous research has already shown that goals that are made public have a higher

commitment level. Even the simple step of making sure all the Objectives are open increases the goal achievement level (Doerr, 2018; Zhou and He, 2018; Ibanez, 2018; Castro, 2016).

The Objective tracking is also shared with the organization and the progress and expectations regarding the Objectives are completely visible. It becomes more apparent to everyone if some OKRs are falling behind the schedule set for them. And, appropriate resources can be allocated in order to aid the work and bring it back on track. This type of working can increase teamwork and collaboration. Which in turn can also improve work relationships. Similarly, some of the problems that arise from hidden Objectives are prevented, such as distrust and sandbagging. Employees can gain an increased sense of fairness within the organization and a motivation for self-improvement in terms of their performance. With this transparency there is no need to wait for problems to stack before implementing change. Instead of focusing on performance management, sharing the vision can be the focus (Doerr, 2018; Ibanez, 2018; Castro, 2016).

In fact, looking at literature on the topic of transparency, we can see that OKRs lead to the highest level of transparency. The first level is when the organization doesn't disclose the strategy to its member. The second is when the strategy that is shared is ambiguously defined and worded, and can be differently interpreted by the different employees. Therefore the strategy is not coherent throughout the organization. The following level of transparency is represented with a clear strategy, but one that is not fully shared at the lower levels of the organization. Finally, the fourth and highest level of transparency is when the strategy of the organization is clear, it's communicated to everyone, and it's translated into goals for all the employees. With this level of transparency there is an increase both in the understanding of the employees regarding the strategy, and in the understanding of the company regarding its employees, their talents and their abilities to execute new strategies in times of change (Berggren and Bernshteyn, 2007). As such, this type of transparency is becoming an important source of competitive advantage and is an important aspect of the OKR methodology.

3.4.3.3. Alignment

A common problem in today's organizations, is that a considerable amount of employees tend to work on incorrect or suboptimal activities. This is especially true for organizations with a large number of employees, teams and departments. However, if this problem is solved it would lead to a considerable improvement in organizational effectiveness. As humans, we look for

connection in our lives. As employees in an organization, finding a tool to facilitate this connection is very beneficial for both sides, the employees and the organization. Research shows that alignment is very rare, and only 7% of employees truly comprehend the strategy and direction of their company and how to assist in their achievement. Alignment in a company is a very powerful thing to achieve. Reaching a strong vertical and horizontal alignment is a true competitive advantage, hard to achieve or replicate by other competitors (Doerr, 2018).

When using the OKR system, organizations start by setting the top level Objectives first. These are set by the CEO or the leadership of the organization and reflect the strategic direction of the organization. Once set, they are shared with the rest of the organization. When the OKRs are open for everyone, this gives the organization a range of options on how to proceed after the top level OKRs are determined. There is no need to cascade down through all the levels, but rather OKR setting can jump some levels, going directly to a low level manager or employee, or to a specific department. And it gives the freedom of teams to set and adjust their own Objectives in many ways depending on the culture of the organization. When all the other levels set their own Objectives, they always keep in mind the overall company's OKRs. This tie between the teams' and the departments' Objectives and the vision or direction of the company is the concept called alignment (Doerr, 2018; Wodtke, 2016; Castro, 2016; Klanwaree and Choemprayong, 2019; Bas, 2019; Eceizabarrena, 2016; Ibanez, 2018).

Vertical alignment is not the only type of alignment there is. As the business structures become more complex and interdependent, horizontal alignment is more needed in the workplace. And OKRs are not meant to be used in departmental silos, in fact they can be used against them by generating networks. These networks can be horizontal, vertical or diagonal. Therefore it is possible to use OKRs to improve both the vertical and the horizontal alignment, as they can help navigate the complexities of internal relationships (Doerr, 2018; Ibanez, 2018; Castro, 2016).

Based on Kathuria et al (2007), for alignment to be reached there is a need for a shared perception of the goals of the organization by employees and managers at different levels and units. As such, in the literature there exist two types of alignment: vertical alignment and horizontal alignment. The first is connected to the strategy, goals and initiatives at various organizational levels. While, the latter is connected to the coordination of activities across the organization (Kathuria et al. 2007).

Without alignment there is often a mismatch between the strategy planning and strategy execution. In this state organizations can have multiple employees working on the same activities

at the same time without knowing it. This is double and redundant work that wastes the productivity of the employees. There can be employees which work on different parts of the same problem, but they don't know it, and are unable to come together and connect the pieces. There can be activities that are naturally linked together in a chronological order, where the following tasks cannot be done before the preceding tasks are finished. If these activities are divided into multiple teams that are not aware of the linkage between them, as is the case in a state of misalignment, a lot of the work will be delayed. This is exactly where OKRs help, in the execution and the implementation of alignment. They make the linkages visible and clear to the organization. Through the transparency it becomes instantly clear when there is an area which is unaligned. Additionally, they can unite and create a common language for both people who are more metric oriented, using the quantitative part of the KR and those who are less numbers oriented, through the inspirational and qualitative Objective. They provide a tool for coordinating the activities of different units. A discussion can happen through setting OKR priorities and decisions can more easily be made about what needs to be done now, and what can be postponed until next quarter. Consequently, one of the main purposes of OKRs, aside from goal setting, is the facilitation of alignment (Doerr, 2018; Wodtke, 2016; Bas, 2019; Eceizabarrena, 2016; Ibanez, 2018; Castro, 2016; Google, 2019; "Set goals with OKRs", n.d.).

3.4.3.4. Inspiring and challenging Objectives

Innovation is one of the most important processes for a company, without it they stagnate and eventually lose their edge and competitive advantage. And, using conservative goals within an organization hinders innovation. Which is why OKRs advise the use of stretch goals. In his book, John Doerr (2018) relates stretch goals with a definition for entrepreneurs. These stretch goals relate in the OKR system to using Objectives that are inspirational and hard to achieve, and Key Results that move the threshold of what can easily be reached to what is very hard to be 100% fulfilled with a normal work pace (Doerr, 2018; Wodtke, 2016; Lamorte, 2015a; Bas, 2019; Ibanez, 2018; Castro, 2016; Google, 2019). This strongly relates to goal setting theory and to what Locke and Latham (2002) have said about setting difficult goals and the connection to performance. The studies found that challenged employees were not only more productive, but more motivated and engaged (Locke and Latham, 2002).

This habit of setting stretch goals is not present in all the companies that use OKRs. Some companies can choose to set such aspirational Objectives in one quarter, but not in the next. This

decision can differ from one company to the next depending on what their culture and strategic vision is. An example comes from Google, where they set two types of Objectives: Committed and Aspirational Objectives. The Committed Objectives are related to their metrics and the Key Results here are meant to be 100% reached. The Aspirational Objectives, on the other hand, are more risky and future-oriented. The confidence level on whether you can reach an Aspirational Objective should never be 100%, for this means it's a Committed Objective. But, there should be a confidence of at least 50%, so it doesn't destroy the motivation to try to reach it. These Aspirational OKRs are very difficult to achieve and have an average failure rate of 40 percent at Google. The Aspirational Objectives are the way Google chases innovation and inspires creativity. The key to using Aspirational OKRs is to always communicate what is expected, and what are the thresholds for success. However, even choosing to use Committed Goals that can be reached 100% most of the time, the Objectives selected should never be easy and minor. They should follow the findings of goal setting theory and they should have some stretch. The OKRs set should make the employees feel like they have to really work their hardest to reach the goal (Doerr, 2018; Wodtke, 2016; Castro, 2016; Google, 2019; "Set goals with OKRs", n.d.).

OKRs are also a tool to learn to embrace failure, as not all Objectives or Key Results can be reached by the end of the cycle. And, this can be used as a learning moment. The organization can learn by analyzing what wasn't anticipated at the beginning and what can be changed for the next cycle. In order to improve at anything, reflection is needed on the past. Through the review of old OKRs and the definition of new OKRs a continuous learning environment is created (Doerr, 2018; Wodtke, 2016; Bas, 2019; Castro, 2016; Google, 2019; "Set goals with OKRs", n.d.).

3.4.3.5. Performance

Even though there is very little practical research on OKRs, one such study was done by a Fortune 100 company – Sears Holding (Pol, 2017). They implemented OKRs to their 20,000 employees and measured the results. What they discovered is that OKRs have a positive effect on the performance and productivity of their employees, as well as on revenue and sales. Their study included a group of employees who started using OKRs to track their goals, and a control group who didn't. Through comparison between the sales performance before and after the implementation of OKRs, there was an increase of 8.5% in sales on average within the group that used them. On the other hand, there was no change in the sales performance of the control group. Additionally, the employees who were most consistent in using OKRs, and set 1 OKR as a

minimum each quarter in the year, showed an 11.5% higher chance of jumping into a higher performance bracket (Lamorte, 2015b; Pol, 2017). Research done by Deloitte also showed a positive impact of OKRs. In particular, they saw that the performance of organizations improves through the clarity enabled by OKRs, leading to a 4x higher chance of an organization to be within the top quartile of their respective industry (Pol, 2017).

3.4.3.6. Engagement

Research shows that two thirds of all employees are not engaged in their work (Doerr, 2018; Bas, 2019; Eceizabarrena, 2016). Engagement and employee retention are among the top 5 challenges facing business leaders today, based on a study done by the Financial Times among 1000 CEOs. Engaged employees are more productive and happy and have an increased job satisfaction and therefore commitment to the organization. Engaged employees are also linked with higher revenue (Eceizabarrena, 2016). But, how can engagement be built and how can OKRs contribute to it?

Based on a previous study, one of the most impactful factors in increasing engagement is through goals. Well defined, structured and shared goals can create clarity, help coordination and lead to job satisfaction (Eceizabarrena, 2016). Based on Perdo, in order to be engaged employees want better clarity in connection to the strategy and goals, they want to be able to clearly see how they contribute to this strategy, they want their goals to be linked to the organizational ones and they require transparency (Eceizabarrena, 2016). The transparency and alignment, along with the involvement in the goal setting that comes from the bi-directionality of the OKR system, build the sense of purpose and contribution in employees, which in turn improves their engagement. The characteristics and the advantages that come with using the OKR system can all be seen as antecedents to building employee engagement. They communicate to the employees, and the allow them to have a voice as well (Doerr, 2018; Bas, 2019; Eceizabarrena, 2016; Ibanez, 2018; Pol, 2017).

3.5. Research question

Based on the previous chapters, we can see that there is an abundance of research showing how impactful shared vision can be on the team or the organization, showing that companies that want to have the most satisfied and committed employees, (Oswald et al. 1994; Huang et al. 2017; Chai et al. 2017; Gutiérrez et al. 2009) the strongest and most productive teams (Pearce and Ensley, 2004; Somboonpakorn and Kantabutra, 2014), and the most engaged (Eldor, 2020) and innovative workforce (Wang and Rafiq, 2014; Pearce and Ensley, 2004) need to work towards building a shared vision in their organization. However, there is a lack of research explaining how companies can do that, what they need to work on and what they need to change to create that desired shared vision.

At the same time, one of the methodologies that talks about inspirational goals, about creating a focus towards what is most important, towards the vision, about creating alignment and connection in the organization has been gaining popularity in recent years. This methodology is the Objectives and Key Results. They have gained the proper acknowledgement in recent years, mainly by connecting them as one of the contributors to the success of Google and other digital companies (Doerr, 2018). Which is why, there is a plentitude of articles, and books, or grey literature, on the topic, but almost no academic literature or research. These articles and books talk about the process of OKRs and their benefits, but there is a lack of clear research that can validate these assumptions, and no research exists that can connect the value the OKRs provide to the concept of shared vision. Therefore, as these two gaps have been identified in the literature, the aim of the dissertation will be to position itself in order to supplement this lack of academic literature.

Through, understanding the theory of shared vision and of the Objectives and Key Results methodology, it starts to become clear that there are connections between the two concepts. OKRs link individual goals to the broad organizational strategy, to the bigger purpose that organizations strive to reach. Everything starts from the mission and the vision, and the creation of OKRs start with a view at the final destination they want to reach and work back. They meld opposite concepts together into one package, both vision and execution. The Objectives can also be viewed as a short term vision. They help to communicate the strategy and all the expectations in how to deliver and measure it. Their quality is highly correlated to the culture within the organization. As a communication tool, they make sure every employee has a common

understanding, and focuses on the same priorities. As a tool for coordination, they help employees of all units and levels align and work together (Doerr, 2018; Wodtke, 2016; Niket, 2014; Castro, 2016).

Therefore, based on all the research that has been examined and presented, the main research question for this dissertation is: *How do Objectives and Key Results contribute to the creation of a shared vision?* I will strive to answer this question during the practical work in the following chapters. At the same time, I will also try to learn as much as possible about the OKRs as a methodology, how they're used, why they're useful and what do they contribute to the organization. Through these discoveries I aim to enrich and contribute to the literature on both these topics.

4. Methodology

As previously mentioned, there is very little academic research done on the topic of OKRs. Therefore, there was a need to start at the beginning and build a theory instead of testing an existing belief. In the dissertation, this was done through the use of qualitative research in order to build a new theory that can subsequently be empirically tested using quantitative methods in a future research. Eisenhardt (1989) states that building theory from case research is highly applicable when there is very little known about a certain phenomenon, such as new areas of research or those with insufficient existing theory, because it doesn't rely on past literature and previous empirical proof.

Namely, the data was gathered through the use of interviews and the process began with the conception of a research question. Initially, the research question was stated in broad terms, having in mind that the main constructs researched would be "Objectives and Key Results" and "Shared vision". After the first interviews, the research question was more precisely defined. The methodology used in the dissertation was based on Gioia et al (2013) and the coding manual by Saldana (2013).

4.1. Data sources

The selection process for the data sources started during the theoretical research. While the analysis was ongoing, a list was created of all the companies mentioned in any articles or other resources as one of the successful organizations that had implemented the OKR methodology. The aim was to get in contact and get access to past or present employees of these success cases who could share their experience from working with the OKR system. This process was done using personal contacts and subsequently two of the companies on this list, specifically Google and Zalando, were reached. Following this, personal networking sources were used to find other organizations who had implemented the tool and were willing to share their thoughts and insights. To be more precise, the organizational members were found by reaching out via mail to the Alumni network of the student organization Board of European Students of Technology, which is a network that I am a member of. As such, the companies sources were all companies operating in Europe.

Company	Industry	Size	Specialties
A	Internet	10,001+ employees	Search, ads, mobile, online video, apps, machine learning, virtual reality, cloud, hardware, artificial intelligence, software.
B	Internet	10,001+ employees	Technology, Fashion, Operations & Logistics, and Commerce
C	Leisure, Travel and Tourism Services	201-500 employees	Travel & Tourism, Leisure, Software, Internet, E-commerce
D	Information Technology and Services	51-200 employees	Common data exchange formats, digital transformation, product data management, data templates, construction software, digital strategy, BIM consultancy, BIM software tools, and integrated platform
E	Internet	10,001+ employees	Online food ordering, Technology, E-commerce, Online food delivery, Marketing, Apps, Food tech, Machine Learning, Customer experience, UX design, delivery, and logistics
F	Sports	Sports	Digital sports content, technology and integrity services
G	Biotechnology	501-1,000 employees	Orphan and Ultra-orphan Disorders, Oncology, and Anti-infectives
H	Construction	2-10 employees	Materials, thermal insulation
I	Real Estate	11-50 employees	Property valuations

Table 1. Company industry and size.

**Company names have been excluded and pseudonyms have been used to provide anonymity to the interviewees following the agreement before the interviews.*

The final list included 9 companies, differentiated in terms of company size, active in different sectors and in different countries. The first two were the previously mentioned success cases. Moreover, another organization that also had a success story was included twice. Meaning that for the research two employees with different familiarity with the methodology were interviewed in order to gain both perspectives. Other than this case, only one employee was interviewed per company from the rest on the list. In contrast, one company from the data set had an unsuccessful attempt at implementing the OKR system, and we used their insights as a learning moment on what should be avoided when implementing or using the OKRs. Additionally, during the process of contacting the mentioned organizations, one more company reached out for a conversation. This was a small company that hadn't implemented OKRs yet, but was looking into the methodology as a new strategy tool. This interview was mainly not included in the theory building, but was used as an extra point of learning on why companies are interested in the OKRs and what they believe the OKRs would bring to their organization.

The majority of the companies were digital companies. However, this was not a conscious decision as a targeted segment. The industries included in the research were: Internet, Information Technology & Services, Leisure, Travel & Tourism Services, Biotechnology, Sports, Construction, and Real Estate. All the companies along with their data, such as industry, specialties and size are listed in Table 1, based on their LinkedIn profiles.

4.2. Data collection

The data for this research was collected using semi-structured interviews in a period of three months. The interviews were conducted online, because of restrictions due to Covid-19. The main platform used was Microsoft Teams, which allowed for the interviews to be recorded and automatically transcribed. These transcriptions were then manually checked and corrected appropriately before the coding was conducted.

A total of 10 interviews were conducted. Out of those, 9 were used for the main theory building, while the tenth was mostly left out, with the exception of a few sentences. This was due to the fact that the interviewee came from company I, which hadn't implemented OKRs yet, but would like to do so in the following months. Therefore, this interview was used as an insight into how companies view OKRs, and why they are interested in implementing them, as well as understanding which are the main benefits they are looking for. This interview also followed a different protocol, with different questions than the other nine interviews.

Whereas the main 9 interviews that were analyzed in this dissertation included present or past employees from the first 8 companies listed in Table 1. Based on Eisenhardt (1989), there is no optimal number of cases to be analyzed for qualitative theory building. However, the recommendation is to use between 4 and 10. This dissertation follows that principle. Furthermore, we take on an assumption which is crucial for this type of qualitative research that the people we are interviewing, the employees of the organizations, are "knowledgeable agents" who understand their actions and can explain them, along with their thoughts (Gioia et al. 2012).

In Table 2 the details about the interviews are represented, regarding their roles, the company they come from and the history of the company with using OKRs.

Before the interviews were conducted, I created an interview protocol that was followed in order to provide consistency across the data gathered. The interviews were in a semi-structured format, meaning that the questions listed in the interview protocol were a guide and there was freedom to change the structure or the order, as well as add an additional line of inquiry whenever it was appropriate. This was used when there was an expectation to gain a better understanding or when an unexpected learning opportunity was presented during the interview.

Interview ID	Company	Employee role	Context
1	A	Sales Lead	Have been using OKRs for more than 10 years
2	B	Product Management	Have been using OKRs for more than 5 years
3	C	People Organization & Acquisition	Have been using OKRs for more than half a year.
4	C	People Learning and Development Lead	Have been using OKRs for more than half a year.
5	D	Data Science Engineer	Have been using OKRs for more than 2 year.
6	E	Director of Product Management - Logistics	Have been using OKRs for more than 3 years.
7	F	Lead Agile Coach	Failed attempt at using OKRs
8	G	Rare Disease Education Specialist	Have been using OKRs for more than 2 years.
9	H	Founder/ Advisory Role	Have been using OKRs for half a year.
10	I	Business Development Manager	Planning to implement OKRs

Table 2. Interview details.

Likewise, the questions were stated using the words of the interviewee whenever possible. This was done in order to improve sense making, and in order for the interviewer not to influence the answers or the perception the interviewees held of their experiences. Further, the structure and wording of the questions were reviewed in order to be certain that they weren't leading questions (Gioia et al. 2012). Between each interview, the protocol was updated and some questions were adapted or added as a consequence of the interview's execution.

Ultimately, the final list of questions included 7 in total. The first was a starting question, to ease the interviewee and start the process. The last question was a bonus question to include if all the others were used and there was still time left in the interview. While the other 5 questions were the main questions of interest. Each of the questions had additional sub questions. They were meant to guide the direction of the interview and to ensure all the relevant information was gathered. Not all the sub questions were asked in each interview, as some of the answers were

included in another question and some were not appropriate for the particular case. The full list of questions and sub questions can be found in Table 3.

Question	Sub-question
<p>Can you tell me a little bit about your role and experience in your organization? [Starting question]</p>	/
<p>How do Objectives and Key Results work in your organization?</p>	<p>What do OKRs mean in your company?</p> <hr/> <p>How does the process of defining and setting OKRs work?</p> <hr/> <p>How does the process of tracking OKRs work?</p> <hr/> <p>How does communication regarding OKRs work?</p> <hr/> <p>Tell me about how you communicate with others about the OKRs?</p> <hr/> <p>How are they accepted?</p> <hr/> <p>Who sets the OKRs first? How are they connected with the top level OKRs?</p> <hr/> <p>Do you modify them in any way during the cycle?</p> <hr/> <p>Do you use individual level OKRs or not? Why?</p> <hr/> <p>Did you have any training or workshop on how to set OKRs and what they mean in your organization?</p>
<p>Why do you think they're useful in your work?</p>	<p>Tell me about a situation when the OKRs were very useful to you.</p> <hr/> <p>What is the main purpose of the OKRs? [Performance management, purely goal setting, connecting teams, alignment, etc.]</p>
<p>Can you tell me about the relationship between the OKRs and your organization's vision?</p>	<p>How about the relationship with the culture?</p> <hr/> <p>How was your vision communicated before? What is different now?</p> <hr/> <p>How do you feel about the strategic direction/vision of your organization now? [understand/agree with it/involved with it]</p> <hr/> <p>How do you feel you connect with the vision?</p>

Question	Sub-question
	Tell me more about the vision? How is it communicated? How was it created? Do you feel that your objectives and activities are aligned with the vision and how? Do you think you and your other team members pursue the same objectives?
How would you describe the transparency of the organization regarding the vision and strategic direction?	Do you know the objectives of other teams or upper levels? Has this impacted you in any way and how?
What would you say about the level of alignment of your organization?	What do you understand as being aligned? Has this changed your work in any way and how?
If you could change something about the way OKRs are used, what would it be and why? [Extra question]	/

Table 3. List of interview questions.

The full interview protocol can be found in the appendix.

Additionally during the interviews, notes were taken about all emerging impressions. They were not analyzed at this moment, but collected to use as a further inside during the subsequent coding and theory building.

4.3. Data analysis

The analysis process began while the data collection was still ongoing. This overlap between data collection and data analysis is encouraged in qualitative research, as it provides more flexibility to the researcher to make adaptations to the data collection instruments if there is a need for it (Eisenhardt, 1989). Following this principle, new sub questions were added to the interview protocol during the research, allowing for better quality data to be gathered.

Namely, the analysis of the data was realized with the use of first order analysis or coding and second order analysis, in order for both the informant's voice to be heard as well as the researcher's. Based on Gioia et al (2012), the first order analysis represent the informant's voice because it uses terms coined from the interviewee. On the other hand, the second order analysis portrays the voice of the researcher, because these concepts and themes come from them. The researcher only starts behaving like a knowledgeable agent at the start of the second order analysis (Gioia et al. 2012).

In particular, the coding was conducted based on the Coding Manual by Saldaña (2013). The first step was the pre-coding. This included noting down all quotes that were deemed relevant during the analysis of the interview transcripts, which were saved for further inspection after the theory building. These quotes were later used for the findings and discussion sections.

Subsequently, the first cycle coding was conducted. The recommendation regarding Grounded Theory and similar qualitative studies is to use In Vivo, Process or Initial Coding for this step (Saldaña, 2013). Each of these divide the data into segments which are then examined and given individual codes. For this dissertation, I decided to use the Initial Coding method, which is the starting point for the coding process. It allows for flexibility in directing the theory based on the subsequent findings. For this reason, the Initial Coding can be built using 2 or more different coding methods. In particular, I used In Vivo Coding and Descriptive Coding. In Vivo uses the exact words or phrases the interviewee themselves had said in order to create the code. In this research, at least 80% of the codes were In Vivo codes. The reasoning behind this was to include the voice of the informant in the research as much as possible. Whenever In Vivo was not possible or was not informative of the segment, Descriptive Coding was used. This coding type structures the codes using a short phrase, based on a summary of the segment. This phrase describes the topic, and not the content of the data. Both of these coding methods are versatile and can be used for most types of qualitative studies, but they are particularly useful for researchers who are

beginning to learn how to code data. This was also taken into account to make the choice of the coding method (Saldaña, 2013).

After the first cycle coding, following a process of reflection, all the codes were reviewed once more. Therefore some codes were modified or recoded taking into account the insights obtained through the interviews' process.

Following this, the second cycle coding was done. Commonly used second cycle coding after Initial Coding are the Focused, Axial and Theoretical Coding methods. In this step of the process the codes are classified and reorganized to form new aggregated codes, and eventually themes. This is done based on their similarity (Saldaña, 2013). For this data analysis, three methods belonging to the second cycle methods were used: Pattern, Axial and Theoretical Coding. The Pattern codes represent the 1st order concepts based on the nomenclature used in Gioia et al (2012), the Axial codes represent the 2nd order themes, and the Theoretical codes represent the Aggregate dimensions. The coding was done in the previously presented order, and after each subsequent cycle of coding the codes were grouped together and therefore the number of codes was decreased. From 370 Initial codes, 43 Pattern codes were obtained. From those Pattern codes, 15 Axial codes were created. Finally, from the Axial codes, 4 Theoretical codes, or Themes were reached.

Pattern Coding is recommended as a succession after the Initial Coding. These codes are reasoned from the information provided by the Initial codes, presenting an explanation or a pattern that can be found in the codes. Axial Coding continues the analysis done by Initial Coding or another second cycle method. During this step the more dominant and important codes are brought forward, and any redundant or repetitive codes are aggregated. Therefore the codes obtained are like categories, whose properties are described by their sub-codes. Mainly, Axial Coding is the transitional step before starting Theoretical Coding. In fact, Theoretical Coding is the last coding step before developing a new theory. It is done by locating the core categories, or the main themes that have come up in the analytical work. These themes are the condensed representation of what the research is talking about. They show the relationships between the categories and transition the research from analytical work to the theoretical development (Saldaña, 2013).

Coupled with the coding, a search for cross-case patterns was carried out. This was done by observing which interviews were included in each of the first cycle codes. The interviews had some dimensions or categories which were present in all of them, and dimensions which were

only featured in some interviews. These dimensions mainly surfaced because of differences in the use or set up of the methodology. Insights were noted in cases when only interviews with a uniting dimension were present in one of the first cycle codes, while the other interviews were absent. Examples of some of these dimensions were: whether the company used individual level OKRs vs. team level OKRs or visible OKRs vs. unobservable OKRs. The learning outcomes of this process are presented in the discussion.

5. Findings

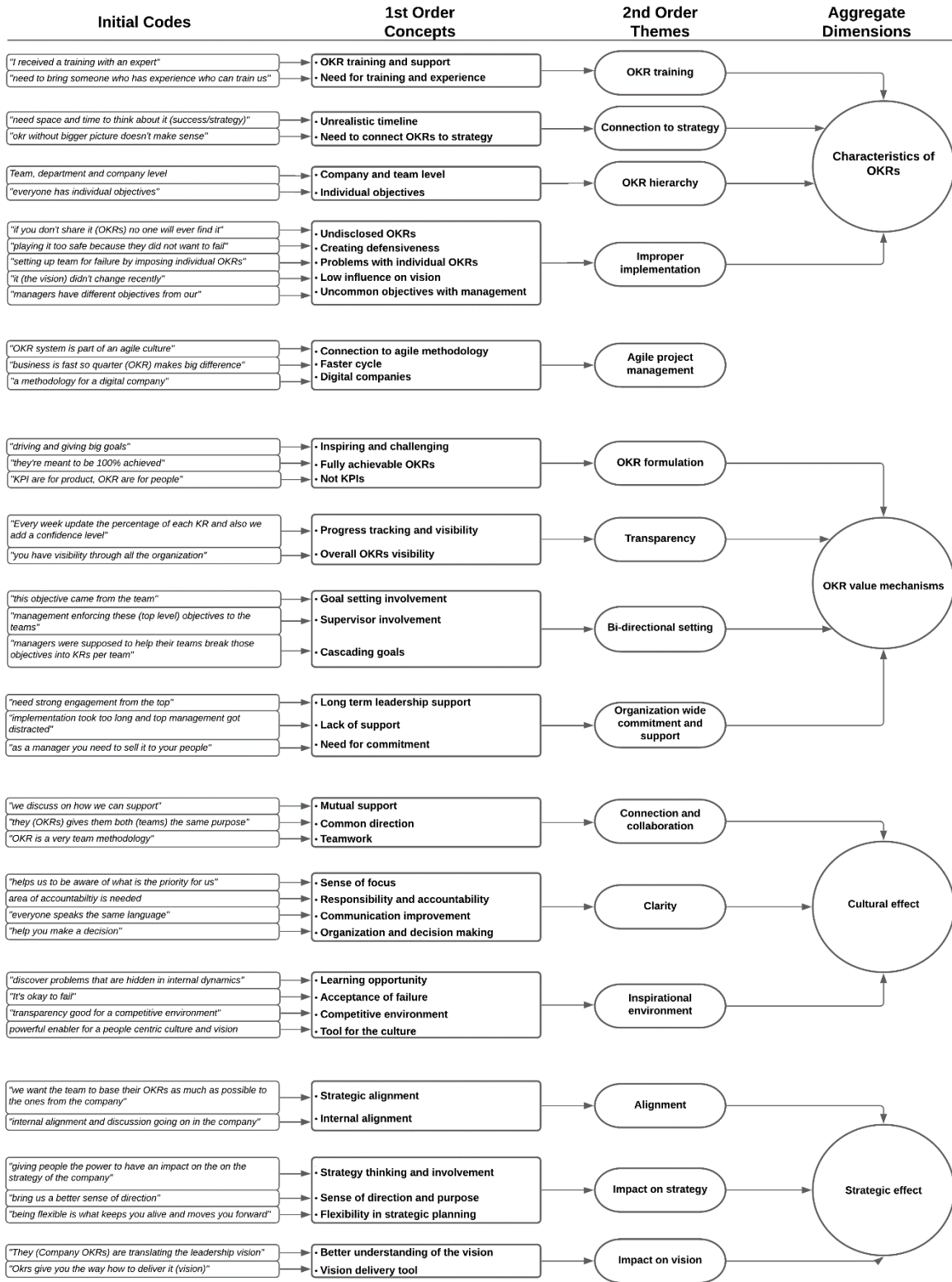


Figure 6. Data structure representing the coding process.

The main research focus of this dissertation was to discover how Objectives and Key Results contribute to creating a shared vision through interviewing practitioners who could share their experience with the use of the OKR system. However, a secondary interest of the research was also to learn about the Objectives and Key Results in general. How they're set, how they're used, how they're defined or updated, how they're evaluated, what they're useful for in the daily lives of the employees, what are their perceived and unobserved benefits, and any other findings uncovered during the interview process.

The data coded during the cycles described in the methodology section can be seen in the following data structure, presented in Figure 6. This data structure is a visual tool for representing the data, showing all the steps taken from raw data to the final themes and showing the accuracy and rigor of the qualitative analysis (Gioia et al. 2012). Starting from the left, in the data structure, we can observe the first cycle codes. In particular, one In vivo code is picked to represent the group, while the entire set of aggregated codes can be found in the Annex. On the right from there, the Pattern codes are presented, then the Axial codes and finally the 4 core themes of the dissertation, which are: Characteristics of OKRs, OKR value mechanisms, Cultural effect and Strategic effect.

5.1. Characteristics of OKRs

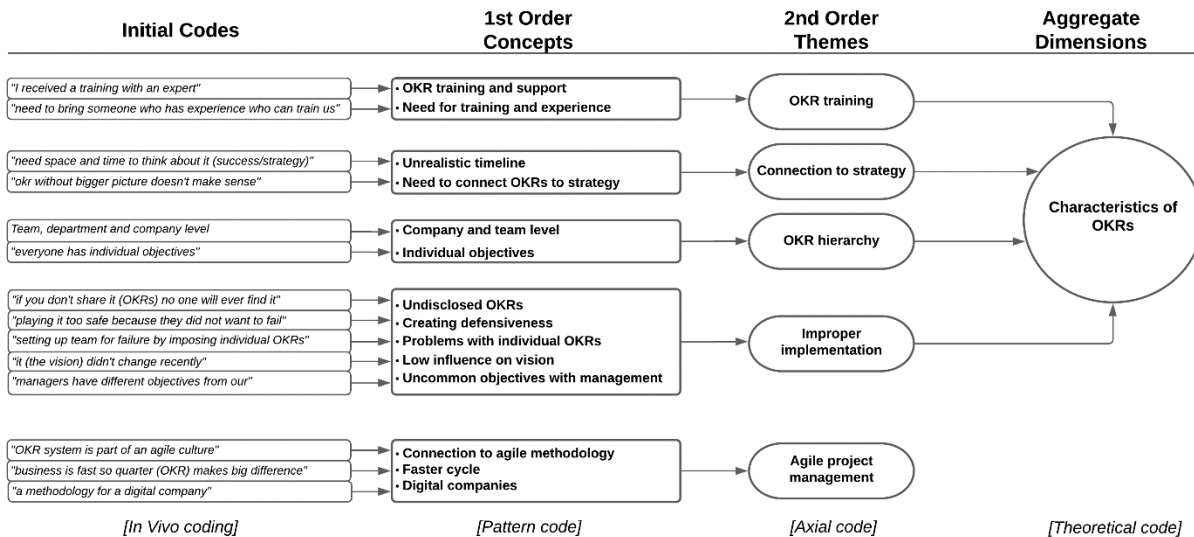


Figure 7. Data structure of theme: Characteristics of OKRs.

Throughout the interviews it started becoming clear that even though the Objectives and Key Results as a methodology have a simple structure, there are certain rules that need to be followed. Certain characteristics that need to be managed in order to increase the positive effects of the system's implementation. This theme includes the codes and the parts of the interviews where people talk about the ways they've implemented OKRs in their organization. Where they talk about how the OKRs are structured, which contexts they are most often associated with, as well as what processes need to take place together with the OKR implementation. As such, these represent the antecedents for an effective OKR system.

5.1.1. OKR training

To start with, communication about the new methodology, as well as which are the expected benefits is crucial. It manages the expectations and the behavior of the employees and makes organizing the process more effective. Which is why one of the key needs that was mentioned in many of the interviews was the need for OKR training.

Some of the companies had implemented training systems at the initialization of the new OKR process. This was done with workshops or training sessions with an expert, where the employees

would learn about how to set the OKRs, how to track them, which were the best practices of the system, as well as what were the expected benefits from taking part in this process. This is better shown by interviewee 4:

“I've been supported by an external consultant for the very first part, so working with the leadership team and designing the system and training our key people. We have been training for some one month. Many people, more or less 60 people in the company and basically we have included all people managers in the company and all the OKR Masters. But that kind of training was open to everyone so everyone can join and see about it.”

Furthermore, some companies created workshops in the beginning to support the teams and help them learn how to properly set the OKRs. This was presented by interviewee 3:

“Then we as a team, as different teams, we have workshops to determine our Objectives and Key Results. On the first round, my colleague did all the workshops with the team. Because you know, they may have had questions and everything.”

On the other hand, those companies that failed to organize a training system, had visible problems in the subsequent steps of forming and using the Objectives and Key Results. The same applied, if there was a training organized which was delivered by someone without any experience with the system, apart from reading a book or some articles on the topic. Interviewee 7 explained this well in this statement:

“I would suggest finding someone in your area who did something similar to similar organizations and hire them at least for half a year so they can tell you, what works, what doesn't work, because in this area experience is everything. Yes, there are books. But then how to translate those concepts into what works in your organization or business culture? That's absolutely totally different game.”

5.1.2. Connection to strategy

Another one of the prerequisites that was found in this research is the need for a developed organizational strategy before the start of the OKR setting. They need to be connected to the strategy, and if the strategy is not clearly or is not present at all, the OKRs cannot exist. The OKRs are meant to provide focus and to prioritize the work of the employees.

However, if no strategy or big picture exists on what the company should be doing and where the company should be going, then there is no way to know which Objectives should be the focus and which should be left for another quarter and there is no way to know why the teams have their specific Objectives. There cannot be alignment if there is no strategy to align the Objectives to. Interviewee 2, summed this up:

“For example Google, Amazon, Zalando, they have this concept of customer centricity that very much brings you to look at the bigger picture. And, then the OKRs make sense. So OKRs without the bigger picture doesn’t make sense. Why do you want to achieve this Objective?”

Subsequently, even if a strategy exists that the Objectives can be connected to, there is a need to also set a realistic timeline based on this strategy and the habits of the organization. The cases where managers asked for the OKR creation in 2 weeks, especially coupled with nonexistent training on the topic, lead to a failure to produce them. This is especially true in cases when the short deadlines given to produce the batch of OKRs distract employees from their other work or activities. Creating a belief that the OKRs don’t assist with work, but instead hinder it.

5.1.3. OKR hierarchy

The OKR hierarchy represents the levels of OKRs that can be set in an organization. As was seen in the theoretical background, OKRs can have many hierarchical levels. This was supported in the interviews as well. The OKR setting always begins with the company level Objectives. Following the top level OKRs, there can be as many OKR levels as there are hierarchical levels in the company. Any department can have their own OKRs, and the same applies for all the teams. The following is the explanation of interviewee 3, talking about the hierarchy of OKRs in their company:

“We have created three levels of OKRs. The first one is company levels... So we have created a double level of OKRs, the Department OKRs and team OKRs. So for example in our case we don't have any Department OKRs, there's just the company and ours. In other teams there's this double level.”

Subsequently, some companies go a step further, and following the team level also assign individual level OKRs or personal OKRs.

5.1.4. Improper implementation

The final Axial code which falls under the umbrella of the theme “Characteristics of OKRs” is one which takes into account the cases when the OKRs were implemented in a specific way, different than the recommendations by theory, practitioners or general best practice. As such, they show that OKRs have to be implemented in a certain way, otherwise we have the following problems. These codes were summaries of the exceptions, and as such they were present in only a few of the interviews. Many of them, included parts taken from the interview 7, the case of the failed OKR implementation.

Firstly, such a problem occurs when the OKRs are not made visible and open to all the organization. This can be done purposefully, by not explicitly sharing them at all and having them only visible to the person who is responsible for them. On the other hand, this can also happen unintentionally when the OKRs are officially open and can be found on an internal site, however they’re not explicitly talked about or shared, leading to the case when even though they can be found, nobody truly knows that they’re there, nobody opens them or even looks for them. This is best explained by interviewee 7:

“No one really made it secret, just the nature of big organizations. You don't need to hide things actively, is just if you don't share it, if you don't show it, no one will ever find it. So they were not really made secret, they just were not publicized enough. And that's in big organization as good as being hidden. So you put it somewhere on some remote share point page or wiki page, and you pretty much guarantee that nobody will ever find it, and no one will know.”

Secondly, some companies, especially IT companies had problems with using individual level OKRs. Admittedly, in some instances it was difficult to divide the specific team level Objectives into Objectives for each individual. In other instances, this diminished the flexibility, or the teamwork, and it also took extra time that was not necessary. Based on interviewee 7, these individual level OKRs were so incompatible that the employees had to work around the rules of the system in order to make them work. Admittedly, the focus on team level instead of individual level OKRs for the modern companies is best described through this quote, by interviewee 4:

“The more your company is agile, the more difficult to manage individual OKRs, because at the end of the day that the process is becoming too complex and you are continuously

changing people from one team to another, changing roles, changing focus, your job, and so every time you should redesign your individual OKRs, yes. Which is an incredible work. And then they're not useful at all, so it's better to be more focused on the team side. So in the modern, in the contemporary performance management, the team dimension is the key dimension, not the individual one."

Finally, the other 3 codes found, were each taken from only one interview, a different one for the different code. One such interview was a case where the employee had very different OKRs than their managers. Even though the interviewee stated that her OKRs were aligned with the mission of the organization, the ones of their manager were said to be dissimilar to their personal ones. Additionally, interviewee 9, one of the cases where the OKR were not shared, observed low influence on the vision. Finally, in interview 7 defensiveness and risk avoidance was created, coming from the fact that their managers would expect them to be successful all the time, and when this was not the case they would receive unwanted managerial attention.

5.1.5. Agile project management

Throughout the data collection, the concept Agile, such as agile culture or Agile methodology appeared in multiple interviews. Indeed, sometimes the concept was directly mentioned in connection to the OKR methodology, while sometimes the uniting characteristics between the two were observed. This demonstrated that OKRs can often be found in organizations with an agile culture and that this agile culture can help strengthen and ease the OKR process, and even improve the benefits. As such, this Axial code doesn't belong to the antecedents of OKRs, and is not a member of this theme, but it does have an impact which will be better presented in the discussion. Rather, it's a separate code from all the 4 themes presented, but closest in relation to the Characteristics of OKRs.

Basically, one of the most common similarity that was noted is the ability to quickly respond to changes happening in the organization. In particular, this was illustrated when talking about the length of the OKR cycle, where interviewees stated that a shorter or a faster cycle is preferable. This is due to the fact that business is fast, there is turbulence and it's difficult to plan six months or a year in advance. Therefore, the OKR cycles mainly last a quarter, which is 3 months. The following quote by interviewee 5 serves as an illustration to that:

“Now things are kind of as I said, three, or three to six months, not like six months one year. So that things are more, kind of achievable on smaller steps so that we have a faster kind of feedback cycle or a faster kind of assessment cycle. Not just setting up for a year ahead, and then like a year later you realize that, OK, that's not really what we wanted, and we wasted like a year of resources. Which is not so good.”

Similarly, in a few of the interviews the association of the OKR methodology with digital companies and digital culture was presented. This is made clear by the following statement from interviewee 2:

“It's not by chance that it was invented by Google. Well it wasn't invented by Google, but Google made them famous. It's a methodology for a digital company. For product driven digital companies.”

Lastly, the belief that OKRs align well with the Agile methodology and that they can coexist harmoniously with an agile culture is demonstrated through the interviews as well. As an example of this, one of the companies used for the data gathering, has in fact implemented the Agile methodology together with the OKR methodology. How the two complement each other can be observed in the following excerpt from interview 3:

“We implemented the sort of Agile methodology in the team together with the OKRs. So it really helped us because we have a stand up on Monday and, we try to tell each other what we're doing, what we will be doing this week and we try to connect it with OKRs. So you know this is something related to OKRs because it will bring us there... It's also a lot based on urgency, what happens during the day, during the week. But we have a Sprint on Friday and it's our celebration and updating of OKRs meeting. And, also with the retrospective which we didn't do before.”

5.2. OKR value mechanisms

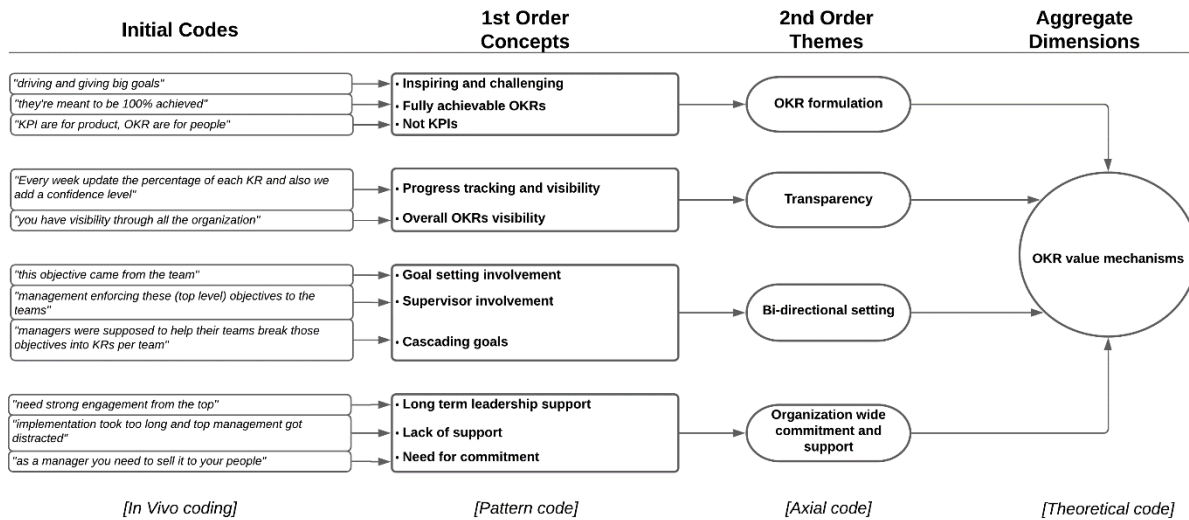


Figure 8. Data structure of theme: OKR value mechanisms.

The second theme uncovered during the data analysis is called "OKR value mechanisms". The Axial codes in this theme create value for the organization, bringing the strategy and the vision closer to the people, opening up about what is happening in the organization and what is important, respecting and listening to the voices of all employees and getting everyone involved and committed to the implementation of the process. In fact, the codes included are those which make the OKRs shared somehow, by creating a sense of shared visibility, shared involvement, and shared commitment. As well as the OKR formulation process which aims to inspire people and connect them to the future, to the strategy. In summary, this theme presents the mechanisms through which OKRs have an influence and a connection to the shared vision.

5.2.1. OKR formulation

To start, the first category which describes the OKR value operation, is the OKR formulation. Although there were some differences between the ways different organizations formulate the OKRs, some of the common ways mentioned were that the Objectives were meant to be inspiring and visionary. They should be written with a positive language that stimulate the employees. At the same time, the Objectives should be challenging. These big goals tend to push employees

out of their comfort zone and improve their performance. This can be seen by the following statement by interviewee 3:

“It's better to have something that's really inspiring even though you already know that you probably won't be able to reach 100%, but you feel it's really important. It's a priority and you have to start working on it.”

As seen in the previous quote, some companies set OKR that are so challenging that they cannot be fully achieved. Or rather, they shouldn't be fully achieved. But, other companies set the OKRs in such a way that they are challenging and difficult in order to create a drive for the members to work hard to reach them, but in the end it's expected that they will be fully achieved. Meaning, they're difficult, but also create a sense of achievement once they're reached. This is represented in an answer by interviewee 5:

“Yes, they are meant to be 100% achieved, but uh, sometimes they're not. It happens.”

Finally, something interesting that was mentioned in one of the interviews is that there should be a difference between the Objectives and Key Results and the Key Performance Indicators. On first glance, they seem very similar and it seems that they can be interchanged, but this is not the case. The chance to set the Key Results in the same way as the KPIs is always possible, which is better explained by interviewee 2:

“For example, I could set the KR very similar to the, ex. KPI: I want to have an engagement rate with a successful increase of 8%. This is a KPI. Not a KR. But, a better KR for OKRs depends on the goal you want to achieve. What does it mean having a successful increase of 8%, what do you want to encourage in the long run? You want to create something habit forming. It's not easy. I'm still experimenting. The KPI trap is always there. It's easy to revert into it.”

5.2.2. Transparency

A very relevant power of the OKRs is their transparency. The rule that the Objectives and Key Results need to be visible and open to the whole organization is one that is accepted by all the organizations that want to use this methodology. The transparency applies to the OKRs of any individual, any team, and any level, starting from the company level. Through the transparency,

they become shared by all members. Hence, the description of this radical transparency is seen through the following quote by interviewee 4:

“And, then there is another key element, which is a very important, which is the radical transparency of the system. So every OKR for every team is visible for everyone in the company from the company level to the team level and everything. So anytime I can open my dashboard and I can see. How is going in the customer service team and with the KR number 3.”

The benefits from this visibility are plentiful, some of which are shared by interviewee 3:

“But, you know every month you can check and see what the other teams are doing, how well they're doing on their OKRs, how far along they are. And, for example, you can see, you can check if there are some teams that have OKRs that are related to your team. And you can see if you can help them or if they can help you.”

One other thing that is shared and visible to everyone is the progress of the OKRs. A significant step in the OKR process is their tracking. This tracking means that their progress is frequently evaluated and updated, which is observable along with the other particulars of the OKRs. Additionally, some companies choose to track the expectations of the achievement of the OKRs with a confidence level, based on the belief of those responsible for that particular OKR. In the following two quotes we can see the depiction of the way OKRs are tracked, as well as what this progress tracking can be useful for, the first coming from interviewee 1:

“That makes everybody understand what is the Objective or the Key Result, how it's measured. It was done very easily in spreadsheets ... Used also, like showing the result and progress by some scales. So you had 1 to 5 or 1 to 10 and biggest number is the best. But, the most popular was traffic light showing. So you either meet these OKRs or you don't, so it's red, orange and green and then eventually there was also the score.”

And, the second by interviewee 3:

“In terms of uh, best practices, what we usually do is in our weekly meeting on Friday, we update the OKRs and we also discuss. If there's something that's behind and it's a red light, we discuss on how we can support. So what we can do to make it better. Or we celebrate something that we have been doing very well, or something that we have achieved 100% on.”

5.2.3. Bi-directional setting

One of the intriguing aspects of the OKR implementation is that they're not a top-down type of methodology. There is an involvement in the goal setting which goes both top-down from the leadership and the management and that can go bottom-up from any employee at any level in the company. It gets everyone involved and creates a shared process of creation and an open process of sharing voices, ideas and knowledge.

On the one hand, the management is involved in the process either by setting some of the OKRs, by delegating them, by checking the OKRs set by the teams and giving feedback, or by tracking and discussing them with the team or the individual. An example of this can be given by interviewee 9, where he describes his meetings with the CEO, which are OKR feedback and discussion sessions:

“Let's say both of the people prepare for the meeting, so that's like you have had the look to your OKRs and thought about like, are they still useful or did it work, what was wrong. Like, it's more of a discussion and you don't arrive there with the proposal and it gets approved like that. Also, because we are not yet so good at making them, so we are very critical with each other.”

On the other hand, the teams and the individuals are also involved in the goal setting. This involvement can be represented in many different ways. Some companies allow their teams to set their own OKRs following the ones set by the company, some cascade the Objectives down, but give the freedom for the KR to be self-set, some are created by mutual involvement, and so on. One version of goal setting involvement by the teams is presented by interviewee 5:

“Also the team leaders of the teams are going to participate in that sometimes, like the setting of OKRs comes from the teams themselves, it's just that the business owners and the product analysts are the ones that are kind of fine tuning and just drafting and presenting that to the top management.”

Additionally, some companies also accept proposals from the employees on what could be added to the company level OKRs, which allows for an even deeper involvement in the process. A representation of this is given by interviewee 4:

“I've asked to every team to send us insights and ideas for the OKR company level. And then I've managed a one day workshop with all the leadership team to design our OKRs. At least the first draft...”

5.2.4. Organization wide commitment and support

Finally, the last code to mention is the need for support and commitment from the organization. As can be noticed, this is not unique to the successful implementation of the OKRs. Rather, it's a requirement that is needed for the successful impact of any organization wide initiative. What became clear in the interviews is that those companies that had managed well the introduction of the Objectives and Key Results, and had achieved the most benefits out of them, were the same companies where there was support and engagement from the top management, which was then shared through the rest of the members and the whole organization.

What can be seen is that the involvement starts from the leadership, they need to be visible in taking part in the initiative and they need to communicate this to their employees. But, what is also important is that this support has to be long term. This is due to the fact that there is an adjustment period, in which the organization adapts to the change from the system, learns what to do and what not to do, and the benefits from the system are not always immediate. This was clear from a quote by interviewee 5:

“There is a learning curve of how to use those tools, especially in the beginning... At the beginning it looked like, well that's not working or don't know that that's not working, but it felt like a mess.”

As well as through interview 7, which was the failed case of OKRs:

“This is a major change for the whole organization. How to think about, how to talk about it. And you can't just do it in a month, it's probably the half a year project with education, explanation. Kind of gradually rolling it out, maybe doing in a small scale to learn in one department or one office and see how it works. Learn what worked, what didn't work in our environment.”

Additionally, there is a need for commitment from the employees to take part in the new system. Like previously said, it starts from the leadership, their taking part and their communication to the

rest of the organization. And, then there is a need for commitment from all the departments, teams and employees. This was well explained by interviewee 7:

“There wasn't much buy in at that point. I would say it was not really explained why it would benefit them. Oh, I tried to mention that point, that as a manager you need to sell it to your people, but some manager, especially on the top, they just didn't really get the concept of why sometimes you need to sell a concept. “Since well, I told them that it's important, isn't it enough?””

Which shows that the long term support and commitment shared by the company is strongly linked with the OKR benefits.

5.3. Cultural effect

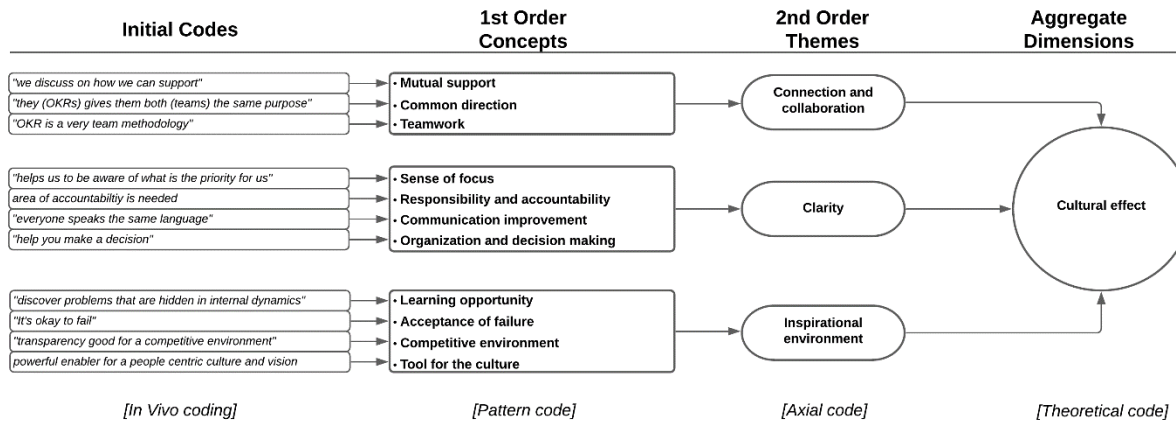


Figure 9. Data structure of theme: Cultural effect.

The third theme in this dissertation was named “Cultural effect”. Particularly, this theme contains the Axial codes connected to the many benefits the OKR methodology produces and the way in which it influences the culture of the organization and its people. The idea behind this theme is that the OKRs can be a powerful enabler and powerful tool to work on the culture. Adding such a methodology can create a big change and impact all the members of the organization. But, the specific culture, the specific norms and behaviors of the people in the organization also need to be taken into account when designing the way the OKRs are managed and the way they’re communicated. The quote which best describes this theme in general comes from interviewee 4:

“In terms of culture, that is also a key point in my vision, is that it is true that you can change the way people are working, changing their culture and mindset. But is true also the opposite, you can change the company culture changing people’s tools, the tool and methodology you are giving them to work. So is bi-directional.”

5.3.1. Connection and collaboration

The first Axial code describing this theme, which at the same time is the first benefit coming from the OKRs, talks about the connection and collaboration. Chiefly, this is achieved through strengthening the teamwork, improving mutual support in the organization and creating a common direction.

Particularly, teamwork is strengthened because the OKR methodology causes the team members to think about the whole team when planning for the future, to include all the members and make sure everyone is represented. As previously mentioned, the team dimension should be the key dimension. Through communicating the goals the team has it can enable people to better learn why they're a part of the same team. Additionally, it helps to make compromises and aids in understanding if the collaboration in the team is working or not and what can be improved. The following answer by interviewee 8, when asked what the purpose of the OKRs is, shows this belief:

“The idea in general is connection. To organize and connect with others, with other people in the group, is not for other things.”

As a result of the visibility and the progress tracking of the OKRs, employees and managers can know if another member is having trouble reaching a particular Objective and they can offer support. Otherwise, if an employee needs support they can see who else in the company is working on a similar task as them or who else has had similar Objectives in the past and they can reach out and ask for some information or some help in completing their work. This is especially strengthened if the Objective is on a team level, because once a team member has finished their tasks they can offer aid to the others who are behind in order to support the progress of their mutual goal. An interesting example of this chance to offer and ask for support is shown by interviewee 3. In their organization, they've created an OKR Masters Community with this particular purpose, to track and to support the collective achievement of the OKRs:

“Last thing is also that we created an OKR Master community. So, every three weeks we meet with all the OKR Masters and we discuss problems that we have, things that we can celebrate, things we need support on. So they're basically workshops in which we tell each other how we are doing, what problems are we facing. And, we try to get the help and support of other OKR Masters and so this is basically what we do.”

Comparatively, one of the most influential codes which impact this connection is the creation of a common direction. Through the creation of common Objectives for the team members, or through the creation of cross functional goals, the OKRs create common ground for the employees, they give them a common purpose. This common direction allows teams to better know what is expected of them by the leadership, and to better organize and align their work. This can be seen in the following extract from interview 5:

“Well for a starter they give kind of the bridge on why two teams should collaborate and on what. And so they give them both the same purpose. So that's what they have in common now. I mean usually as teams in the same company, they should have the same goal, but sometimes the extra bridges are also good to have.”

5.3.2. Clarity

The second benefit found in the data analysis is that OKRs improve clarity. This applies to many aspects of clarity, such as the clarity of focus, clarity connected to responsibility and accountability of the work, clarity for decision making and also clarity through improving the communication in the organization.

OKRs improve focus because they explicitly show what all the teams and units of the company are working on, and what they should spend their time on. They allow people to know what the priorities for the organization are, and by connection what their personal priorities are. Since resources are limited in an organization, it's important to have focus, to know where those resources should be dedicated. Namely, the methodology proposes that only a few Objectives should be set, those few goals which are seen as the most important. Therefore, through this process of choosing which the 3 or 5 most important Objectives should be, it forces the teams and the leadership to clarify in their minds which is the main focus of the company. How this clarity is achieved is reflected in the following quote by interviewee 9:

“Let's say when you have, or having a discussion with someone and you have a lot of thoughts and then discussing it with someone helps you to shape your idea. And I think similarly, writing down Objectives, helps you to shape what are your priorities and what you need to do. Like it's just, I think the process itself of coming up with them forces you to clarify in your mind a lot, what is important, what is not important.”

In terms of communication, the OKRs create a common language that everyone can speak when talking about the strategy, success, their work, etc. It allows them to communicate more easily with the others, and to limit misunderstandings. A shared document where all the OKRs are visible and known allows the different teams to communicate with each other what exactly they're working on and it creates a basis for teams to better negotiate and accept the needs of the others. In fact, the OKR setting and tracking can be seen as a first form of feedback to the organization.

It was very insightful to see that the improvement to communication was present even in the case where the OKRs ultimately were a failure, as can be seen in this quote by interviewee 7:

“So we started to have some conversations and it was quite telling that some of those conversations were happening for the first time in 10 years of the company’s lifetime. That shows how big of a mass disconnect was there. So yeah, the OKRS really help to heal those chasms and shows the deficiency that we had.”

In turn, all of this clarity, communication and focus can also be observed through the improvement in the decision making and organization of the work. Once the OKRs are set, the employees can more easily organize their work around their main Objectives, as they have an understanding of what needs to be finished. It helps to keep the pace of the team in their work. The KRs also clarify the specific outputs expected, which makes it easier to organize the efforts. Consequently, decision making is greatly improved. Saying no is simplified, because if a task doesn’t contribute to the OKRs than it can be postponed for later. Making it easy for every employee to choose what to work on next, as was pointed out by interviewee 8, in whose company all the OKRs are shared through Power Point:

“It’s not too much, doesn’t include too much things to do. But it’s more important because every week you organize your work relative in function of your OKR, because you need to finish your quarter. For example, I need to finish this point, this KRs until the end of September. So maybe if I forgot something, I see this PowerPoint.”

Finally, through assigning who is responsible or accountable for a particular Objective or a particular KR, the clarity of roles and expectations is heightened. It underlines who is working on what part of the Objective and how they are contributing to the overall progress.

5.3.3. Inspirational environment

The final Axial code which describes the types of impact the OKRs can have on the organization’s culture and people was named the “Inspirational environment”. The motivation for this name comes because OKRs are set in such a way that they are meant to be difficult, and are meant to provide a challenge for people to reach them, such that in turn they need to be more accepting of failure, they provide a learning opportunity for organizations and they can build a positive competitive environment.

Firstly, each OKR cycle is a new learning opportunity, especially in the beginning of the company's OKR history. With each quarter, they show deficiencies, dependencies, or problems, aspects that can be improved or changed. These lessons for the future are not only connected to the OKR methodology, and how its implementation can be made better, but also to the internal dynamics of the organization and the internal connections between the employees. And, any internal problems that may be present, such as a lack of communication, a lack of strategy, or a lack of alignment are brought out. The OKRs lead people to see these learning moments, not as failures, but as an inspiration to grow and improve. An illustration of this is given by interviewee 4:

"OKR methodology is also way to bring, not to create problems, but to discover problems that most of the time are hidden in the internal, let's say politics, dynamic of the company. It's a way to be more transparent and more efficient. Discussing with people, inside every team but also from between one team and another, trying to understand if the collaboration between people, everything, everyone in the company is working or not."

Secondly, it builds a culture where people are accepting of failure. Where everyone understands that sometimes you can do everything you're able and the goal will still fail. That when this happens, there should be no punishment, because the OKRs are known to be challenging, and instead it should be used as a learning moment. And, at the end of the quarter when the next cycle of OKRs is planned, those Objectives that failed can be discussed again. Why it happened, what can be done to reduce that in the future, and if the Objective should be continued in the next quarter or left out. This mindset is represented by interviewee 3:

"We also focus on failures then. So it's, OK to fail. OKRs are hard to reach, they have to be because you don't have to a create OKRs that are easy saying: OK well I will put this in because I can do it. So it's usually the opposite."

Thirdly, the visibility, measurability, and result centricity of the Objectives and especially the Key Results, can create space for positive competition. Both between employees, trying to demonstrate clearly and transparently through their work that they're more suited for a promotion, as well as between different units in the organization based on their progress. An example of this is demonstrated by interviewee 1:

"Ultimately it's also the transparency. It's very good for a competitive environment. That you basically create competition inside of the company. A very transparent one, yeah. So

everybody can really measure, especially if it's the same business and just different markets.”

Ultimately, the final Pattern code included in this theme is called “Tool for the culture”. This code served as an inspiration for the definition of the theme “Cultural effects”, as it included parts of the interviews where people talk explicitly about how the OKRs connect to the culture and how they can be used to shape it. One such example is given by interviewee 4:

“Yeah, I think that OKR methodology is a good tool to work on the culture of the company because with this kind of methodology you can be more transparent and, more close to people needs. And giving them the power to contribute to the overall management of the company. And you are asking them to be more aligned and to have a clear goal.”

5.4. Strategic effect

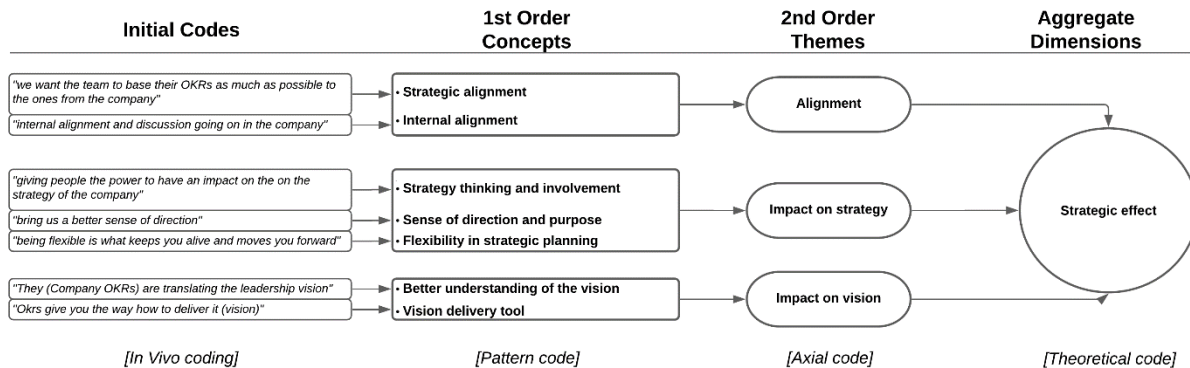


Figure 10. Data structure of theme: Strategic effect.

The final theme of this research is called “Strategic effect”. As such, within this theme are all those interview excerpt and codes where the informants have talked about how the OKRs were connected to their organization’s vision or the strategic direction. As well as all those interviews that talked about the alignment of the strategy or of the overall organization. Indeed, the way OKRs impact the strategy or the vision of the company is through creating a better understanding of the direction and of the vision in general, by getting the employees involved in the process of strategy creation, by aligning them vertically and horizontally, and by providing companies with a practical tool they can use for vision delivery.

5.4.1. Alignment

Admittedly, alignment is another one of the benefits most often associated with the Objectives and Key results tool. Likewise, during this research the words “aligned” and “in line” appeared in most, if not all of the interviews conducted even without asking the question about alignment. Coupled with words such as “interlinked”, “connected”, “derived from” and more, it became obvious that the concepts alignment and OKRs have a strong relationship.

In particular, two types of alignment were discovered. The first was the strategic alignment, or vertical alignment. The strategic alignment was shown when interviewees talked about how OKRs better connect them to the business, how they allow for everyone to be aligned on the same things. When the OKRs are set, they’re always mapped out in the same direction as the top level or company Objectives. This is especially important when the OKRs are self-set by the teams

themselves, because the company's Objectives are a guide to the creation of the team's Objectives. As such, the OKRs are a tool companies can use to share the strategy alignment, as they're all interlinked. Making everyone feel like they contribute and helping create a sense of belonging. This can be seen from the description of the process and the phases of setting OKRs through the levels in the company, given by interviewee 4:

"In the first phase everyone, every team can send us insights for the company level. Then the leadership team is designing the company level OKRs, then every team design their OKR for that team looking let's say at the company level. So trying to ask themselves how can we contribute to that direction in our Department. This is the alignment from the company level to every team level under it. Then they are proposing this to their OKR owner for that area, who is typically the manager of the area or of the Department and he's checking the coherence between the team level and the company level. This is the alignment."

Subsequently, the second type of alignment that is an outcome of the OKR methodology is the internal alignment, which is related to the connection between all the teams and all the different units of the organization. Sometimes it happens that teams are working on the same activities, and this dependence can be made clear through the OKRs. Following which, one team can easily know if another one needs a certain output from them in order to continue their work, and can more effectively manage their collaboration and align their priorities based on each other. As well, employees can know if someone else is doing work connected to theirs and this can prevent redundantly done activities. Through the OKRs it becomes clear if there are similar or shared Objectives, the understanding of the work of the other members is increased, team isolation is reduced, and friction and conflict are limited. In the next extract from interview 3, we can see how after the OKRs were first implemented they noticed that some teams had Objectives which were dependent from other teams, and how they handled this problem in the following OKR cycle:

"The interdependence between teams and the fact that sometimes for example: The product management team they don't really know how to create the OKRs themselves, they have to know what does the marketing team need, what does the content team need from us. So since it's a role that is very much in the middle of the business and it also depends on the activities and the plans of other teams. They, for example, on this second round they decided to wait. They waited and they asked the other teams what they needed from them. In order to create a better OKR."

5.4.2. Impact on strategy

Regarding the impact on the strategy, it can be described by three codes: strategy thinking and involvement, sense of direction and purpose and flexibility in strategic planning. To start with, the relationship between the OKRs and the strategy thinking and strategy involvement is due to the way they are created. In particular, the bi-directionality of their setting gives everyone in the organization a voice and a hand in the strategy implementation. Every team is given an opportunity to state their expectations for the company's Objectives, which in some cases is voluntary and in some is mandatory, for example as in Company A. This means that everyone is a part of the decision regarding the direction of their teams, as well as the company. Therefore, OKRs share with employees the power to have an impact on the organization's strategy. In order for these suggestions to be given, teams need to take the time and reflect on why things are done, what else could be important to add as a focus, and how they can support this organizational direction.

But, most important of all through the OKR setting process both teams, but especially management and top leadership need to think and answer what does success look like for them, before they can even begin to define the Objectives. Consequently, employees gain a feeling that their opinions matter to the company and because of their involvement accept the strategy as their own. An illustration of this is given by interviewee 4:

"That's why there's a very strong engagement. A part in this process, as a result, because you are giving people the power to have an impact on the strategy of the company and on their development and their goals. So it's quite different from the traditional approach because in a traditional way I can give you a goal, but I'm not listening you. I'm not asking you to define this goal and so at the end of the day, you will not perceive that goal as yours."

For the previously mentioned reasons, the sense of direction and understanding of what is happening in the company is improved. Once the people are forced to think about the strategy and what success looks like for them and for the company, it becomes clear if there is a lack of clarity on the strategy and if there are aspects of it that need to be defined. For example, it leads leadership to define how success will be measured. Consequently, it allows people to better know their business and creates a better sense of direction through all the levels.

Through the strategy thinking, employees learn how to think in terms of the big picture. Because of this organizational clarity employees can also understand the purpose of the work they're doing and feel a sense of pride in their work. As well as, makes orientation easier and allows members to speak up when they see that the team is no longer following the direction collectively decided, which is reflected in the following quote by interviewee 6:

“So if you enforce this concept of ‘where are we going’, people will step up and say: like this is not going towards our vision, it's going towards like the wrong way, not towards our objectives and our vision, right? So they also step up.”

Another interesting example of what this strategy thinking process produced is shown by interviewee 7, when talking about the beginning struggles of the OKR setting, before the initiative was forgotten:

“This OKR exercise forced them to think: What is our actual strategy? What do we want to achieve? Because business people got asked some business questions they were not used to be asked and that created some discomfort: like we don't really know. And, so the best, the greatest benefit of this exercise was that we realized we don't really have a business strategy.”

Finally, an insight taken from interview 5 is that the OKRs give a bigger flexibility for the strategic planning and delivery. Which, can be especially useful for modern organizations, as shown in the following quote:

“Being flexible is what just keeps you alive and moves you forward.”

5.4.3. Impact on vision

Similarly as with the strategy, the Objectives and Key Results influence the vision as well. In this research, this impact was observed in 2 ways. Initially, the OKRs provide a deeper understanding or a better clarity of the vision. In fact, the top level company OKRs are translating the leadership's vision. These high level Objectives are a representation of the future, of what the company wants to do and where they want to be. As is reflected by interviewee 4:

“So with the company OKR level, you're measuring the general progress of the company in terms of business for that period and basically the OKR company level are the CEO

OKRs, the CEO or the leadership team. So they are translating the leadership team vision, the CEO vision in reality. And clarifying that with everyone.”

Given that they're accessible by every employee, everyone can understand what the company stands for. Employees can understand how far along the vision achievement is, and how they can support it. This openness goes beyond just the leadership communicating the vision in monthly or quarterly meetings. Rather, everyone, every day, even a new intern on their first day, can see in black and white what the vision of the organization is. A representation of this notion is given by interviewee 6:

“So easier to explain to people, onboard new people and say, you have a new person starting right. You can start from the top right. You can start from saying like this: This is a division of the company. So this is the main Objectives. This is what we are doing this quarter and this as you see connected to one of these. So it's also to explain new people at onboarding where we were standing and why we're doing certain things. Also convince the team that the things that they're doing are valuable and it is going towards the vision.”

Going a step further, we have the code vision delivery tool, which summarizes the OKRs as a tool that helps the organization to meet the vision. Generally speaking, the vision is a high level concept. A concept that can be very far from the actual work of the employees, and even if they know what it is, they might have trouble connecting to this top level vision. Which is what OKRs help with. They give a vision that the employees can touch. Namely the company Objectives shape the vision, they summarize it into one or a couple of sentences, as reflected by interviewee 2:

“The moonshot it's our north star, something that we think is untenable but we aim to build. Usually our long term vision summarized in one sentence. Like a big Objective.”

The OKRs can bring the vision closer in time, making a short or a medium term vision, or they can still keep it inspirational and long-term, as a map for the future. Whichever version the company chooses to use, the rest of the OKRs then become milestones, or closer points where the company needs to go in order to ultimately reach the vision in a further time in the future. A representation of how the OKRs are like milestones that guide you to the overall direction is given by interviewee 5:

“You kind of have a not so distant vision, but you have kind of a closer point where you need to go to, and so that makes orientation a little bit easier. I mean, you're not kind of

looking above and beyond the mountain. You're kind of looking to the streets next to you ... So I would say that if we say that the plan and direction of the company is on the highest level, then OKRs would be the milestones that are kind of that you need to stay on in order to achieve that direction. And then those milestones that are kind of smaller chunks that are like more easily manageable and achievable.”

In fact, the Objectives and Key Results methodology gives a practical tool for the vision delivery and the vision achievement. They don't change the vision, they just change the format of its representation. The following quote by interviewee 1 are an illustration of this insight:

“I'm that person that I need a vision. I don't need daily operation things, but I need a vision. But majority, I would say 95% or 98% don't need really extreme vision. They need just the vision they can touch ... I think thanks to OKRs I'm the most practical you know there, because they can talk about how it can be and it's very nice. But, the OKRs give you the way how to deliver it, you know. Like tangible way how to deliver it, and that's I think the biggest usage.”

All the previous quotes gave as an insight into how the interviewees viewed the Objectives and the Key Results. As such, all that was previously described was used as an inspiration in order to build the theoretical model and to define the relationships between the 4 main themes. That part of the research is more deeply explained in the following discussion section.

6. Discussion

The research was started with the goal of understanding how we can contribute to the creation of a shared vision in the organization, and in particular how this can be done with the help of the Objectives and Key Results methodology. Up until this point in the dissertation, I've shown the existing theoretical research behind the main concepts involved with the research topic, as well as described the process and findings of the qualitative data analysis conducted, finally reaching the 4 core themes of the research: Characteristics of OKRs, OKR value mechanisms, Cultural effect and Strategic effect. These are the themes that combined together form a model that can answer the question asked at the beginning: *How do Objectives and Key Results contribute to the creation of a shared vision?* The model built and represented in Figure 11 is the contribution of this dissertation at answering that question.

6.1. The theoretical model

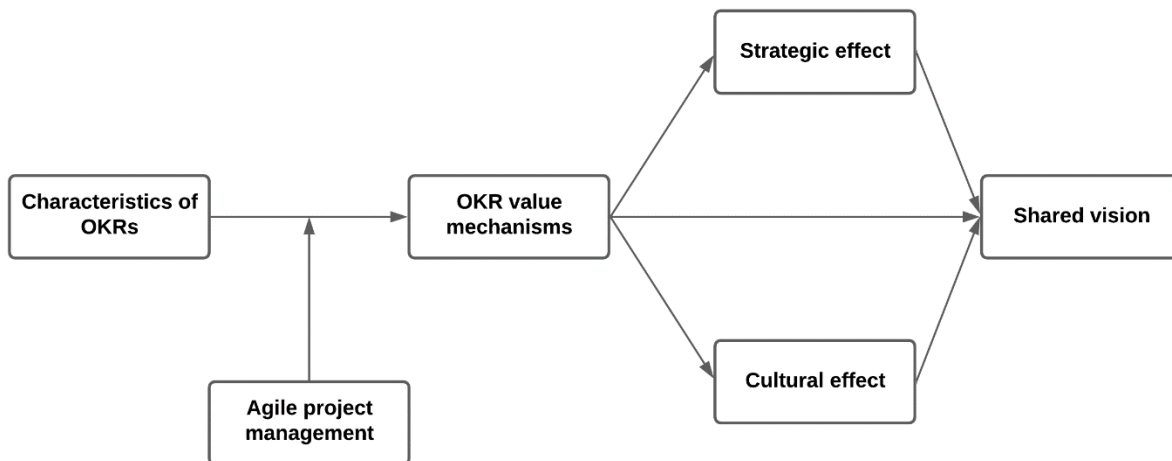


Figure 11. Theoretical model representing the relationship between OKRs and shared vision.

Currently, the problem that exists in organizations preventing them from achieving a shared vision is the distance between their people and their strategy. A company where there is an isolation of the employees from understanding the strategy or being involved in some way is a company where a shared vision cannot exist, because a shared vision is exactly the clear mental image of

the future and the strategy of the organization that is shared between its members. If the employees don't know the strategy, if they're not connected to it in any way, they cannot internalize it and this mental model of the future will not be shared by them (Eldor, 2020; Pearce and Ensley, 2004; Hoe, 2007; Wang and Rafiq, 2014; Li, 2005; Huang et al. 2017, Gutiérrez et al. 2009).

This means that organizations need to find a way to bridge the gap between their people and their strategy and consequently create a state of shared vision. The theoretical model created in this dissertation asserts that the way to bring people and the strategy close together and connect them is through the use of the Objectives and Key Results system.

In fact, we propose that OKRs function as a boundary object. What they do is that they allow completely diverse categories of people to talk about something which is abstract, as the strategy. The system provides them a way to enforce it. It allows them to redefine it in a way that makes it concrete. And, all of this is something which they shape together.

To begin with, what we can see is that the OKRs have certain characteristics that need to be included and accounted for during the implementation, such as for example training the people and connecting the OKRs to the strategy. These characteristics help to make sure that there are no problems with the implementation, and they impact the value that the OKRs can produce. Here we're proposing the antecedents needed to reach the OKR value. They need to be implemented with a hierarchical structure, making sure that they go through all the levels of the organization, from the top to the bottom. In this way there is a commonality between all the units or all the employees in the organization. As well as, a way to link all the levels to the same vision. Which is why in all organizations there need to have OKRs on a company level, which are connected to the strategy, and on a team level (or individual level), which are connected to the people. Consequently, the OKRs need to be connected to the strategy. Without a strategy to start, OKRs can never be successfully implemented, because there would be no bigger picture to connect them to. Instead of OKRs, what we'd get is a list of unfocused goals, unconnected to each other and unable to keep the employees aligned towards a common future direction. Likewise, without organizing a training for the employees before they begin using OKRs, they wouldn't know what is the true power of the OKRs, and there is a high possibility that some problems will arise. Without a training or a workshop, employees will have trouble to set OKRs in the proper way, and might end up setting unrelated goals without any inspiring and uniting value, these goals could end up

being completely unconnected to the management, and the top level Objectives, leading to a low or nonexistent connection between the OKRs and the organization's vision.

Interestingly, in this study, one of the Axial codes, which wasn't included in any of the core themes, was suggested to have the role of a moderating variable. This concept is the Agile project management. As such, it was discovered that there is a connection between the Agile way of working and the OKR methodology. In fact, the presence of the Agile methodology in the company has a moderating effect, on the relationship between the Characteristics of the OKRs and the OKR value. It was shown that when the Agile project management is present, this relationship is heightened. These insight is further portrayed and discussed in the following chapter.

Furthermore, the model highlights a second central theme describing the OKRs, which proposes the main ways in which the OKRs provide value. This is the way in which the OKRs connect the organization's strategy and their people, and the way they build the shared vision. In fact, the OKRs have an impact on the creation of the shared vision in three ways. Initially, the OKRs have a direct effect, through the way they're formulated, the bi-directional way they're set, and through the transparency and the organization wide commitment they build and promote. Secondly, they create a cultural effect and impact on the people through creating connection, collaboration, clarity and an inspirational environment, which in turn, indirectly impacts the shared vision. Finally, they also have a strategic effect, through the alignment they create and the influence they have on the strategy and the vision, which also affects the shared vision in an indirect way.

Accordingly, the first mechanism through which the OKRs provide direct value is the transparency. It's crucial for the OKRs to be visible for everyone, by everyone. This is a way in which they're shared. And this applies both to the OKRs themselves, and to their progress. Thus, OKRs create a shared language everyone knows and everyone can use to talk about the strategy. Which is the first way in which they bring the people and the strategy closer together, and a way in which they directly impact the creation of a shared vision. People have a common model which is linked to the strategy, created in a common language that is understood by everyone, that keeps them informed about any and all aspects of the general strategy and direction. But, the transparency also has a relationship with the cultural and the strategic effects. Primarily, by making the OKRs visible, it improves the connection and collaboration between the people. This is done through sharing the progress of the OKRs and making sure the people who need support can easily get access to it. Also, by making it explicit to the teams that despite their particular responsibilities within the team, as a whole, the team has common goals, and a common direction.

This is also supported by the findings of Berggren and Bernshteyn (2007) who have specified that the benefits obtained by creating the highest level of transparency, which the OKRs do, are the increased collaboration between people. This is reached through increasing communication, making linkages visible and reducing redundant work (Berggren and Bernshteyn, 2007). In addition, transparency strongly impacts the clarity of the people. Due to this openness of the OKRs, it becomes very clear what the main priorities are and the sense of focus is built. By sharing which are the exact Objectives of each unit, and being exact in who should work on each of those Objectives, or each of their Key Results, the clarity in terms of responsibility of the employees is strengthened. Therefore, communication becomes easier when the two sides involved better understand the roles and the responsibilities of the other. And, when they can clearly see if there are certain dependencies in their work they need to communicate and collaborate on. All of this, makes decision making and organization easier because everyone knows their role, their priorities, their linkages to others and how all of it is progressing. Finally, transparency also impacts the culture by shaping a positive competitive environment. An environment where people or teams can compare their progress openly and get motivated to do better, as well as an environment where unbiased promotions of employees can happen, because everyone's growth is shared and known. Beyond this, the transparency is crucial to shape the strategic effect of the OKRs as well. Without making the OKRs of the company visible, the rest of the teams cannot set their own OKRs in a way that keeps them aligned to the company's direction. And without making the OKRs of the other teams visible, it becomes very difficult to keep the horizontal or diagonal alignment in the company. For the same reasons, the transparency is important in order to get the strategic impact and the impact on the vision. In particular, due to the fact that the OKRs are transparent and shared, they allow everyone to understand the leadership's vision, because the top level OKRs are the translation of that vision. It creates a sense of direction and purpose for everyone in the organization.

Moreover, the second mechanism that provides value is the bi-directional setting that the OKR system promotes. It bridges the gap between people and the strategy because it gets the people directly involved in the strategy, in one way or another. Either, by allowing them to set the OKRs of their own team, alone or collaboratively with management, and thus create the team's vision together, which makes it shared by them. Or, by giving the employees a voice and an opportunity to share it and to even impact the OKRs at a company level, thus having them take part in the creation of the organization's vision, which makes it shared as well. In addition to the direct effect the bi-directional OKR setting and communication has on the shared vision, it also has an indirect

relationship to it through the strategic and even the cultural effect. The strongest relationship of the bi-directional goal setting is with the strategic effect. This is precisely due to the involvement it promotes in the strategy. The OKR process first gets the leadership thinking about what exactly the strategy is, what is the direction they would want the company to go in the following period, and also gets them to listen to the insights from the whole organization. Therefore, it also involves the rest of the organization's people to take part in this strategy thinking, as well as strategy planning through the OKR creation. Further, alignment is influenced by this two directional process. With the creation of the company OKRs, alignment can be created for the team's Objectives, and with the communication going from the bottom-up, alignment can be created for the company's OKRs towards the needs of the employees. In fact, the bi-directional process is aimed at allowing flexibility to the strategy process, while maintaining alignment in the organization. Finally, due to the need for the teams to sit together and talk about their mutual direction and Objectives, there is also a cultural effect. This makes a positive effect on the team dynamics, the collaboration and it builds a stronger bond within the team. Because, not only do they understand that they have a common purpose, but they also are directly involved in building it.

The next way in which OKRs provide value and help the shared vision creation is through their formulation. Namely, the Objectives are set in such a way to be inspiring, motivating and positive. It should be inclusive to the whole team or the whole unit, and it needs to connect them to the strategy. In this way they have a direct influence on the shared vision, since they're formulated in such a manner to be related to the vision. Like in the previous cases, the impact of this concept continues towards the culture and the strategy. In terms of the culture, the particular way the OKRs are defined allows for the creation of an inspirational environment. Given that the Objective is something challenging and motivating, people need to push themselves beyond their norm to achieve it. Through this, they learn to accept that failure is a normal part of their work, and focus on learning from it, instead of defending themselves from failing. At the same time, the Objectives should be set using a commonly understandable language. They should provide a unifying way of talking about the strategy and the focus of each team. If this is not followed and the team phrases the OKRs in a way that only they understand, it becomes difficult to collaborate with other teams. It becomes difficult to create clarity and to align the company in a horizontal way, because the power of the visibility is lost. Transparency alone is not enough if the language used in the OKRs isolates the teams, instead of uniting them.

Lastly, OKRs bring value to the organization through organization wide engagement, commitment and support. Due to the nature and the process of how OKRs are implemented, leaders need to share their Objectives with the organization, which means they need to publically commit to them. This applies to the teams and individuals as well. Through the involvement and transparency of the OKRs, a sustained commitment to the strategy and the goals is nurtured. In fact, through the engagement and the commitment to the goals which starts from the top, support to the OKR system as whole is nurtured in the whole organization. The commitment becomes shared by everyone. If this support is not present or it's only present in the beginning, the OKR system wouldn't have any value. It would either not survive as an organizational tool, or it would be seen by employees as just an administrative tool which is separate from their actual work. Without the commitment, the OKRs cannot bring the people and the strategy together. However, when it is present, when everyone trusts and supports the system, when they understand the benefits that come from it and are committed to the process and their Objectives, then the impact from the system is strong, and it's transmitted and shared by everyone.

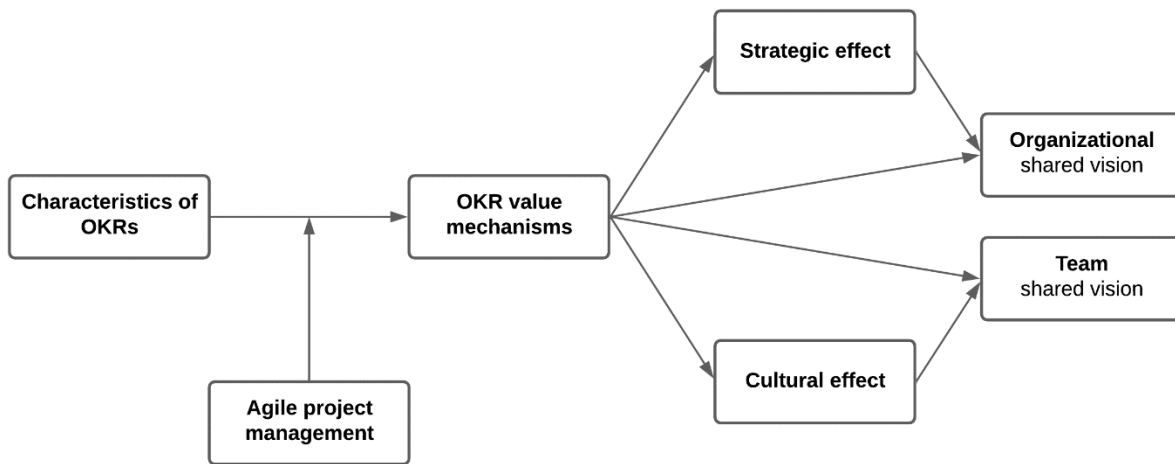


Figure 12. Theoretical model representing the relationship between OKRs and different types of shared vision.

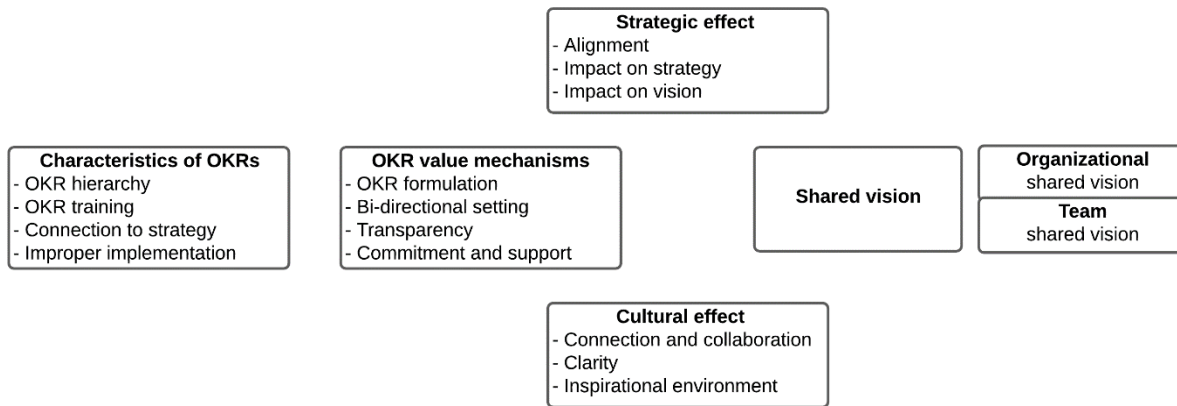


Figure 13. Descriptive layout of the theoretical model.

Beyond the suggested direct impact the OKRs have on the shared vision, the strategy and the people, there is an indirect way in which they support the creation of a shared vision through the strategic effect and through the cultural effect. The model proposes that each of the two themes, Cultural effect and Strategic effect, have an impact on the shared vision, but that impact is different. The cultural effect impacts the people side of the problem, while the strategic effect is on the strategy side. What is especially interesting here is that, each of the themes contributes to the creation of one of two different types of a shared vision. Meaning that, the cultural effect contributes to the creation of a shared vision on a team level, while the strategic effect contributes to the shared vision creation on an organizational level. This is represented in Figures 12 and 13.

In particular, the team shared vision is impacted by both the OKRs directly and by the cultural effect they produce. The cultural effect changes the way people work, and improves the way they communicate, giving them a shared language, and allowing them to more efficiently connect and work on a common strategy. In fact, the only paper (Gutiérrez et al. 2009) which talked about what is needed for the creation of a shared vision, focused on the creation of a team shared vision in particular. Based on this paper by Gutiérrez et al (2009), there is a need for a team identity and a team structure to be present, as well as a clear understanding of the roles and the responsibilities within the team. This can be obtained through the cultural effect, due to the improvement of the team dynamics and the increased clarity the OKRs bring. And, given that the team gains a sense of common purpose, this strongly increases the sense of team identity as well. With the OKRs it becomes easier to work together and to collaborate on building a common team vision. Gutiérrez et al (2009), also define that there is a need to have a true teamwork, with shared work and goals, that employees are motivated and rewarded for, as well as having

common team meetings. Again, we can see that the OKRs contribute to this through improving the teamwork, and bringing all the team members together to discuss about their team strategy, to clarify responsibilities, and define the focus. And, because of the constant tracking of the OKRs, the team members are brought together frequently, to find ways to support each other and ensure their common purpose is fulfilled. In these team meetings, the success of the Objectives and the team is celebrated, which is a motivational moment for the members. Another way the employees are motivated, is through the inspirational and challenging framing of the Objectives, which aims to push them out of their comfort zones. The final thing needed based on Gutiérrez et al (2009) is the support from the organization's leadership. As previously shown, the OKRs demand a commitment and a long term support from top management. In summary, what we can see is that the OKRs cover the requirements given by Gutiérrez et al (2009). In addition, they determined that using specific and challenging goals helped in the development of the shared vision. Specific goals primarily, allow the team members to better orient themselves towards a shared direction. And secondly, in order to achieve the difficult goals, cohesion, collaboration and support is needed in the team, which leads to shared vision development (Gutiérrez et al. 2009). The OKR methodology, also formulates the goals in such a way to be specific and clear, but at the same time challenging to achieve. Which means, that the type of Objectives used and the type of environment they create help teams become more coherent and develops their shared vision.

Similarly, this conclusion is also supported by the findings in the research done by Pearce and Ensley (2004), who discover that shared vision has a reciprocal relationship with the team dynamics. Meaning that shared vision strongly improves the team dynamics, but that it's also strongly predicted by these team dynamic concepts. For example, it was discovered that this team shared vision strengthens the teamwork, and it was also shown that through taking part in teamwork activities and teamwork behaviors, the shared vision is also strengthened. Given that the findings of this research show that OKRs improve the teamwork and the collaboration, we can also expect that it will have a positive relationship with the team's shared vision as well. Pearce and Ensley (2004), also found that shared vision has a reciprocal relationship with more team dynamics concepts, beyond teamwork. It was shown that the team potency, or the belief in the team's success, the team's altruistic and the team's courtesy behavior, all have a strong reciprocal relationship. And, within this dissertation it was shown that during the process of the OKRs, team's clarity is improved, so everyone knows their roles and responsibilities. The team's communication is improved, so everyone is brought closer together. There is mutual support and learning opportunities, so everyone can more easily help each other. And, all of this makes the team

members more confident that the OKRs will be achieved, and makes them understand what success truly means for the team. These team behaviors and beliefs increase the level of the shared vision. However, the Objectives and Key Results methodology also goes a step further. The bi-directional process in which OKRs are created forces the teams to directly get involved in the development of their strategy. It encourages the team to discuss what are their commonalities, to reflect on what makes them a team, to think about the whole team and to make sure everyone feels represented. Based on Pearce and Ensley (2004), the shared vision can be viewed as a team process, a process where the team members come together, to build and shape a vision conjointly. Therefore, the process of defining the OKRs by the team is a process where they define their strategy. This strategy becomes the short term vision for the team, their common direction that was created collaboratively and by getting everyone involved. Which shows that the OKRs directly contribute to the team's creation of their shared vision (Pearce and Ensley, 2004).

On the other hand, there is also the organizational shared vision. Similarly as with the team shared vision, it's impacted both directly by the Objectives and Key Results, and indirectly through their strategic effect. Based on Wang and Rafiq (2009) and Wang and Rafiq (2014), the organizational shared vision is the sum of the organizational values, or the organizational culture which encourages the direct involvement of all organizational members in the goal development, delivery, communication and implementation. For this organizational shared vision, all the employees take an active part in building their culture and their strategy, unlike the classical top-down manner of cascading goals created solely by the leaders (Wang and Rafiq, 2009; Wang and Rafiq, 2014). The OKR process promotes exactly the same involvement and way of goal development that is needed for the creation of an organizational shared vision. The OKRs have a strategic effect because they create a sense of direction and purpose in all their employees, as well as a better understanding of the organization's vision, because the company's OKRs are a translation of the leader's vision. They create a state where employees fully know what their organization is striving to achieve, what direction it's going in and how they individually fit in that bigger picture. But, the OKRs also get the employees actively involved in the strategy process. They begin by forcing people to think about their strategy, to clarify what it is and what success means for them, always keeping in mind the bigger picture. Then, they get people involved in the creation of the strategy through the creation of the Objectives each unit will focus on for that period, allowing for more flexibility and responsiveness. This involvement is done in a way that keeps the organization aligned, both strategically, and also across departments and teams. Finally, the OKR system becomes a vision delivery tool, providing a way that something abstract,

like the vision, can be made actionable, concrete and can be brought closer to the people. The OKRs become the closer milestones that drive the company towards the farther vision.

Similarly based on Eldor (2020), a shared vision on an organization level exists when all the employees are aware of the future objectives and aspirations of their organization. In this research, the organizational shared vision is viewed as a shared strategic organizational resource that all the members have in common. Again, the OKRs align to this belief for the shared vision, precisely because they are also a shared strategic organizational resource. And, specifically because they bring awareness to their employees about the strategic direction of the organization, and about the organization's vision. This is exactly a part of the strategic effect coming from the OKRs. They increase the understanding of the vision and bring a sense of direction and purpose. And based on Eldor (2020), organizations that have a strong cultivated shared vision, have employees which hold mutually agreed-upon objectives and direction and display a shared sense of purpose (Eldor, 2020). Moreover, Strese et al (2018), propose that a shared vision is exhibited when the organizational members have shared aspirations and common goals, which are contributed to collectively. In particular, the Objectives and the Key Results are a way to formulate goals which are shared by the teams and the departments. But, above all the top level Objectives are shared by the whole company. And, all the other OKRs and all the efforts of the employees are directed towards achieving those company Objectives collectively.

To conclude, the model that was presented is the main contribution of this research. It proposes that the OKRs are the bridge, the tool that brings people and the strategy together in order to build a shared vision. This shared vision is created both on a team level and on an organizational level. And, we reflect that the Objectives and Key Results methodology contributes to this shared vision in three ways. The first is directly, through the 4 main mechanisms in which this tool provides value: the transparency created by the visibility of the OKRs and their progress which is shared by all, the bi-directional setting which gets everyone involved in the strategy creation and delivery process, the way in which the OKRs are formulated, which makes them inspirational and connects them to the vision, and the commitment and support to the Objectives and the system as a whole, which is shared by all the members at all levels in the organization. The second way is indirectly through the cultural effect, which are the increased collaboration and connection, the improved clarity and the nurtured inspirational environment. This cultural effect is aimed at the people and creates the team shared vision. The third and final way in which the methodology impacts the shared vision is indirectly through the strategic effect, which mainly impacts the strategy and

vision, and creates an alignment, and therefore influences the organizational shared vision creation.

6.2. The role of Agile working

The next insight that will be discussed in this chapter is connected to the Agile methodology or the Agile method of working. If we look at the literature, there is already some connection between the Objectives and Key Results and Agile. This same connection was presented in some of the interviews as well. Due to these findings, the code of Agile project management was not included in any of the 4 central themes, but left separate. In fact, the discovery of this study is that the Agile way of working is a moderator of the relationship between the Characteristics of the OKRs and the OKR value mechanisms. When the Agile methodology is present together with the OKRs, the effect of this tool is further increased.

In particular, using the Agile way of working, but still setting goals in the traditional top-down way, which takes a long time, is very inflexible. And assuming that no changes will occur in the following half a year or even a year in the company's future is contradictory. The Agile mindset requires a similar process for goal setting, and the Objectives and Key Results provide that. They use shorter cycles for the Objectives, allowing for bigger flexibility and adaptability (Bas, 2019). These cycles usually set for one quarter at the company level, but this time can be further reduced to a month on the team level if there is a need for additional responsiveness. Further, the OKRs can aid in defining what success criteria are in the Agile projects. Given that these projects focus on delivering quality features, it's important to specify what quality means and to connect this to the business results that are desired. The OKRs shift from the outputs (or the features), which could be successfully built without providing the value that the customer needs, and put the focus on the outcomes (or the business results). In this way the clarity of whether the features are truly successful is increased. Additionally, the Agile Manifesto promotes the use of self-organizing teams (Beck et al. 2001). OKRs can also aid in this self-organizing because the team's OKRs are their short term vision which increases autonomy and flexibility, as well as alignment, to know that these teams are going in the same direction as the rest of the organization. Moreover, through getting the employees involved in the strategy process, they become more close to the business and better understand what the business aims to provide, which allows them to better deliver the value the customers want. Finally, the OKRs can help prioritize the features and plan the order in which they'll be created. This prioritization should be done based on the values each feature can bring, however this criteria can be subjective. The OKRs can help with this because they can order the features based on their connection to the KRs and help build a framework for decision making (Castro, 2015; Beck et al. 2001; Grass et al. 2020).

The Objectives and Key Results have even been called the “Agile MBO”, or an adaptation of MBO for the modern dynamic environment (Charoenlarpkul and Tantasanee, 2019). Meaning that the Management by Objectives was seen as outdated for the dynamic environment in which organizations operate today and the OKRs were created to fill this need for adaptability and responsiveness to change. Based on these connection, what we can assume is that the OKRs can easily be combined with other methods within the company, such as Agile or Lean methodologies (Wodtke, 2016). This is further supported in the interviews conducted. In fact, the use of a shorter OKR cycle was supported in most of the interviews. And interestingly, interviewee 3 shared that initially they started with an OKR cycle of 6 months, however as soon as the Covid-19 pandemic occurred and due to the changes from this disruption, it was no longer possible to plan so far in the future. Therefore, they shifted to a 3 month cycle, and discussed to make the team’s timeframe even shorter for better responsiveness. Furthermore, the connection to Agile and to digital companies was also mentioned in some of the interviews. Interviewee 2 shared that OKRs and Agile were both born in digital companies, which was supported by interviewee 4, who specified that the OKR system is related to the agile culture and the digital culture, and therefore they’re often found in the same companies.

But, the biggest relationship between the two methodologies was seen in the case of company C, which was the company of the interviewees 3 and 4, and where the OKRs were implemented for the first time together with the Agile methodology. In this case, they were inspired by some of the Agile concepts and included them in the OKR process to make it more efficient and effective. The first one taken was that for each OKR cycle, they assigned OKR Masters and OKR Owners, as an inspiration from Scrum. The OKR owner is the person who is the final accountable and responsible for the OKRs and this person is usually the team’s manager. While, the OKR Master can be any member from the team, and their role is as a mediator, as the facilitator of the OKRs. They’re responsible for checking the progress and making sure that employees are tracking the progress of the OKRs. Based on this, the OKR Master can ask if anyone needs support for some of the OKRs and discuss on what should be done to achieve the Objectives. Additionally, they can communicate to the team and motivate them about the OKR methodology. In order to do this, the OKR Masters received a training for their role so they can have the expertise to fulfil their role well. Another thing implemented that was inspired by Scrum was their Friday Sprint Weekly. Precisely, this is a weekly meeting where they celebrate and update the OKRs. They also have two retrospectives, at the middle and at the end of the OKR cycle, which are facilitated by the OKR Master, and which is the moment in which they reflect on what they’ve done well, what could

be improved and what they've learned. Lastly, in this company they also created an OKR Masters community, which is the community that all the OKR Masters belong to and an event where they meet every three weeks. In this event they tell each other how they are doing and what problems they are facing, and get the help and support of other OKR Masters. This is an insightful example, because it portrays exactly how well the OKRs and Agile methodology fit together.

In summary, not only do Agile and OKRs have similar characteristics and fit well in similar cultures, like the digital culture. But, they also complement each other well and can work even better when implemented together. The OKRs help the Agile methodology by providing clarity and focus for the features, and by making the decision making process easier and more successful. While, the Agile methods help OKRs through adding OKR Masters and Owners, retrospectives and frequent meetings for learning and tracking, and by creating a community for support. Therefore, in this research the Agile methodology was represented as a moderator of the relationship between the Characteristics of the OKRs and the OKR value mechanisms.

6.3. The optimal way to implement OKRs

In addition to the model presented, there were a couple more interesting insights that were uncovered in this dissertation. As previously shown, there is a lack of academic research to support the OKR literature. As such, a secondary focus of this dissertation was to discover more about the Objectives and Key Results coming from a qualitative study, and from the experience of practitioners experienced in using the tool. Most of the insights regarding the OKRs that were discovered are connected to the proper implementation of the OKRs. In fact, what was observed is that almost all the companies that were a part of the data set had, to some extent, a different way of implementing the OKRs. Despite the methodology being one that is simple to understand and to use, it is not a methodology that is simple to implement properly. Which is why in this chapter I will describe which way of implementing the OKRs proved to be the most effective based on the research. And what companies should focus on if they want to get the full benefits they need from this system.

6.3.1. Training

One of the first things mentioned in almost all of the interviews was the need for training and support in the beginning of the process from an experienced member of the organization, or an external consultant. In fact, in the case where the OKRs failed, one of the reasons given for this was the lack of proper training. The only training done in that case was by the person who was interviewed, who was the most experienced. However, their only expertise on the topic was that they had read the book by John Doerr (2018). How would the employees know why it's so important to have visible and transparent OKRs if this is not shared and explained to them? How would they know what is the power behind the challenging OKRs? How would they know how to find the balance between an OKR which is too easy and one which is impossible? And how would they learn that it's okay to fail on the achievement of the OKRs, that this shouldn't force them to become defensive and set easy OKRs, but instead should motivate them to try harder? That they will not get punished for not fulfilling the full 100% of the OKR? All of this needs to be presented to the employees, or the effects of the OKRs would be limited.

What was interesting to notice is that those interviewees who had received a training were visibly more knowledgeable on the topic, but they were also better able to express their experiences with

the OKRs. In fact, while searching for quotes from the interviews, the ones who came from those people who had a training were more descriptive, more clear, and included most of the OKRs benefits. Through learning about the expected benefits, the employees became more aware when they occurred. At the same time, they noticed when there was something missing, and actively tried to update the OKR process to obtain it. On the other hand, there were interviews where people were supposed to learn about the OKRs by themselves without any official training and the OKRs still functioned. However, what I observed in those interviews was that the employees were satisfied with the OKR power, but they weren't aware that they were missing out on some of the benefits. In those cases, the OKRs could have easily been replaced by any other goal setting system and there would be little change. The real value of the OKRs in connection to the strategy and the vision was either not present, or was very low.

This is supported also by Locke and Latham (2002), who shared that in a study where supervisors were given goal setting training, there was an increase in self-efficacy and goal commitment and communication six months later. Which shows that receiving a training on a concept such as the OKRs, can have increasing future benefits. Furthermore, Ben Lamorte (2015a), stated the same. Whenever the OKRs are implemented for the first time, coaching is needed. In this way, they can be set in the correct way from the first try and the facilitation of the rest of the process will be more effective.

6.3.2. Storytelling and support for the initiative

Initially, when looking at the OKRs they seem like just a simple goals setting method. However, as has been shown in this dissertation, they go a step beyond just goal setting. They create alignment, they get people involved in the strategy and they build a shared vision. However, to most of the employees they might seem like just another top-down initiative. Which means there is a need for storytelling by the leadership to explain how the OKRs are different. To explain how they connect to the future strategy of the organization, to the top level vision, as well how they fit with the culture and the background of the organization. In this way employees can understand why the OKRs are needed, why they're important and where the changes are coming from (Gothelf, 2020). In fact, the need for this was witnessed by one of the interviewees. Interviewee 7 depicted how in their organization the need for the OKRs was never communicated, and it remained a process separate from their daily operations. The managers didn't sell the method to

their people, thinking it's enough to just say it's important. But, this is not enough, there is a need to communicate why it's important, what everyone will get out of it, show how it's connected to the rest of their work. Without this, people will just see it as something that wastes time away from the work that is really important to them. Without the storytelling there cannot be support for the initiative among the employees. And, as we can see when there is no support from employees, and no long term support from the management, the OKRs cannot be successful.

6.3.3. Realistic timeline

Another insight that came from the interview process is that the benefits of the OKR methodology might take time to develop or be visible. This time could be shorter for some companies, but much longer for others. This was demonstrated by interviewee 5, who observed that for most of the first year they were not getting the full benefits of the OKRs that they've since then reached. This was mainly due to the novelty of the system, and the time needed to fully understand and implement it properly, and to make it fit to the particular organization. Which is why it's important to be humble when communicating about the OKRs. The leaders need to make the organizational members understand that the initiative will take time and that there will be a need to learn and adapt based on the experience with it (Gothelf, 2020).

In the case presented by interview 5, in the first few cycles, they would put almost every goal or task into the OKRs, ending up with an enormous list of un-prioritized goals. Because of this, they were missing the focus they expected to get from the system. Instead of giving up, they took it as a learning moment and adjusted the system. This was repeated in each following cycle, until finally they arrived at a version of the OKR methodology that delivered what they needed and that everyone was accustomed to. Another example came from interviewee 3, who said that they knew that the Objectives of the team were supposed to be for the whole team. However one of the team members shared that they felt they weren't represented in the team OKRs of the previous cycle. In that case, the OKRs were dividing the team, instead of connecting it. Instead of ignoring the problem, they decided to adapt the OKRs in a way that worked for them as a team, in order to make everyone feel like a part of the team. Through this process of reflection and looking back on the OKRs, they create a continuous learning culture (Lamorte, 2015a).

To summarize, what the previous examples portray is that it will take a few cycles before the OKRs are completely adjusted to fit to the needs of the organization, and before the members

can enjoy their benefits to the maximum. This should be expected and planned for by management before starting with the initiative. A best practice, mentioned by the interviewees, is to start the implementation small. To begin with one team or one department, learn from the experience, adjust and then scale it up for the rest of the organization. And, for this to work the management's commitment to using, growing and adapting the OKR system needs to be long term.

6.3.4. Visibility

The next aspect that is crucial for the success of the OKRs, is their visibility. This is obvious when looking at the theoretical model built in this discussion, due to the fact that transparency is one of the main 4 mechanisms through which OKRs provide value for the organization. Even if it might seem obvious after the research, it is not always clear to companies exactly how impactful this visibility is. In fact, the only two cases where there was no relationship found between the OKRs and the vision were the only two cases where the OKRs were not disclosed. In one of the cases (interview 9), they were only created for the management of the company, and only shared with the CEO on individual 121 meetings. So the rest of the organization had no visibility regarding these OKRs. Based on Rawlins (2008), transparency means to reveal your actions in a deliberate and proactive manner. But, the opposite of transparency doesn't only mean to hide the actions, but also to use language which clouds meaning, to share only a partial part of the story, and to only reveal information when asked for it (Rawlins, 2008). The importance of this difference is shown in the second case (interview 7), when the OKRs were not hidden, but they were not explicitly shared either. Therefore, even though they could be found, if an employee went to look for them on some of the internal sites, it was the same as if they were hidden, because nobody knew where they could find them and nobody had a desire to search for them. What was discovered from these cases primarily is that the OKRs have to be shared always, if the company wants to obtain the full benefits of the OKRs, and wants to create a shared vision. And, secondly it was discovered that this visibility needs to be strengthened through formal and informal communication about the OKRs, through frequent sharing, and through storing them in an easily accessible place that is known to all organizational members. In fact, Berggren and Bernshteyn (2007), discovered that organizations are using transparent goals in an increasing manner. This is done to make everyone's contributions more clear, to allow people to better understand their performance and to relate it to others. And through communication and linking the transparent

goals to others and to the organization's goals, collaboration is improved across the company (Berggren and Bernshteyn, 2007).

6.3.5. Individual level OKRs

When talking about the levels of OKRs, the literature shows that they start from the company level, then they go through the levels of departments, teams and any other units present in the company, and that the final level of OKRs are the ones set for the individuals (Doerr, 2018). Contrary to the theory, it was discovered in the research that not all companies use individual level OKRs. What was interesting about this is that, these same companies are strongly opposed to the individual level OKRs. In some cases, they decided from the start not to use them, either because it didn't fit in their organizational structure, or because they felt they would too time consuming. An example of this is interviewee 6, who stated that going the extra step towards the individual OKRs would have made the process much harder, without bringing an additional benefit, and losing a part of the flexibility in the process.

However, another thing that was shared in a few of the interviews is that they tried the individual OKRs first, and they realized that these OKRs were having a negative effect on the organization. In particular, what was observed is that in particular organizations the personal OKRs can be very harmful to the teamwork and the collaboration. This was supported by interviewee 4, who stated that they removed the individual level OKRs, and weren't planning to bring them back. This choice was made because the individual level OKRs were causing the employees to focus more on their individual success, rather than on the team's success. Similarly, in the cases of interviews 5 and 7, they noticed that the individual level OKRs didn't work with their IT culture, and using such OKRs was setting the team up for failure from the start. Zhou and He (2018), observed the same phenomenon as one of the disadvantages of the OKR method. They stated that using the OKRs in their original form, with an individual level included, can cause a loss of teamwork, as employees focus more on their individual Objectives, and neglect the team's Objectives (Zhou and He, 2018).

Therefore, what was uncovered is that although the theory promotes the use of the individual OKRs, this shouldn't be followed blindly. If the organization which wants to implement the OKRs is one where the teams are the most important units, where there is a need for support and collaboration to achieve the goals, and where there is a need for flexibility in the work towards the

common goals, these individual level Objectives should be avoided. Instead, the focus should be on the team level OKRs. And, in order to still reserve the high level of accountability towards the work, some organizations choose to divide the responsibilities of the specific KR to groups of individuals within the team. Although, this is still done in a way to limit the individualistic focus, and to promote the teamwork and supportive behavior needed for the success of the team.

6.3.6. Committed or Aspirational OKRs

In the literature of OKRs there are two types of OKRs, based on their achievability: Committed OKRs and Aspirational OKRs. The first represent those OKRs that when they're set the aim is to achieve them 100%. The second type are those that when they're set the expectation is that they will most likely not be achieved. The belief is that they should be reached around 70 or 80%. If they're only reached less than 50%, then they were most likely set as too difficult, while if they're achieved 100%, it's most likely that they were set as too easy (Doerr, 2018). The idea behind this is to create discomfort, and to push people out of their comfort zones. To break the thought patterns they're used to, inspire risk taking behavior and stimulate creativity. This discomfort needs to be just right, so it can motivate employees to act, but not too much to turn into fear which can paralyze them (Levirne, 2015). This same balance needs to be found during the OKR setting.

In fact, during the interviews there were two distinct groups based on their use of aspirational OKRs. The first group were the ones that followed the most common suggestions by literature and would set the OKRs in such a way to expect that they wouldn't be completed fully. This group used the Aspirational OKRs. The outcome of this type of OKRs were to create a bigger acceptance of failure, and to accept that failure is a normal part of the work. To motivate the people to try new things and take risks while aiming to reach a higher percent of the OKR. And knowing that they wouldn't be punished if the effort doesn't fully succeed.

On the other hand, the second group would only set committed OKRs. Meaning that the OKRs in their company were always meant to be fully achieved. Coupled with setting the OKRs for shorter cycles, this provides a frequent confidence boost to the employees about their progress and their performance. However, what was interesting was that even the companies that didn't set aspirational OKRs, they still set challenging and inspirational Objectives. They still followed the practice of setting the type of OKRs that would motivate employees and push them to perform optimally. When asked about what happens if they someone don't achieve these committed OKRs

fully, the answer was that nothing happens. The interviewees shared that sometimes it happens that the OKRs are not reached in that quarter, but nothing bad comes of it. They discuss on what to do about that particular OKR and choose to leave it out of the next quarter, or keep it and devote a smaller amount of resources to its completion. In these cases, we observed again that there is no punishment for failure, and the interviewees we spoke to were unconcerned regarding that possibility.

What we can conclude, is that for OKRs the main importance in this regard is to make sure that they are inspiring and challenging, and to follow all the goal setting research about the benefits obtained from having difficult goals (Locke and Latham, 2002). As well as, to make sure that people aren't penalized for risk taking behavior that might lead to an unachieved goal. Because, this is precisely what the OKRs aim to achieve with the way in which they formulate the Objectives, to increase the level of performance and innovation in employees. However, the choice of whether to use aspirational OKR, or committed OKRs, or even a combination of both depends on the fit with the particular organization. It depends on the culture of the company, the ways of working of the employees and what they are more accustomed to. Meaning that both options can bring positive effects, and one is not objectively better than the other.

Beyond this discovery, there was another fascinating insight which was only observed in one interview. As described by interviewee 2, since using the OKRs in their previous company, they have now started implementing them in a new organization. The main difference that they've decided to make in the OKR system, based on previous experience is to set one Moonshot Objective. They still have committed OKRs, but the Moonshot is seen as their North Star, or their navigation point. In their words, the Moonshot is their vision summarized in one sentence. Before creating it, there were shared documents that everyone could comment on and give their input on before the final formulation. And, the purpose of this Moonshot is to allow the team to dream and to get them excited for the future. However, what was unexpected is that they expressed that the Moonshot is like an OKR for 3 years in the future. At the moment, it's not something that can be achieved. But, at some point, in a few years in the future, that Moonshot will become a committed OKR. This particular way of looking at the Moonshot OKR and connecting it to the vision and the belief that it will become a committed OKR was a novel perspective. It provides an additional way in which the OKRs connect to the vision. Another way in which they bring that vision closer to the people that can help in the development of a shared vision.

6.3.7. Cascading OKRs

Moreover, another difference in the OKR implementation that was noticed during the interviews is regarding the cascading of the OKRs. The literature says that the OKRs are not meant to be cascaded down from the top. That this is an outdated way to set goals, and to create alignment, but some companies still use it. The positive side of this is that it creates unity and ensures that everyone is working on the right things. However, it also has some negative effects. One of them is that it reduces agility and flexibility, because each level needs to wait on the OKRs from the top, and this wait can take a very long time, that in the end having quarterly OKRs becomes impractical. And, updates to the OKRs based on any changes becomes impossible. Another problem is that it doesn't take input from its employees, losing an important source of feedback for the company. It becomes a typical top-down initiative that can be very disengaging for the employees and the team empowerment (Doerr, 2018; McLean, 2018). This same sentiment is shared by a lot of the interviewees, who explained that they are involved in the setting of the OKRs in their company, following the visible top level OKRs. And, that the OKRs are mainly set at the same time, not cascaded down through the levels. For instance, cascaded OKRs were used in the case of interview 7, which was the unsuccessful OKR case. The managers were supposed to create the OKRs for the teams and then break them down into KR, but this further worsened the lack of engagement and commitment from the teams and the employees towards the new initiative.

However, there was one successful case which had also used the process of cascading OKRs, and praised it as a method that worked well in their company. This case was interview 2. In fact, in their company, OKRs are always cascaded down from the top. Initially, the company level OKRs are created. The KR of the company become the Objectives of the different departments. Then, they create KRs for their departments which become Objectives for the teams, and so on. This insight was quite opposite of all the other cases interviewed and even opposite of the literature mentioned. However, when asked whether this way of OKR setting was limiting the freedom and the flexibility of the teams, the interviewee answered that it didn't. They expressed that the teams had freedom in choosing how they'll tackle the Objectives, and they were allowed to add additional Objectives, as long as they took at least one Objective from the top, and as long as the new Objectives weren't in conflict with the company's Objectives or direction. This showed us that despite using a cascading process, they still allow input from the employees, and create a process of involvement for them. Therefore, this provides feedback towards the organization

about the OKRs set from the top, as well as about what else should be included. Meaning that, as long as the core aspect of the OKRs are kept, some part of the process can be modified and still retain the value of the tool, as evident with this case of cascading OKRs.

6.3.8. Comparison to KPIs

The final aspect of the OKRs, which created difficulties in implementation and setting for some of the companies, is about their comparison to KPIs, or Key Performance Indicators. This difficulty comes from trying to distinguish between the two methodologies and either choosing to replace KPIs with OKRs, or having trouble setting OKRs, because they are formulated like a KPI. Perdoo (2019c), gives a useful analogy to show their difference: If the organization was a car, then the KPIs would be all the things we measure to keep the car running, all the values found on the dashboard of the car, such as fuel level, or engine temperature. On the other hand, OKRs are the map which direct the car towards where we want to go, which is the vision of the company (Perdoo, 2019c). This way of looking at the OKRs matches well with the insights from the interviews that link the OKRs to the vision, describing the OKRs as the milestones along the way. And what can be observed is that OKRs shouldn't replace the KPIs, because they have a different purpose and value. Instead, they could both coexist within the organization. The KPIs being used for indicators connected to running the organization and the normal working, while the OKRs would be used for connecting the work of the employees with the strategy and the vision (Perdoo, 2019c).

However, another problem that companies can face is during the formulation of the OKRs. Based on interviewee 2, it's easy to fall to the KPI trap and set a KPI instead of a Key Result. The two can look very similar. However, the way that they make the difference is to always keep in mind that the KR is connected to the Objective, it is a way that the person or the team can contribute to that Objective. An interesting quote they shared with us, to specify this difference is: *"KPIs are for products, OKRs are for people. If you don't put people first in an org, when you set them, you might as well set KPIs."* Meaning that the OKRs help to involve the people, to achieve a people centric culture. They help to find a way to not treat the people as cogs in a machine, but to make them contributors to the company's vision. These insights provide an additional support to the proposal of this research, that the OKRs as a tool bring the people and the strategy together, and as such provide a way to create a shared vision.

In conclusion, what was discovered regarding the OKR implementation is that there are certain aspects of the OKRs implementation and use that have to be included in every company. Otherwise the OKR value will be limited and they would be just like any other goal setting method, instead of providing the additional benefits that are needed for the contribution towards the shared vision, or the additional benefits that make them better suited for the modern business environment and that make them stand out. Examples of these are the OKR visibility, the training for the OKRs and how they should be different than KPIs. On the other hand, there are some aspects of the OKRs which can be done in different ways, depending on their fit with the company's culture and needs. Examples of these are whether or not to use individual level OKRs, whether to use aspirational or committed OKRs, and whether to cascade the OKRs. In general, what was discovered about these aspects is that as long as the value behind that particular aspect is understood and is included, there is room for changes in regard to what the literature proposes. For example, it's okay to use only committed OKRs, as long as they're still set to be challenging and inspirational, and there is no reprimand for failure that would hinder creativity. As long as the purpose of each of the parts of the process is kept, some of the steps can be adapted in order to fit with the culture of the organization.

7. Conclusions

7.1. Implications for theory

The implications for theory from this research can mainly be divided into two parts. The first implications are those that connect to the findings on the topic of shared vision. While the second are those implications regarding the topic of Objectives and Key Results.

7.1.1. Contributions for shared vision literature

In general, there is extensive research on the topic of shared vision, and the importance of this concept has been recognized in literature for a long time. The majority of the research has been focused on the organizational level. As such, it has already been established that shared vision is an important pillar for learning organizations, and that it aids in providing a purpose and a direction for organizations, through helping to channel organizational resources towards the common goals in the organization (Wang and Rafiq, 2009). Shared vision has been represented as a developmental tool that can nurture the organization's learning process (Hoe, 2007). We also know that having shared goals and a common direction incites employees as whole, and makes them feel like a part of a community. Due to this, shared vision has been presented as an antecedent for building a collective engagement in the organization (Eldor, 2020). Additionally, shared vision has a positive influence on innovation, because it aids in nurturing exploratory and exploitative innovation activities in the organization (Wang and Rafiq, 2009) and is shown to be one of the antecedents needed to build a contextual ambidexterity within the organization (Wang and Rafiq, 2014). Moreover, the moderating effect of shared vision helps in increasing job satisfaction in employees, and reducing their turnover intention (Huang et al. 2017).

Admittedly, the academic literature on shared vision at the team level is less extensive, however it is still a rather researched topic. As such, literature shows that having a team shared vision strongly impacts the team dynamics. In particular, it increases the teamwork, the team potency, the altruistic and the courtesy behavior of the team members (Pearce and Ensley, 2004). Research also shows the improvement to group cohesion and the team effectiveness when shared vision and a shared leadership culture is present in the team (Somboonpakorn and

Kantabutra, 2014). Similarly to the shared vision on an organizational level, also team shared vision is shown to have a positive effect on innovation effectiveness (Pearce and Ensley, 2004). Which is further supported through the discovery that combining the process of team reflexivity with a shared vision is needed in order to build innovation, because it shifts innovation from the individual level to the team level (Kakar, 2018).

However, despite the widespread research on shared vision, the majority of this academic research focuses on shared vision as an independent variable or on the moderating and mediating effect of shared vision. Almost no research exists which puts shared vision as a dependent variable, and explores how shared vision can be created. The only such research found in the literature review for this dissertation, explores and provides findings that show that the use of the six sigma methodology in companies has a positive effect on shared vision (Gutiérrez et al. 2009).

Due to this lack of literature, the first implication of this dissertation is to provide an academic research which shows how shared vision can be created. Based on Reese (2014), we know that there is a positive relationship between the employees' and the manager's actions, who emphasize the need for more than words, but also the need for an action element when trying to build a shared vision. Therefore, the contribution towards the limited academic literature about building a shared vision is that the OKR methodology can be a way to provide this action element and a way to create a shared vision.

First, the study shows that OKRs can aid in the creation of a team shared vision through creating a cultural effect that impacts the people in the organization. In particular, the OKRs increase the transparency in the organization, which improves the clarity and makes it easier for team members to communicate and better understand each other. It gives them a common language to talk about their roles, their activities and the common direction of the team. Also, by getting the team members involved in the OKR creation, they are provided with an opportunity to gather and discuss about their team vision, as well as get an active part in building it. The OKRs improve the collaboration and the connection in the team, which are crucial aspects for a team shared vision. Finally, the OKRs create an inspiring environment, an environment where learning and risk taking are encouraged, which forces the team to support each other and work together to achieve their common goals. Through these insights this study deepens the literature of the team shared vision providing a missing perspective of the antecedents which further clarify the concept.

Secondly, the study contributes to the literature on how an organizational shared vision can be created through the strategic effect of the OKRs. In fact, through the bi-directionality mechanism of the OKRs, everyone in the organization is involved in the creation of the vision, which makes it shared by all. Initially, transparency makes the strategy and the vision of the organization explicit to all the employees, therefore increasing their understanding of the future direction of the company. Then, the employees are involved in the strategy thinking process, where they have to define what strategy means and how all the goals are connected with it. Through the involvement in the OKR creation, they are involved in the strategy and vision building. Further, the OKRs also provide a vision delivery tool, to make the steps towards that vision actionable. And finally, the OKRs build a strategic alignment in the organization which ensures that the goals of everyone in the organization are in line with its vision and which means that this vision is shared by all the members. In this way, this research contributes both to the literature on team shared vision and the literature on organizational shared vision, and provides an input on the way to create them.

7.1.2. Contributions for OKR literature

Contrary to the shared vision literature, the OKR literature is non-existent. In fact, when searching for the phrases “OKR” and “Objectives and Key Results” on Scopus, only 2 papers can be found regarding this topic. Complementing this with a Google search, the final list of papers on the topic is only 5. Which shows the massive need for more research about the Objectives and Key Results. As such, this paper is one of the first attempts to study OKRs from a theoretical perspective.

Despite the lack of academic literature, there is considerable amount of books and articles, or grey literature. The most beneficial resource among them is the book by Doerr (2018), who is the person who has made the OKRs so widespread. This grey literature provides an insight into what the OKRs are and what are their benefits. The Objectives and Key Results methodology is described as a collaborative goal setting tool that drives organizations forwards (Doerr, 2018, Wodtke, 2016; Lamorte, 2015a). This study illustrates that the OKRs are more than just a goal setting tool, and that they have a strong relationship with the vision of the organization.

Literature also proposes a process for setting OKRs in a collaborative way, keeping the OKRs, as well as their progress tracking visible (Doerr, 2018). This study contributes by providing a discussion into the optimal way in which OKRs can be set. Showing that some of the aspects of OKR implementation are compulsory, such as providing training to the employees, creating a

clarity on the difference of the OKRs to the KPIs, creating a storytelling that builds support for the methodology, establishing a realistic timeline for their implementation and the benefit expectations, as well as the most crucial one, which is to make them visible and shared by everyone. In addition, the study contributes by proposing certain ways of implementing the OKRs which are contrary to the proposal by theory. One of these contributions is the proposition to limit the use of individual level OKRs, and focus on the team level, in order to limit the negative effects. Another is the proposal that committed OKRs can replace the aspirational OKRs as long as they're still set in a challenging way.

Moreover, grey literature also portrays OKRs as a tool which creates focus in the organization towards what has the highest priority (Doerr, 2018, Shende, 2019; Wodtke, 2016; Lamorte, 2015a). OKRs are also shown to improve alignment by creating a link between the teams' Objectives and the vision or direction of the company, (Doerr, 2018; Kathuria et al. 2007, Klanwaree and Choemprayong, 2019; Wodtke, 2016) as well as increase the transparency by providing a clarity about the goals and their progress (Doerr, 2018; Zhou and He, 2018). Based on a study done by Sears, the OKRs even increase employee performance, and increase the organization's sales (Lamorte, 2015b; Pol, 2017).

This study deepens the validity of the benefits that are proposed by existing gray literature, but also contributes by showing how the OKRs reach those benefits. In particular, the study shows that the main way in which the OKRs provide value is through the transparency, the formulation of the Objectives, the bi-directional setting and the organization wide commitment. Further, the research shows that the OKRs have a direct effect on the culture in the organization, impacting the collaboration and connection between members, their clarity and the environment and they have a direct effect on the strategy, impacting the alignment and the vision. As well as showing their direct effect on the shared vision creation, both through their mechanisms and indirectly through the cultural and strategic effect.

In summary, this study creates a very important contribution to the OKR literature, by creating the first study to go in depth and show how the OKRs can best be implemented, what are their benefits, how those benefits are achieved and show how they connect to the people, the strategy and nurture a shared vision on two levels.

7.2. Implications for practice

Other than the theoretical implications this study discussed, there are also implications for practice that organizations and their management are provided with. Using these insights they can achieve the optimal practical benefits for their organization.

Primarily, as we have seen, the books and articles written by practitioners highlight some of the expected benefits of the OKRs. Organizations already know they can use the OKRs to prioritize their goals and focus the work towards the same direction (Doerr, 2018; Wodtke, 2016; Lamorte, 2015a; Bas, 2019; Eceizabarrena, 2016; Niket, 2014). As well as their power in increasing the transparency in the organization (Doerr, 2018; Ibanez, 2018; Castro, 2016). OKRs have been most often called a tool for creating alignment, and are shown to impact the horizontal and the vertical alignment (Doerr, 2018; Google, 2019; Bas, 2019; Castro, 2016). Through their implementation Sears has also shown that using the Objectives and Key Results can have a real impact on sales and employee performance (Lamorte, 2015b; Pol, 2017). However, the contribution from this study is to show to organizations that OKRs, don't have an impact solely on performance or focus, but also contribute to creating a shared vision. As such, they also contribute to achieving all the benefits that are obtained with having such a shared vision. In this indirect way, the OKRs not only improve employee's engagement, but also build a collective engagement (Eldor, 2020). They collaboration and teamwork that is impacted by the OKRs, are then further strengthened by their shared vision (Pearce and Ensley, 2004). Through the shared vision managers can also limit turnover intent and increase job satisfaction and organizational commitment (Oswald et al. 1994; Huang et al. 2017). As well as, attain all the advantages of shared vision in terms of innovation effectiveness (Pearce and Ensley, 2004) and the ability to create contextual ambidexterity, where innovation can thrive (Wang and Rafiq, 2014). Therefore, the relationship presented in this dissertation between the OKRs and shared vision, increases the list of potential benefits this methodology can bring to practitioners.

Secondly, this study provides managers with suggestions on how to implement the Objectives and Key Results system successfully in order to achieve a shared vision. It has been demonstrated that the antecedents that are critical for the success of the implementation are the training for the employees before they start using the method, without which there would be a lack of understanding and appreciation of the improvements it can bring. Also, the need for storytelling by the leadership that can get everyone involved and can bring support for the initiative. Further,

the need to be aware that it will take time until the initiative is fully understood, fully supported, and fully integrated, and to expect that the benefits will take time to surface. Which means that the implementation timeline needs to reflect these expectations. It is also a strong suggestion that the OKRs always need to be shared and transparent, as this is one of the main ways in which they reach the other suggested benefits. The study also warns practitioners that it's easy to set KPI instead of OKRs, but the difference between the two is crucial. Finally, the study also proposes that the fit between the organization's culture and the OKRs is incredibly important, as such the OKR implementation needs to be planned in a way to align with the culture and not to go against it. As such, some of the implementation aspects can be adapted based on the needs of the organization. If the organization's culture puts the team as the focus, then that organization should not use individual level OKRs and should focus on the team level OKRs. And, the organization needs to plan whether aspirational OKRs are the type of goals their employees will thrive with or if these goals will just create defensiveness in their organization. In summary, the study discusses the many aspects of the OKR implementation and proposes the best process to follow, based on the experience from the informants, in order to have a successful initiative and to create a shared vision.

Finally, OKRs are suggested as a practical tool to achieve a Shared Vision, focusing on cultural or strategic effect depending on what type of vision the organization wants to achieve. It provides managers with a choice of the type of shared vision they need in their organization. If the organization needs a shared vision on a team level, then the OKRs can create this vision through their cultural effects. The study proposes to practitioners to focus on the people and to ensure that the cultural benefits of the OKRs are obtained. If the collaboration, teamwork and support between employees is enabled, and a common direction is created by the team, this will impact the team shared vision. If the clarity is improved by creating a sense of focus, by clarifying responsibilities, by improving communication and decision making, then this will also impact the team vision. And if an environment of learning, positive competition and risk taking is nurtured, this will have a positive effect on the team shared vision. On the other hand if the organization has a need for a shared vision on an organizational level, then this study suggests a focus on the strategic effect of the OKRs. The study proposes that through creating an alignment to the strategy and an alignment to other teams and units, it will aid in the creation of an organization shared vision. Through improving the employees' understanding of the strategy in the organization and allowing them to think about the future strategy and get involved in its creation, the shared vision is impacted. Finally, by making the vision explicit, and clear to everyone,

allowing the organization's members to provide insights regarding that vision, and providing a vision delivery and execution tool, the creation of the shared vision at an organizational level is impacted as well.

7.3. Limitations and further research

As with any other research, there are some limitations in this dissertation that can be used as an opportunity for further research. First, the sample size of this dissertation is 9 companies, 2 of which were among the most popular companies that use the OKRs, while the rest were sourced from personal networking contacts. A further avenue could be to create a sample of only those companies that are popularly associated with the OKRs, and which are known as success cases. Additionally, the personal contacts mainly came from the Alumni network of the student organization Board of European Students of Technology. This means that the majority of these informants have a technological background, and this could provide an explanation of why there was a large number of digital companies included in the sample. This could be further tested in the future by sampling from a wider range of industries to see and understand if the OKRs truly have a bigger connection with companies with a digital culture, or if that was an effect of the sample chosen in the study. On the other hand, future research could even take the opposite approach and choose a more narrow focus of only organizations which have an agile culture or that use the Agile methodologies, and test the proposed moderating effect of Agile project management. The findings in this study support the belief that OKRs and Agile methods complement each other well. By choosing a data sample of only organizations that have an agile culture, this could be further tested. Furthermore, the organization sizes in the sample used for the research was broad, starting from startups and moving towards multinational organization with thousands of employees. A future study could limit their research on one particular company type and see how the OKRs provide a benefit in that group. For example, learning exactly how the OKRs benefit startups, or SME or big multinationals. Finally, in terms of the methodology used, a limitation in this study was that most of the interviewees came from different organizations, and only two of them came from the same company. There was only one person representing each organization, which means that their experiences presented could also be influenced by their personality or their preferences. This limitation could be overcome in the future by trying to include more people from the each organization and observe the differences first inside the cases and then across the cases, which would provide a more reliable picture.

Moreover, due to the lack of theoretical background it was decided to conduct this research in a qualitative manner. As such, the study has a strong contribution to theory, which could be further tested and deepened with a quantitative research. One of the parts of the study that could be tested in a quantitative way are the suggestions made for conditions for a successful

implementation. In particular, the study found that some points are particularly relevant in order to have a successful implementation, such as the training, the visibility, their distinction from KPI, etc. A suggestion for a more rigorous future research is to conduct a fuzzy-set qualitative comparative analysis (fsQCA), to find which of these suggestions truly are a necessary condition for the OKR's success. In particular, fsQCA uses Boolean algebra, set theory and counterfactual analysis several benefits in order to describe the relationships concepts (Park et al. 2017). This study has identified several distinct antecedents and value mechanisms, hence a future avenue of research could investigate which combination of these would lead to the achievement of a shared vision, with the aid of this method.

Another direction for future research is test the reciprocity of this relationship between OKRs and a shared vision. In fact, this study found that for the OKRs to exist there is a need for a strategy to exist, and they need to be connected to that strategy. Also, there is a need for support from the employees and for involvement by everyone. A company which has a shared vision could create such an environment that would make the OKR implementation easier, as well as more effective and efficient. Therefore, this is an opportunity that could be explored in future research.

And a final proposition for future direction in research is to test some of the assumptions of the newly build theoretical model. One study could focus on the assumption that OKRs impact the team shared vision through the cultural effects, while another could focus on the organizational shared vision and the indirect strategic effect. For this purpose, as a part of this research a questionnaire was created that can be used in such a future quantitative research. In this way a part of the findings from this dissertation can be tested with a larger data sample. In particular, this questionnaire is focused on testing the OKRs effect on the organizational shared vision. Through the use of this questionnaire the theoretical model presented can be tested and proved or disproved.

Figure 14 represents the way in which the questionnaire can be used to test how the OKRs contribute to a shared vision. In particular the questionnaire includes 5 concepts. The first is the OKR concept or the independent variable. The second is the shared vision concept, which represents the dependent variable. And the other three are the concepts transparency, strategy involvement and alignment, which represent the mediators of the questionnaire.

The first variable is regarding the Objectives and Key Results and their particular usage in the informant's company. The questions included here aim to separate those companies that use the OKRs regularly, from those that only have it as a system, that is overlooked and rarely tracked or

communicated. As well as, separate between the different implementation options that were proposed in this discussion, such as whether they have received training on the OKRs, whether they use individual OKRs or only team OKRs, whether they use aspirational or committed OKRs, etc. The questions regarding this variable are questions 1-5. In this questionnaire this concept is intended to be the independent variable that is expected to have a positive relationship with the shared vision, or the dependent variable, through the proposed mediators. Unlike the rest of the questions, the ones which are related to the usage of the OKRs were not taken from existing and tested questionnaires, but were created in this study. As such, they would need to be further reviewed by a qualified expert and tested before the questionnaire can be used.

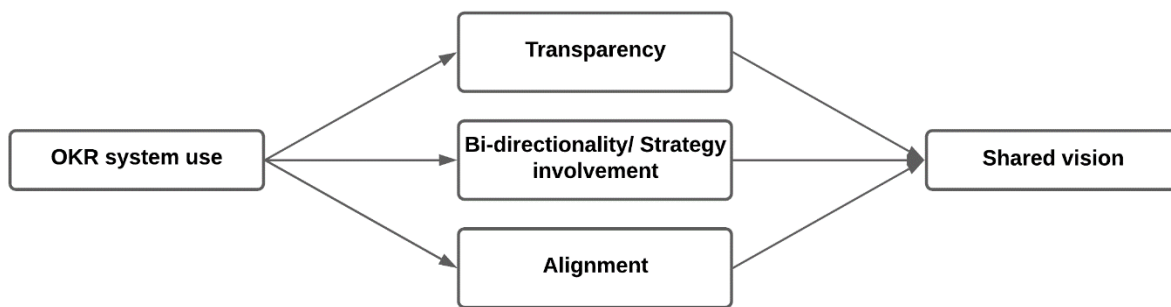


Figure 14. Model to test the relationship between OKRs and an organizational shared vision.

The next three concepts are the three that represent the mediator variables of the questionnaire. These are the variables that explain the relationship between the independent and the dependent variables, the variables that describe the relationship between the OKRs and the shared vision. As proposed in the theory building, the OKRs have 4 mechanisms through which they provide value and through which they impact the shared vision creation. Two of those mechanisms were chosen to be included in this questionnaire and they are transparency and bi-directional goal setting. The focus of the questions on the transparency concept are towards organizational transparency regarding the strategy and direction of the organization. These questions are questions 6-9 in the questionnaire and they are taken from an existing questionnaire that tests for organizational transparency by Berggren and Bernshteyn (2007). The bi-directionality of the OKR setting process is tested through questions about the strategy involvement of the informants. The questions test their strategy thinking and their involvement in the strategy planning of the organization or of their unit. These questions are taken from a questionnaire by Oswald et al (1994) and can be found in the questionnaire numbered 13-16. The third mediator picked is one that belongs to the strategic effects of OKRs on the shared vision. This variable represents the effect of alignment on the shared vision. In particular, the focus in this questionnaire is on strategic

alignment or vertical alignment, and the questions are aimed at testing the clarity, acceptance and linkage. These questions, numbered 10-12, were adapted from Hanson et al (2011).

The final concept included is the concept of shared vision. In particular, the type of shared vision tested is the organizational shared vision. This is used due to the inclusion of the alignment concept, as that concept is expected to have an effect mainly on the shared vision at the organizational level. In particular, the questions representing the shared vision variable were chosen to align with the definition proposed at the beginning of this dissertation. These questions were taken from the research by Gutiérrez et al (2009). And, they are questions 17-21. In addition, if this questionnaire is used, but the questions of the shared vision are changed or adapted to focus on the shared vision at a team level, then the alignment variable should be excluded. And, some of the concepts included in the cultural effect of OKRs should be used to replace this mediator. The full questionnaire can be found in the appendix.

7.4. Conclusion

We've seen that organizations today operate in uncertain and turbulent business environments, and that this creates a necessity for a shared purpose in the organization that can create focus, collaboration and cohesion. Indeed, the year 2020 can easily be called the year of change (Chima and Gutman, 2020). We've also seen that 71% Millennials, which represent the largest part of the workforce today, are disengaged at work. Which means that organizations also need to find a way to engage their employees, and to involve them in building a meaningful vision for the future (Rigoni and Adkins, 2016). Thus, what organizations need is more than just a powerful vision, but rather a shared vision, because this type of vision can create a common future direction for the organization that is shared by all and unites and empowers all the employees (Pearce and Ensley, 2004). At the same time, a modern goal setting tool, called Objectives and Key Results, has become increasingly popular as a result of its impact on organizational performance, focus and alignment (Doerr, 2018).

Due to these observed problems and trends, the aim of this dissertation is to investigate *How do Objectives and Key Results contribute to the creation of a shared vision?* Therefore, a qualitative research approach was used, and 10 semi-structured, in-depth interviews were conducted to provide an answer to this question.

What the study found is that the OKRs contribute to the creation of a shared vision in three ways. First, they have a direct impact through their 4 main value mechanisms, which are the OKR formulation, transparency, bi-directional setting and the organization wide commitment and support. Second, the OKRs have a cultural effect by improving the clarity, collaboration, connection and the inspirational environment, which further indirectly contributes to the shared vision creation. And third, they create a strategic effect by impacting strategic and internal alignment, strategy involvement and vision clarity and delivery, which in turn indirectly impacts the shared vision creation as well. What is an especially interesting discovery in this study is that, each of these indirect effects contributes to the creation of one of two different types of shared vision. We suggest that the cultural effect contributes to the creation of a shared vision on a team level, while the strategic effect contributes to the shared vision creation on an organizational level.

Consequently, the study contributes to literature by filling the gap regarding how shared vision can be created. In particular, contributing to the team shared vision literature by suggesting that the OKR value mechanisms and their cultural effects can be used to build such a vision. And, to

the organizational shared vision literature, by suggesting that the OKR value mechanisms and the strategic effects can be used to create this type of vision. The study also contributes to the OKR literature by providing one of the first academic studies that investigate this concept from a theoretical perspective.

Moreover, the study contributes to practice by providing a few useful insights. First, it enlarges the existing list of OKR benefits by including also the achievement of shared vision, as well as all the benefits that come from the shared vision. Second, the study provides managers with suggestions on the optimal OKR implementation process to follow in order to have effective OKRs. Finally, OKRs are suggested as a practical tool for those organizations that want to build a shared vision.

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9. Appendix

9.1. Interview protocol

Introduction guidelines:

- Give basic information: name, university and thesis topic;
- Thank the person for the time they will dedicate;
- Explain that the interviews will be taped for the purpose of the research, but that they will be anonymous;
- Help the person feel comfortable. There are no right or wrong answers, and any input can lead to learning outcomes.

Introduction template

“Hi **[insert name]**, I hope you can hear me well.

My name is Eva Petreska, I’m a master student at Politecnico di Milano, and as I’ve mentioned in my previous communication, now I’m working on my master thesis on the topic of Objectives and Key Results.

First, I want to thank you for dedicating your time today to do this interview.

And I want to let you know that I will be taping the call for the purpose of the research. Everything will be completely anonymous and only I and my mentor will have access to it. This is only to make it more efficient, so I can pay more attention to your answers, instead of writing them down, and leave the transcription for later.

I want you to feel comfortable to share your experience and your thoughts with me. There are no expectations on you today. Any input you give me will lead to learning outcomes and will be useful for my research.

Do you have any questions for me before we start?”

Questions

- Can you tell me a little bit about your role and experience in your organization? [*Starting question*]
- How do Objectives and Key Results work in your organization?
 - What do OKRs mean in your company?
 - How does the process of defining and setting OKRs work?
 - How does the process of tracking OKRs work?
 - How does communication regarding OKRs work?
 - Tell me about how you communicate with others about the OKRs?
 - How are they accepted?
 - Who sets the OKRs first – how are they connected with the top level OKRs?
 - Do you modify in any way during the cycle?
 - Do you use individual level or not and why?
 - Did you have any training or workshop on how to set OKRs and what they mean in your org?
- Why do you think they're useful in your work?
 - Tell me about a situation of when OKRs were very useful to you.
 - What is the main purpose of the OKRs?
 - [Performance management, purely goal setting, connecting teams]
- Can you tell me about the relationship between the OKRs and your organization's vision?
 - How about the relationship with the culture?
 - How was your vision communicated before? What is different now?
 - How do you feel about the strategic direction/vision of your organization now?
 - [Do you understand/agree with it/involved with it]
 - How do you feel you connect with the vision?
 - Tell me more about the vision [how it's communicated, created]?
 - Do you feel that your Objectives and activities are aligned with it and how?
 - Do you think you and your other team members pursue the same objectives?
- How would you describe the transparency of the organization regarding the vision and strategic direction?
 - Do you know the Objectives of other teams or upper levels?
 - Has this impacted you in any way and how?

- What would you say about the level of alignment of your organization?
[If already be covered in the previous questions, skip it.]
 - What do you understand as being aligned?
 - Has this changed your work in any way and how?
- If you could change something about the way OKRs are used, what would it be and why?
[Extra question in case there is extra time]

Phrases to motivate the interviewee:

- “Thanks, this is the sort of information we’re looking for in this research.”
- “These details are helpful.”
- “It’s useful to get your ideas (your opinion) on this.”
- “Let me write this phrase down”
- “Can you elaborate on that?”
- “Can you give me an example of this?”
- “I’m trying to put together some of the things you mentioned.”

Ending guidelines:

- Thank the interviewee for their time again;
- Praise them for the quality of their input.

Don’t forget: Balance between follow the person and leading, stay on track of the topic, don’t overdo it, don’t put words in the mouth of the interviewee.

9.2. The suggested questionnaire

[OKR system use = as any time spent in setting, evaluating, changing personal/team/organizational Objectives and Key Results, any time spent in meetings about OKRs, in tracking and communicating the progress towards OKRs and planning activities that can lead to the achievement of OKRs.]

1. On average, I use the OKR system:
 - a. Don't use at all;
 - b. Use less than once a week;
 - c. Use about once a week;
 - d. Use several times a week;
 - e. Use about once each day;
 - f. Use several times a day.
2. How many minutes do you spend each week using the OKR system?
3. I have received a training on the topic of OKRs by an expert.
 - a. Yes;
 - b. No.
4. In my company we also use individual OKRs.
 - a. Yes;
 - b. No.
5. In my company, we expect that the OKRs will be achieved 100%.
 - a. Yes;
 - b. No.

[Rate on a scale of 1 to 10 rate how much each of the following statements is true]

6. My organization wants to understand how its decisions affect people like me.
7. My organization provides information that is useful to employees for making informed decisions.
8. My organization wants to be accountable to employees for its actions.
9. My organization wants employees to know what it's doing and why it's doing it.
10. I can articulate the higher level strategic objectives of the organization.
11. I believe the Objectives and Key Results of the organization are appropriate and reflect a sound strategic direction.

12. I see a strong cause and effect relationship between my team's OKRs and the higher level objectives of the organization.
13. I am currently involved in the strategic planning efforts in my organization.
14. I am currently involved in the strategic planning efforts of my team.
15. My job requires that I think about the long-term future of my team.
16. I have little say in determining the Objectives and Key Results of my team.
17. In my organization there is a clear vision guiding the strategic goals and missions.
18. The shared vision guiding change in the organization is appropriate.
19. We agree on what is important for our organization.
20. Our unit shares the same ambitions and vision with other units at work.
21. People on my unit are enthusiastic about pursuing the collective goals and missions of the whole organization.

9.3. Detailed data for first cycle coding

Initial code	Pattern code
"what we have been told and the way we manage" OKRs	OKR training and support
"I received a training with an expert"	
"then we started to train"	
"training for some one month"	
"support everyone for a long period"	
OKR meetings improvement	
"workshops to determine our objectives and key results"	
"time to validate and see what we're doing wrong"	
"you need to train a lot your people to being able to think about their goals in this way"	
"how do you quantify it and make it so you don't achieve it"	
"the idea of having numbers in key results is challenging"	
"need more experience to let it become a habit"	
Focus on formulation rather than content	
"have to educate yourself to really use them"	
"head first into this with no training"	
"need to bring someone who has experience who can train us"	
"external experts who can give advice and long-term management support"	
"my knowledge was theoretical"	
Self-education on OKRs	Unrealistic timeline
"need a huge piece of education"	
Training from book	
"I want the first set of OKRs in 2 weeks"	
"unrealistic timeline"	
"need space and time to think about it (success/strategy)"	Unrealistic timeline
"put enough attention and time on it"	
"not enough time for us to come up with this framework at this point"	

Initial code	Pattern code
"lack of credible and understandable business strategy"	Need to connect OKRs to strategy
"write OKRs first and don't worry about the strategy"	
"we didn't get to know it or understand it (the strategy)"	
"started to work on the general strategy with the leadership"	
"started to think about the strategy"	
"OKR without bigger picture doesn't make sense"	
"Objective for the vision"	
Objectives can't be set without a vision	
"OKRs on company level"	Company and team level
"The first one is the company level" of OKRs	
Team, department and company level	
"CEO is the OKR owner of the company level"	
Objectives for different teams	
individual and many levels of OKRs	Individual objectives
"everyone has individual Objectives"	
Visibility to co-founders only	Undisclosed OKRs
"just for us who are using OKRs"	
"they are a bit confidential"	
unshared/undisclosed OKRs	
"not influencing the one (OKR) of everyone"	
"if you don't share it (OKRs), no one will ever find it"	
"playing it too safe because they did not want to fail"	Creating defensiveness
"created defensiveness and sandbagging"	
"individual level for IT doesn't really work well"	Problems with individual OKRs
"setting up team for failure by imposing individual OKRs"	
"if you have to ignore the rules to do right, something is definitely wrong"	
"going individual level would have been much harder"	
"we communicated in a very informal way"	Low influence on vision
Formal vision communication only in a quarterly meeting	
"it (the vision) didn't change recently"	
"my objective is different to the objective of my manager"	

Initial code	Pattern code
"Objectives are very, very different"	Uncommon objectives with management
"managers have different objectives from our"	
"not too much, but one objective is similar"	
Unordered OKR creation	Connection to agile methodology
"the OKR owner is the final accountable and responsible"	
"the OKR master is the mediator, the facilitator"	
"implemented Agile methodology together with OKRs"	
"aligned with Agile"	
"OKR system is part of an agile culture"	
"Agile and OKR born in digital companies"	
"leading a team of Agile coaches"	Faster cycle
"shift it into a quarterly based approach"	
"faster feedback or assessment cycle"	
"business is fast so quarter (OKR) makes big difference"	
"we decided to shorten our time frame.. In this context it's really hard to plan six months ahead"	
Objectives with variable periods	
Six month company OKRs	Digital companies
"a methodology for a digital company"	
"related to the digital culture"	Inspiring and challenging
Inspirational OKR formulation	
"start from something general and then getting to something more specific"	
"we didn't really change the content, but the order... regrouped.. redefined.."	
"better to have something that's really inspiring"	
"Objectives as visionary and positive"	
Visionary and broad Objectives in the future	
Future OKRs about learning and developing	
Hard to achieve Objectives	
"put very hard goals"	

Initial code	Pattern code
"push yourself out of your comfort zone and to improve your performance"	
"probably you have not challenged yourself"	
"driving and giving big goals"	
"my OKRs were every quarter different"	
Both core role and side projects included in Objectives	
"people who like innovation were quite enthusiastic"	
"at one point the moonshot will become the committed OKR "	
"the idea is to finish (your Objectives)"	
"I finish most of the OKR"	
"gives a higher boost to achieve something"	
"they're meant to be 100% achieved"	
"KPI are for product, OKR are for people"	Not KPIs
"KPI trap is always there"	
"Every week update the percentage of each KR and also we add a confidence level"	Progress tracking and visibility
Steps to track progress	
"clear metrics to measure the progress"	
"updating the general progress of the company based on the OKRs"	
"have track of everything"	
"use OKR activities to write our report"	
"everyone understand what is OKR and how it's measured"	
"every 2 weeks there is a report to the management"	
"in order to track and move towards the KR"	
"we update and have a history"	
"you can see if you can help them or if they can help you"	Overall visibility OKRs
"great feedback from people in terms of transparency"	
"knowing what the other people are doing is something we learned"	
"every word matters because everyone in the company can see what your OKRs are"	

Initial code	Pattern code
OKR presentation meeting	
"I see the OKR of other people"	
"you have visibility through all the organization"	
"looking at others (OKRs) if they're connected with their work"	
"radical transparency of the system"	
"haven't seen many companies outside of tech having this transparency"	
"visibility and transparency on our week over week"	
"visibility on when we" be doing something"	
"visible to everyone"	
OKR suggestions from teams	Goal setting involvement
Goal setting delegation to teams	
"putting new ideas on the table is open for everyone"	
"design your OKRs without your manager"	
mainly top down with some freedom for bottom up goal setting	
"insights from all teams"	
"a final setting that is coming from the negotiation"	
Top goals creation with insights from rest of company	
"in the beginning it's normal to be more top down"	
"put part of the objectives down"	
"sometimes the setting of OKRs comes from the teams"	
"the impact was not clear to management"	
"this objective came from the team"	
"not just dropped from above"	
"meetings on company level and on a team level"	
Personal Objectives written and then shared with the team	
Objectives top down, KR and initiatives bottom up	
Initiatives and problem requests from the bottom	
"able to add Objectives"	
"manager approve to change"	Supervisor involvement
"my manager is direct over this objective"	
manager mainly responsible over objectives	

Initial code	Pattern code
"each of us thinks about them and we discuss them together with the CEO"	
Progress and feedback meetings	
OKR discussion and review	
"it's more important the OKR of my general manager"	
"(manager) give us the mentality to start this work"	
Manager's benefit connected to OKRs	
"management enforcing these (top level) objectives to the teams"	
"Moving forward in my career I started setting OKR"	
"(managers) need to create OKRs for your divisions"	Cascading goals
"product person was responsible to come up with (division) OKRs"	
"managers were supposed to help their teams break those objectives into KR's per team"	
"no consultation and no expectation of input"	
"need strong engagement from the top"	Long term leadership support
Implementation with part of company first	
"the process is complex"	
"more close to continuous change"	
"there is a learning curve of how to use those tools"	
"advantages to sink in so we can appreciate them"	
OKR timeframe and scope improvement	Lack of support
"our focus was less into trying to introduce new tools"	
"get almost forgotten"	
"in the process of giving it a go"	
"the issue that they get forgotten"	
"got postponed for about 2-3 months"	
"then it took another half a year"	
"that stopped being their focus"	
"implementation took too long and top management got distracted"	

Initial code	Pattern code
"a few months passed and nobody asked for it (OKRs)"	
"don't pay enough attention to this (tracking progress)"	
"it's tough work, requires discipline"	
"only one division did it twice"	
"time consuming"	Need for commitment
"you have to spend a lot of time to make them sensible"	
"I will participate but I don't believe in it"	
"most of them just didn't care at all"	
"as a manager you need to sell it to your people"	
"need to build momentum"	
"try it with one unit"	Mutual support
"we discuss on how we can support"	
Progress and support discussions	Mutual support
"take some information or some idea"	
"we know that our common direction is what the company expects from us"	Common direction
"common direction" as a team	
OKR commonality discussion	
"my goals are always our team goals"	
same/similar personal objectives as other people	
"other people maybe work differently but the mission is this one"	
"finding common ground"	
"they (OKRs) gives them both(teams) the same purpose"	
"cross functional goals"	
"will split the target"	
"come up with initiatives that tried to go in that direction"	
"we have learned that there is a reason why we are one team"	Teamwork
"have to think about the entire team"	
"defining what does the team need"	
whole team inclusion in OKRs	

Initial code	Pattern code
"it's not easy to create them and to make sure everyone feels represented"	
"to organize and connect"	
"win everyone together or lose everyone together"	
"focused on teamwork and collaboration"	
"removing individual level OKRs"	
"the team dimension is the key dimension"	
"understand if the collaboration between people is working"	
"helps to make compromises"	
"much easier to set on a team level"	
"OKR is a very team methodology"	
"resources are limited so you really need to focus"	
"they help you see, that's what I'm working on"	
"helps us to be aware of what is the priority for us"	
"the process of coming up with them forces you to clarify in your mind"	
"clarifies what you should spend most time on"	
"it (the Objective) is my key goal"	
"focus on few things very important"	
"suggested by many teams in the company as a strong focus, priority"	
"write necessary and important things and stop"	
"emphasize most of our efforts on this or that"	
"don't let you lose focus"	Responsibility and accountability
"gives me a sense of focus"	
"sessions where we all together prioritize"	Communication improvement
"try to prioritize with this score"	
"I'm more responsible for these KR's" area of accountability is needed	Communication improvement
"In terms of communication, having a shared document helps you"	
"In terms of communication, it's a great tool"	

Initial code	Pattern code
"have to talk to you to know how the company is doing"	
"everyone speaks the same language"	
"helps you communicating with the others"	
"didn't have before something clearly crystalized, written black on white"	
"conversations were happening for the first time"	
"for the first time engineering heard the objectives of the salesmen"	
"accepting and negotiating"	
"prevents misunderstandings"	
communication to teams about decisions	
"first form of feedback"	
"organize your work relative of your OKR"	
"know what you need to finish"	
"help you make a decision"	
"decision making is a little bit more easier"	
"it's more simple.. Not include too much things to do"	
"business is fast so quarter (OKR) makes big difference"	
"keeping the pace of the team"	
"how can I translate my objective in some specific results, outputs"	
Tool to drive decisions and resource investment	
Choosing what to work on based on expected outcome	
Common prioritization framework helps coordination	Learning opportunity
"allows you to say no"	
"we didn't know that that was going to be a problem"	
"we used it as a lesson for the next OKR cycle"	
"in order to avoid in the future doing the same thing, we put it into one of our OKR"	
"it's not wasting time because we learned from it"	
"learning about me, my team working, managing my job"	
"give more people this learning opportunity"	

Initial code	Pattern code
"take some information or some idea"	
"identified there was a lack of communication"	
"discover problems that are hidden in internal dynamics"	
"acquiring skills"	
"good point to have an OKR related to the people"	
"we detected it as one of our failures because we reached it 100% but it didn't work"	Acceptance of failure
"accepting that you may not be able to do everything you have decided to do"	
"It's okay to fail"	
"we decide what we want to start, stop, continue doing"	
"you can decide to leave it or to bring it to the next OKR cycle"	
No problem with unachieved OKRs	
"we are friendly"	
OKRs unconnected with salary for them	Competitive environment
"comparing who should be promoted"	
"transparency good for a competitive environment"	Tool for the culture
"needs to be designed on the specific company"	
"work in different ways according to their rules, team, business area"	
"good tool to work on the culture"	
"you can change the company culture changing the tools and methodology you are giving them to work"	
"it's important that everyone knows what the culture is"	
"a major change for the whole organization"	
"lack of cultural appreciation"	
Powerful enabler for a people centric culture and vision	Strategic alignment
"it connects you a little better to the business"	
"we want the team to base their OKRs as much as possible to the ones from the company"	
"being included in the company OKRs contributes to your sense of belonging"	

Initial code	Pattern code
"(personal) objectives aligned with the company's objectives"	
"have everyone aligned on what are the important things"	
"it's important to always be aligned"	
"use it to share the strategy alignment in the company"	
"to stay always aligned and learn from our system"	
"key elements that should be aligned"	
"this is the alignment with the company"	
"aspiring all the company all the time to be aligned to one and two (Objectives)"	
"coherence between the team level and the company level"	
In line with the mission	
OKRs understood as a tool to connect the strategic level to the tasks	
"making sure that the vision of the products are aligned and makes sense"	
"compliant to the objectives, to the organization"	
map what you do in the direction of the top level objectives	
"everything is interlinked"	
"prevents people from working on the same thing at the same time"	Internal alignment
"OKRs dependent from other people's activities"	
OKR creation based on what other teams need	
"clearing our responsibilities"	
"align your priorities with his priorities"	
"internal alignment and discussion going on in the company"	
"to work together, but in line"	
Team isolation reduction	
"understand better the work of the other team"	
Similar objectives	
"removes friction, conflict"	Strategy thinking and involvement
"every team had to state their expectations for the company"	involvement
"people were asking for a more bottom up driven approach"	

Initial code	Pattern code
"bringing innovation in a bottom up way"	
"they with management are going to decide that's a good direction or not"	
"it (direction) is both from management and the teams"	
"flexible to have someone else update the OKR"	
"giving people the power to have an impact on the on the strategy of the company"	
OKRs influence on parent company	
"it (her activity) is important for the company as well"	
Reflection on how the team can support the company direction	
"we are going to push the company in that direction"	
"share power about strategy alignment in the company"	
"a good tool for business strategy"	
"it's kind of obligatory to take part"	
Desire for employee involvement in the strategy process	
Better ideas coming from different experiences	
Strategic thinking and reflection on why things are done	
"come back to us with a list of things they would like us to work on"	
Initiatives mapped towards high level goals	
"answer what does success look like"	
"how can you contribute"	
"see that these can have a good impact"	
"communication about the particular direction"	Sense of direction and purpose
"the OKR exercise forced them to think what is our strategy"	
"understand their business a bit more"	
"understood the purpose of the work they're doing"	
"have to think how do we measure if we're successful"	
"think more big picture"	
"bring us a better sense of direction"	
"makes orientation a little easier"	
Bigger picture vision	

Initial code	Pattern code
"key element of alignment and organizational clarity"	
"fixed milestones and everyone knows where we're going"	
"now I want to have something organized and focused in a direction"	
"this should tell you what we are actually targeting"	
People will speak up if the team is not following the vision	
"bring clarity"	
"being flexible is what keeps you alive and moves you forward"	Flexibility in strategic planning
"It's different when you are told that the company is going in a certain direction and seeing it black and white in the shared documents every day"	Better understanding of the vision
"They (Company OKRs) are translating the leadership vision"	
"understand how to support this vision"	
Vision achievement clarification through OKRs	
"transparency is showing how your goal fits in overall system"	
"every month the leadership team shares how the company is doing"	
ABC (Ambitions, Big Bets, Commitment) high level objectives visible	
High level objectives as a representation of the future	
Integrating new people through showing Objectives	Vision delivery tool
"everyone could comment and see, It's shared"	
"in terms of general vision it's the same as before, it's the format that changed"	
"we are working for our mission"	
"the strategy plan was the direction we need to go in"	
"using OKRs like those milestones"	
"the milestones you need to stay on in order to achieve that direction"	
"you have a closer point you need to go to"	
"OKRs give you the way how to deliver it(vision)"	

Initial code	Pattern code
"the tool that help you to meet the vision"	
"need just the vision they can touch"	
"when you give some vision consider also the audience"	
"take this vision as your own"	
"your initiatives work towards your vision and it works towards the objectives of the company"	
Team impact aligned with company vision	
Relevant to shaping the vision	
Moonshot OKR as the long term vision summarized in one sentence	

Table 4. List of Initial codes aggregated into Pattern codes.