

## **A Proposed Employee Development Program from Objectives and Key Results: A Case Study of SG Group of Companies**

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### **Abstract**

Nowadays, many organizations have to re-think about strategic management more than in the past to face with the situation which every resources and abilities could be calculated as exact number to gain the best profit for organization. Investment in human resources has become a very large topic within the business world, so employee development become a necessary factor which the organization must focus on as it affects to organization performance directly. Performance Appraisal or Performance Evaluation System which is one of the most necessary tools to improve human assets became the core issue of the discussion. The purpose of the study was to propose Employee Development Program using the concept of “Objective & Key Result (OKR)”. Quantitative data using questionnaires was obtained from 93 respondents at Power Plant Section by using purposive sampling method. The result indicated that only Organization Direction has a statistically significant influence on Work Performance. Thus, Organization Direction is the most effective factor that has a significant influence on Work Performance based on OKR concept. Even though the statistical analysis showed that only Organization Direction has a significant influence on Work Performance, interview statements demonstrated that all of elements within OKR have significant influence on Work Performance as well. Thus, all the element in OKR still should be considered, but the organization might focus on the Organization Direction as the first priority.

**Keywords:** objectives & key results, motivation, work performance

### **Introduction**

Nowadays, many organizations have faced rapid development of information and telecommunication technology which leads to fast growth and expanding of business competitiveness. Most organization have to re-think about strategic management with this new business situation. Investment in human resources has become a very relevant topic within the business world. Humans are also calculated as the resource which leads to costs for company, not only in salary or work time issues, but also including improvement program, career path, recruitment processes, and individual perceptions. Therefore employee development becomes a necessary factor which the organization have to focus as it affects the organization performance directly. The most necessary tools to improve human assets such as Performance Appraisal or Performance Evaluation System take the main role within the discussion. (Maharatsakul, 2002: p. 67-69)

Objectives and Key Results has been discussed about by various companies in Thailand since the middle of year 2018. It became the new trend within Thailand in terms of about performance evaluation approach or strategic management. (Poolpatarachewin, 2018)

In the global context, there are more than 1,000 international organizations that have already implemented the concept, ranging from SMEs to large well-known companies such as Google, LinkedIn, Intel, Zynga, Sears, Oracle, Twitter, Adobe, Amazon, Facebook, Microsoft, Netflix, and Samsung. (Decharin, 2017)

### Statement of the Problem

At present, the company under study is facing various problems such as High turn-over rate and low motivation, unclear Job design including organization structure, and little achievement of profitability. (From 360-degree feedbacks and interview). Thus, the research is aimed at determining factors within OKRs Concept that can strengthen employee work performance for organization. The results are used in designing a strategic planning plan for employee improvement.

### Research Objectives

1. To identify factors that affect to work performance based on OKRs concept.
2. To determine the most important factor that affect to work performance based on OKRs concept
3. To propose an employee development program that strengthen work performance based on OKRs concept.

### Research Questions

1. What are factors that affect work performance based on OKRs concept?
2. What is the most important factor that affect to work performance based on OKRs concept?
3. What employee development program could be proposed based on OKRs concept?

### Research Statistical Hypotheses

- H1a<sub>0</sub>: Organization Direction has no significant influence on Employee Motivation.
- H1a<sub>a</sub>: Organization Direction has a significant influence on Employee Motivation.
- H1b<sub>0</sub>: Challenging Opportunity has no significant influence on Employee Motivation.
- H1b<sub>a</sub>: Challenging Opportunity has a significant influence on Employee Motivation.
- H1c<sub>0</sub>: Bottom-Up Communication has no significant influence on Employee Motivation.
- H1c<sub>a</sub>: Bottom-Up Communication has a significant influence on Employee Motivation.
- H1d<sub>0</sub>: Total Team-Base Performance has no significant influence on Employee Motivation.
- H1d<sub>a</sub>: Total Team-Base Performance has a significant influence on Employee Motivation.
- H1e<sub>0</sub>: Well-Defined Structure has no significant influence on Employee Motivation.
- H1e<sub>a</sub>: Well-Defined Structure has a significant influence on Employee Motivation.
- H2<sub>0</sub>: Employee Motivation has no significant influence on Work Performance.

- H2<sub>a</sub>: Employee Motivation has a significant influence on Work Performance.
- H3<sub>a<sub>o</sub></sub>: Organization Direction has no significant influence on Work Performance.
- H3<sub>a<sub>a</sub></sub>: Organization Direction has a significant influence on Work Performance.
- H3<sub>b<sub>o</sub></sub>: Challenging Opportunity has no significant influence on Work Performance.
- H3<sub>b<sub>a</sub></sub>: Challenging Opportunity has a significant influence on Work Performance.
- H3<sub>c<sub>o</sub></sub>: Bottom-Up Communication has no significant influence on Work Performance.
- H3<sub>c<sub>a</sub></sub>: Bottom-Up Communication has a significant influence on Work Performance.
- H3<sub>d<sub>o</sub></sub>: Total Team-Base Performance has no significant influence on Work Performance.
- H3<sub>d<sub>a</sub></sub>: Total Team-Base Performance has a significant influence on Work Performance.
- H3<sub>e<sub>o</sub></sub>: Well-Defined Structure has no significant influence on Work Performance.
- H3<sub>e<sub>a</sub></sub>: Well-Defined Structure has a significant influence on Work Performance.

### **Review of Literature**

#### Definition of Objective and Key Results (OKR)

Recently, there are many discussions regarding to “OKR” or “Objective & Key Results” which is the concept that mad Google Inc. successful. Even though OKR just became recently famous in Thailand, OKR is not a new evaluation concept as it was invented since around 50 years ago based on the concept of “Management by Objective” that was invented by Professor Drucker in year 1954. The concept was published in the book called “The Practice of Management” and became the basic concept of OKRs nowadays. (Rompho, 2018) In 1974, it was the first time that Andy Grove invented OKR to implement the real practice within Integrated Electronics Corporation (Intel) and was very successful. Thus, when the employees of Intel moved to other companies, they brought these strategic concepts to other companies as well, especially in startups companies. John Doerr, the famous Venture Capitalist, wrote the book called “Measure What Matters” which describes OKR thoroughly. Doerr worked with Intel in 1970s. John Doerr suggested the OKR to Google Inc. when they just established their company. Google become successful because of OKRs as well. These situations made OKRs become well-known toward business world. (Decharin, 2018)

Andy Grove, the past CEO of Integrated Electronics Corporation (Intel) adapted the MBO using three main elements. First, the frequency of objectives where he follows up company objectives every quarter or every month. Second, he uses both Top-Down and Bottom-Up approach as he believes that employees should take the role of determining objectives, not only the management. Finally, he believes that the objectives should be more challenging. Thus, the OKR was created. (Rompho, 2018) John Doerr view OKR as a managing instrument to direct the entire organization’s effort to the real important things. (Decharin, 2018) OKR is the method to evaluate the organization achievements through two elements such as “Identifying Objective” and “Identifying Key Results”.

1. “Key Results” are the outcomes of determined objectives within limited periods which must be obvious and measurable. The key result must identify whether organization (employee) achieve targets. (Key Results = How?)

2. “Objectives” what the organization would like to achieve which have to be obvious and important to practice. (Objectives = Where? Or What?)
- 3.

OKR is not same as KPI, so the OKR should not be used to evaluate employee performance directly. In contrast, OKR should be integrated into the organization culture and become the organization’s target.

To successfully implement OKR, the objectives of organization are necessarily required so that every department to set their own objectives. For example, if the objective of organization is to increase company’s profit, the marketing manager must set their goals aligned with the main objectives of company, such as increasing revenue or the production manager aim to reduce costs and expenses. (Rompho, 2018)

In real practice, each person should have only 3-5 objectives because as the OKR is implemented every quarter. Too many objectives might make employee less focused on their target and not achieve all objectives.

*“Objectives = Key Actions + Results”*

Effective OKRs are not related with profits or revenues, but to the overall objective that reflect vision of organization. We must ask what our organization would like to achieve. (Panyachaisana, 2018)

OKR is one of the most effective strategic performance evaluation and improvement method. However, we must identify how OKR is different from KPI and why many organizations start to use it as the main performance evaluation system instead of KPI for real practice.

You might find that OKR is like KPI as they are focusing on the measurable things. However, OKR methods do not begin by measurement, but the objectives that organization would like to achieve. Then, they will identify the key to evaluate the achievement later. In contrast, the KPI starts with key indicators without identifying what each indicator reflects to. OKR’s key results is determined to reflect whether the organization achieve their objectives or not. These make KPI as a performance evaluation system only, but the OKR aligns with the expected future of organization.

OKR can be called in as “Agile MBO” which means the adaptation of MBO as suitable for this rapid change era. Even though, all of evaluation methods (KPI, MBO, OKR) seem like each other in the process of setting targets and determining key results or key indicators, some principles of OKR are different from others. (Saichuae, 2018)

Srichand United Dispensary Co., Ltd. Mentions that OKR is more flexible than KPI which align with the current situation of technology world. OKR should focus on mind set of providing best effort to achieve goals. KPI does not support when employee an meets their determined indicators. Performance evaluation quite not be used in OKR as it is not the system that related to compensation and benefits. OKR is like organization strategy which sets up the clear direction for all employees. (Hanutsaha, 2019)

## Improving Work Performance

In this era, it is very necessary that business organization should identify their work procedure effectively and productively as it will be the tool to engage employee with the organization and will lead to company achievement. Thus, working results become significant tools to plan the resources management program appropriately.

Richardson (2014) in his study “Enhancing Strategies to Improve Workplace Performance” found essential strategies for leaders to improve organization performance within a business organization in Southwest Georgia. He states that there are five elements related to work performance which consists of workplace environment, feedback sources in organization, management relationship, barriers in the workplace, and recruitment/promotion strategies. The results of the study demonstrate that organization leaders should focus on strategies to enhance employee motivation. The study also showed that the actual behavioral outcomes should be aligned to the desired behavioral outcomes of performance management. However, the leaders can use elements such as incentives, positive feedback, and improved decision-making mechanisms to create more positive behaviors and performance among employee. Thus, the elements that we must be considered while determining the performance evaluation system which are instruments and resources for individuals to accomplish tasks.

Muda (2014) work on “Factors Influencing Employees’ Performance: A Study on the Islamic Banks in Indonesia” identified the relationship between three important elements (Job Stress, Motivation, Communication Variables) and employee work performance. The results of the study demonstrate that all three elements influence employee work performance at 59.3 percent. The remaining 31.7 percent is related with other factors. Moreover, Shahzadi and team (2014) also believe that the most powerful factors that lead employees to attain specific goal or organization targets is motivation. Their study’s result demonstrate that employee motivation and employee performance are significant and positive related with each other.

However, Santiarworn (2008) work on “Motivation factors affecting performance of operational level employees in Phungnoi Bakery Company Limited” identified the factors that influence work performance of operational level, based on Two-Factors Theory of Frederick Herzberg. He states that increasing satisfaction affects work performance in high level such as topics of personal life, job security, interpersonal relations, work status and relations with supervisors. Employees perceive that the top three problems in working process are work environment, career path (personal improvement), and organization policies (with management style). The study collected data from 207 operational employees of organization through questionnaires and concluded by Descriptive Statistics such as frequency, percentage, mean and standard deviation to indicate the effect level of motivation factors provided to employees.

Only positive motivation can improve employee performance, there are many factors that influence improvement processes. Eluka (2014) study on “A Critical Review of The Effect of Working Conditions on Employee Performance: Evidence from Nigeria” reviews literature on the effect of employees working conditions on performance. The study focuses on working conditions and facilities as the main elements of improving employee performance. The results of the study demonstrate that organizations should pay attention to provision and maintenance facilities in workplace which help to strengthen employee

performance. Srikaew (2009) study on “Development of the potential in job performance of agricultural extension officers in Chiang Mai Province” identified the influential factors of improving work capabilities in agricultural employees. The result identifies that employees who have positive perspective of their own working performance can perform their work more effectively than those who have negative perspective.

Thao and Hwang (2015) state that the main necessary factors consist of leadership, coaching, empowerment, participation, organization culture, motivation and working environment. They state that the leadership style can either enhance or obstruct employee work performance through coaching, empowerment, and increasing employee participation. Coaching is the important technique to improve work performance. It should be proved that the coaching style is multiple ways communication, not just one-way communication, then coach is able to identify the things to improve and the way to improve that things, especially to reduce belief and behaviors that hinder performance. For empowerment, it will lead to achievements of individual success (In term of employee’s role performance), organizational success (In term of all employee can achieve organization level objectives or collective goals) and Sharing mutually beneficial and satisfying work experiences as social and personal growth needs. Empowerment also necessarily positive correlate with both performance and satisfaction of employee as it supports in-role performance of subordinates more than the satisfactions of the supervisors. For increasing participation of employee, it means to empower employee to involve in decision making process where the employees hold the opportunity to discuss problems and effects to organizational decisions level. The participation increased employee job performance with less turn-over rate. In addition, “organizations can act to increase or decreased the levels of these mediator variables and potentially strengthen the positive performance effects of employee participation” (Lam, 2002).

A participating employee will be motivated because the management view them as partners to build organization reputation and success instead of just subordinates. These will make employee have counterproductive behaviors and the organization can improve themselves incessantly. Participating employees also enhance organizational culture as well. Organization culture which is collective beliefs, assumptions, values and ways of interacting contribute to the unique social and psychological environment of an organization. It consists of organization’s expectations, experiences, philosophy, vision, values, norms, systems, symbols, language, assumptions, beliefs, habits, customs, written and unwritten rules. It is the tool for expressed in member’s self-image, inner workings, and interactions with external people. (Needle, 2004) The stability of the culture enhances the work performance of the employees in real practice which leads us to the organization achievement and augmentation of the holistic performance of the organization (Deal and Kennedy, 1982). Norms and values of organizational culture affect people who are involved with the organization .

Laksana (as cited in Pibool, Sarnswang, and Buasuwan, 2018) mentioned that there are six elements of work performance which consist of “Personal Qualifications” that refer to individuals who are eager to develop themselves and follow the instructions and discipline. The person is ready to coordinate and cooperate with teammates or supervisors with a good relationship. The person is punctual and spend time effectively. The person has knowledge of using equipment and property of organization together with abilities to analyze and make decisions to solve the problem in time. “The Quantity and Quality of Work Achievement” means the ability to perform the assigned tasks within restricted time as standard quality. The person pays attention and respond to their tasks with best effort. The person is reliable,

knowledgeable and expert in relevant tasks and can work effectively. “Initiative in Work Process” refers to behavior that indicates abilities to create various answers or solutions. The person can be flexible within work process to achieve the target as well as inventing and adapting more effective work procedures.

“Abilities of Work Practice” means knowledge of specific techniques and skills in working with other which enhance collaboration among employee. It also refers to understanding in knowledge, skills, and abilities of the intellect to make decision through holistic of organization. “Personality, Attitude and Values in Working” means demonstration of various qualifications ranging from words, ideas, attitudes, values, to habits within work practice and roles which related to work performance. Finally, “Morale in Working” refers to abilities to percept and realize in organization objectives. The person exerts best effort to respond own tasks without desponding to any obstacles. They will be filled with happiness and self-confident to progress in their career path. (Laksana as cited in Pibool, Sarnswang, and Buasuwan, 2018)

Trakulsangngern (2007) study on “The performance of the bank for Agriculture and agricultural cooperatives (BAAC) in the Northeast, upper division Branch 3” states that the elements of work performance evaluation program consist of “Quantity of Work” which refer to determining the standard quantity to assign work to individual which will be indicated by achievement within period of time. The results might be compared with time or effectiveness. “Quality of Work” means to correctness of tasks and satisfied results for relevant people. “Job Knowledge” refer to expertise in work procedures together with ability to apply skills or techniques for own and related work appropriately. “Quality of Personal” means private behavior expressed through personality, dress, manner, and verbal. Providing social responsibilities, honesty, integrity in own tasks, colleagues and the work of the organization. “Cooperation” refers to the person who can work with colleagues and willing to provide supports for other. Strengthening positive relationship and harmonious with other to reach the objectives. “Dependability” means that the person is reliable and dependable for supervisor and organization in contexts of honesty and accuracy in work and other issues. “Creativity” refers to employee who eagerly look for new knowledge which related to their tasks. The person has can do attitude to do something new by themselves.

The entire statement above provides important factors to consider for the researchers. Many literatures identify the effective factors which like elements in OKRs. For example, “Instruments and Resources for individual to accomplish tasks is important to consider for setting evaluation system” is related to providing challenging opportunities to employee as OKRs concept provide employee the challenging objectives, but it must be achievable.

Third, “The performance of an organization is dependent on the degree to which the values of the culture are widely shared” relate to Organization Direction which refer to clear corporate goals that lead employee to the same targets. Fourth, “Well-defined rules and regulations of an organization can promote better employee performance and productivity” relate to Well-Defined Structure which identify roles, responsibility, and boundary of suitable qualifications obviously.

Fifth, “Job Stress, Motivation, Communication Variables influences employee work performance”, “Motivation is the most powerful factors that lead employee to reach the organization targets”, “Decreasing dissatisfaction (personal life, job security, interpersonal relations, work status and relations with supervisors) affects to work performance in high

level”, “Factor for motivating (job achievement and job descriptions) employee affects to work performance in moderate level”, “Less motivation to work is the causes of negative work performance”, “To motivate employee to work well, the management should be open-minded and empower employee to work”, and “Employee who has positive perspective of own working performance can perform their work more effective than other who has negative perspective”

These key finding statement present the relation and influence between many factors and work performance. The identified factors strongly related to elements in OKRs concept which is the focus of this research. This review literature lead to variables within this research which the researcher identifies it as conceptual framework.

### Conceptual Framework

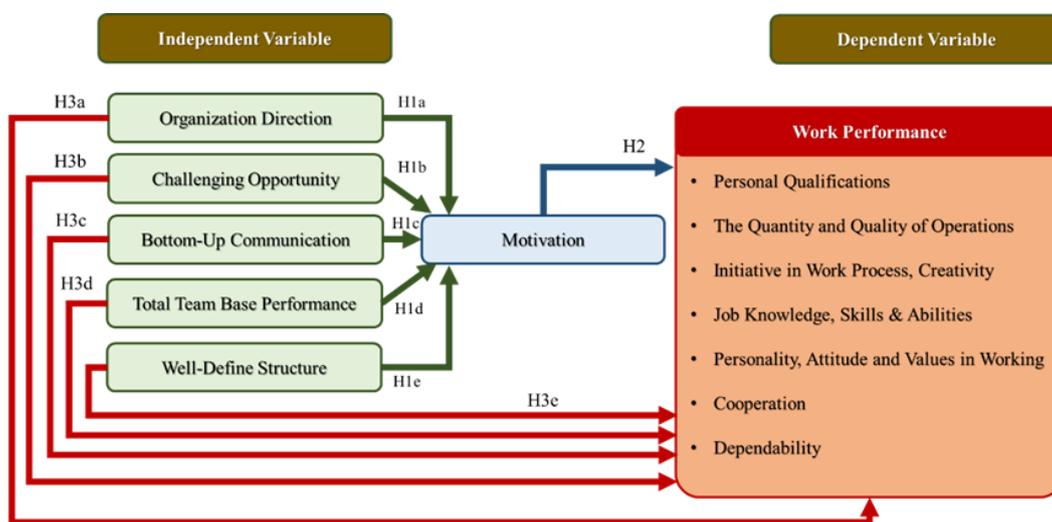


Figure 1: Conceptual Framework

The conceptual framework has five independent variables, one intermediary variable, and one dependent variables (together with 7 sub-elements). The independent variables are elements of “Objective & Key Results (OKR)” which consist of Organization Direction, Challenging Opportunity, Bottom-Up Communication, Total Team-Base Performance, and Well-Defined Structure. The intermediary variable is Motivation. The dependent variable is Work Performance which consist of Personal Qualifications, The Quantity and Quality of Operations, Initiative in Work Process and Creativity, Job Knowledge skills and Abilities, Personality, Attitude and Values in Working, Cooperation, and Dependability.

### Research Method

The questionnaires which featured five-point Likert scale – (5) = Strongly Agree, (4) = Mostly Agree, (3) = Agree, (2) = Mostly Disagree, (1) = Strongly Disagree – were printed and provided to 93 respondents of Power Plant Sectors in SG Group of Companies as target sample size for the study, according to sampling formula by Krejcie and Morgan (1970). Purposive sampling was utilized. The questionnaire was tested through process of IOC (Index Objective Congruence) from 3 experts and Cronbach’s Alpha (Validity and Reliability Test) from pilot test of 30 respondents.

This research used mixed method to find out the relevant factors of effective employee improvement model. Quantitative Data was collected from 93 respondents through printed questionnaire. Qualitative Data was collected using the random sampling. The data was analyzed through inferential statistics and descriptive statistics.

The questionnaire was rated by 3 experts through IOC process and that the average of ratings for every question must be higher than .05 (Kongsat, 2012) .

The Validity and Reliability Test was carried out for 30 respondents.

Table 1.

*Results of Validity and Reliability (Cronbach's Coefficient Alpha)*

Variables	Number of Items	Cronbach's Coefficient Alpha	Decision
Objectives & Key Results	17	.900	Reliable
Motivation	11	.889	Reliable
Work Performance	17	.857	Reliable

The result showed that Cronbach' Alpha was all >.70. Thus, the questionnaire is valid and reliable to distribute to target respondents. A reliability coefficient of .70 or higher is considered "Acceptable" in most social science research situations. (University of California Los Angeles, n.d.)

### Results and Discussion

The quantitative analysis data was obtained with the use of statistical programs from 93 respondents. The Hypothesis H1 & H1a – H1e was analyzed by the results from multiple linear regression.

Table 1

*Coefficients<sup>a</sup> of Hypothesis H1a – H1e*

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.712	.464		1.535	.128
1 Organization Direction	.161	.136	.123	1.185	.239
Challenging Opportunity	-.075	.097	-.083	-.771	.443
Bottom-Up Communication	.140	.094	.155	1.485	.141

Total Team-Based Performance	.177	.092	.214	1.936	.056
Well-Defined Structure	.350	.091	.374	3.845	.000

a. Dependent Variable: AVMVT

Table 1 shows that there is only one variable with the significant effect on Motivation with a significant level (Sig.) less than 0.05. It can be described that the significant level of Well-Defined Structure was 0.000; therefore, it had significance influence on motivation with its beta value 0.374.

The decisions on the hypotheses after data analysis are as follows:

**Hypothesis H1a – H1e**

- Hypothesis H1a<sub>o</sub> “Organization Direction has no significant influence on Employee Motivation” : failed to reject.
- Hypothesis H1b<sub>o</sub> “Challenging Opportunity has no significant influence on Employee Motivation” : failed to reject.
- Hypothesis H1c<sub>o</sub> “Bottom-Up Communication has no significant influence on Employee Motivation” : failed to reject.
- Hypothesis H1d<sub>o</sub> “Total Team-Base Performance has no significant influence on Employee Motivation” : failed to reject.
- Hypothesis H1e<sub>o</sub> “Well-Defined Structure has no significant influence on Employee Motivation” : rejected.

Hypothesis H2 was tested using Simple Linear Regression method to identify the effect of Motivation to Work Performance.

Table 2:

*Coefficients<sup>a</sup> of Hypothesis H2*

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.261	.245		9.228	.000
AVMVT	.469	.068	.588	6.929	.000

a. Dependent Variable: AVWP

Table 2 shows that the independent variable has a significant effect on Work Performance since the significant level (Sig.) was less than 0.05.

Based on the results of Simple Linear Regression, H2<sub>o</sub> “Employee Motivation has no significant influence on Employee Performance” was rejected.

The Hypothesis H3a – H3e was analyzed by method of multiple linear regression.

Table 3

*Coefficients<sup>a</sup> of Hypothesis H3a – H3e*

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.873	.327		2.668	.009
Organization Direction	.508	.096	.488	5.315	.000
Challenging Opportunity	-.018	.069	-.025	-.263	.794
1 Bottom-Up Communication	.079	.066	.109	1.185	.239
Total Team-Based Performance	.111	.065	.168	1.721	.089
Well-Defined Structure	.115	.064	.154	1.792	.077

a. Dependent Variable: AVWP

Table 3 demonstrates that there is only one variable, namely Organization Direction that has a significant effect on Work Performance since the significant level (Sig.) was less than 0.05 which signified. The decisions based on the results are :

**Hypothesis H3a – H3e**

- Hypothesis H3<sub>a</sub> “Organization Direction has no significant influence on Employee Performance” was rejected.
- Hypothesis H3<sub>b</sub> “Challenging Opportunity has no significant influence on Work Performance” was failed to reject.
- Hypothesis H3<sub>b</sub> “Bottom-Up Communication has no significant influence on Work Performance” was failed to reject.
- Hypothesis H3<sub>b</sub> “Total Team-Base Performance has no significant influence on Work Performance” was failed to reject.
- Hypothesis H3<sub>b</sub> “Well-Defined Structure has no significant influence on Work Performance” was failed to reject.

**Discussion**

This is a study of developing an employee improvement plan based on concept of objectives and key results. The researcher selected SG Group of Companies as the case study. There were 93 employees from SGE Company Limited and SGB Company Limited who become research respondents by providing their data through 44 questions within research instrument.

The researcher analyzed the gathered data by statistical analysis program using Multiple Linear Regression. There are 13 hypotheses in this research. The independent

variables are objectives and key results' elements; organization direction, challenging opportunity, bottom-up communication, total team-base performance, and well-defined structure. The intermediary variable is motivation and the dependent variable is work performance.

The result of hypothesis H1a – H1e indicated there is only one element of OKRs that has a statistically significant influence on motivation, that is Well-Defined Structure. The beta standardized coefficients state that variable “Well-Defined Structure” has strongly positive effects to motivation as its highest beta value. The result demonstrate that employees think that well-defined role and responsibilities lead them to be motivated and be able to perform their job successfully by meeting with determined quantity and quality.

The result of hypothesis H2 indicated that Motivation has a statistically significant influence on Work Performance. The beta standardized coefficients state that variable “Motivation” has strongly positive effects to work performance.

The result of hypothesis H3a – H3e indicated there is only one element of OKR that has statistically significant influence on motivation which is Organization Direction. The beta standardized coefficients state that variable “Organization Direction” has strongly positive effects to motivation as its highest beta value. The result demonstrate that employees can harmonize well with their team because of corporate direction. Moreover, the company direction can lead employees to complete their tasks effectively. Then, Organization Direction can lead employees to improve their work performance.

The researcher implemented interview sessions for go through further information. The interview statement demonstrate that it is not only “Well-Defined Structure” that has significant influence on “Motivation” and “Organization Direction” has significant influence on “Work Performance”, but all other elements of independent variable also has significant influence on both “Motivation” and “Organization Direction”.

Mr. A (2019), employee from SGE Company Limited, state that “I did not understand what our company real objective is. We just follow to management’s decision and not be able to make it systematic. It makes me confuse what I should focus on. Thus, for me, the objective of organization might be important for employees to guide them what should be done. I am sure that if employee know what they must do, so they can perform their work effectively with full potential and be motivated.

Mr. B (2019), who is in the post of managerial level, also stated that “I saw many employees work hard with their best effort for company without knowing what company wants to achieve. They just work and work routinely. Finally, they become burned out as they never feel achievement in their work. They just finished their daily work without feeling of success and become disengaged with organization.

These statements demonstrate that “Organization Direction” has significant influence on employee Motivation and Work Performance directly as it effects to feeling of achievement in doing something special or knowing what the expected result is. Thus, s can prioritize their work and perform effectively. “Challenging Opportunity” was also mentioned as one of the significant elements that influence on motivation and work performance by most of the managers. Even though, they mentioned that there are many factors to consider

about before assigning work to employees, it is still an important element for improving employee work performance as shown by the statement below.

Ms. C (2018), manager of SGB Company Limited, stated that “For me, I need challenges in work. I resigned from a company because of there is no challenge. However, challenges can be double-edged sword for those who are not able to deal with it. It can make employee less motivated in case of unachievable or too difficult challenges . Thus, to provide challenges to employee, we must estimate the possibility of achievement . We cannot make them be stressed and anxious. Challenging will make employees improve themselves to achieve the tasks.”

With the culture of organization, many employees feel that “Bottom-Up Communication” is one of the most important factors. Many employees feel that if their voice considered by their management, their performance can be improved and there will be motivation to work.

Ms. E (2019), employee of SGB Company Limited, stated that “I wished management to approve the idea of our team, but they did not. They did not even explain why, but they just think about cost and profit. As we are working in this company, we must think about organization benefits first all the time. Even though, we tried to propose many ideas and projects to retain our employee and improve their skills which must be benefits for organization in the future. They only think of money in the current situation only.”

According to interview statement above, it demonstrates that “Bottom-Up Communication” has a significant influence on Motivation and Work Performance. It clarifies that being listened to can make employee be motivated to work and provide their innovative ideas to their management to develop their organization.

“Total Team-Based Performance” is exemplified by the interview :

Ms. F (2019), employee of SGE Company Limited, stated that “If the performance was evaluated as team level, I think that employee will be able to perform their work better because they can perform new tasks that they are unrecognized. Thus, they can perform their work with their full potential as they will be motivated to do new innovative and creative things. Moreover, as our team has very good relationship with each other and surely pay best effort to help each other and achieve the target together.”

Ms. C (2019) stated that “I think I am lucky to have all good subordinates in my team. Thus, total team-based performance could have less effect to my team performance as my team has already high level of good attitude to support each other. In contrast, for those team with less teamwork, this might be more effective on it because it can force their team member to care of other people strongly.

The statements show that total team-based performance could be an effective tool to strengthen collaboration and unity . Moreover, the employee is motivated to provide innovative comments and suggestions willingly. The final elements based on OKRs concept that was mentioned by interviewee is “Well-Defined Structure” as employees believe that they must be able to finish and complete their tasks through obvious boundary of role and responsibilities. In contrast, if the responsibilities are not well-defined, they are not able to prioritize their work or even be assessed to grow up in their career path .

Ms. E (2019) stated that “At present, our company has unclear job description, some tasks still cannot specify the person who must take responsibility . Then, I could not do my work with satisfactory standard. Moreover, the unsystematically assigned tasks make me frustrate and have less motivation to work as well”.

Mr. B (2019) stated that “We need the clear job description and good instrument to measure our work achievement. I think it is very necessary thing. It directly affects to employee who must achieve their targets and perform their tasks completely. As their job description is not clear at present, employees do not know that they have finished their tasks completely Therefore, this topic is related to performance improvement indistinguishable”.

In addition, most of employee stated within interview sessions that motivation to work is the most effective factor that affect to work performance. They think that motivation is the key tool that make them really intend to work. If there is no motivation, it is too difficult for them to perform their work with full potential and improve their performance.

### **Conclusion**

The main purpose of this research was to establish new effective employee development program based on concept of OKR. The research objective of this study is to understand the influencing factors which affect to Work Performance together with finding the most effective factors as well. OKR consist of five main elements; Organization Direction, Challenging Opportunity, Bottom-Up Communication, Total Team-Based Performance, and Well-Defined Structure. All these elements were applied as the independent variables There are many studies stated that Motivation is the most effective factor to improve employee work performance. Thus, the researcher used Motivation as the intermediary variable to work performance.

The research results show that the most effective element in OKR that significantly affects to Motivation is Well-Defined Structure (based on hypothesis H1e). Even though, hypothesis H1a – H1d are failed to rejected Ho, the interview statement stated that all of elements within OKRs still has significantly affects to Motivation as well.

The hypothesis H2 stated that Motivation has a statistically significant influence on Work Performance. Thus, Motivation also become one of the main important factors to develop work performance. These statements demonstrated that Well-Defined Structure and Motivation is the important factors that required attention from organization as Motivation is the main influence factors and the Well-Defined Structure is the main tools for strengthening employees’ motivation.

The results of hypothesis H3a – H3e state the most effective elements in OKR that significantly affects to Work Performance is Organization Direction (based on hypothesis H3a). Even though, hypothesis H3b – H3e are failed to rejected Ho, the interview statement stated that all of elements within OKRs still has significantly affects to Work Performance as well.

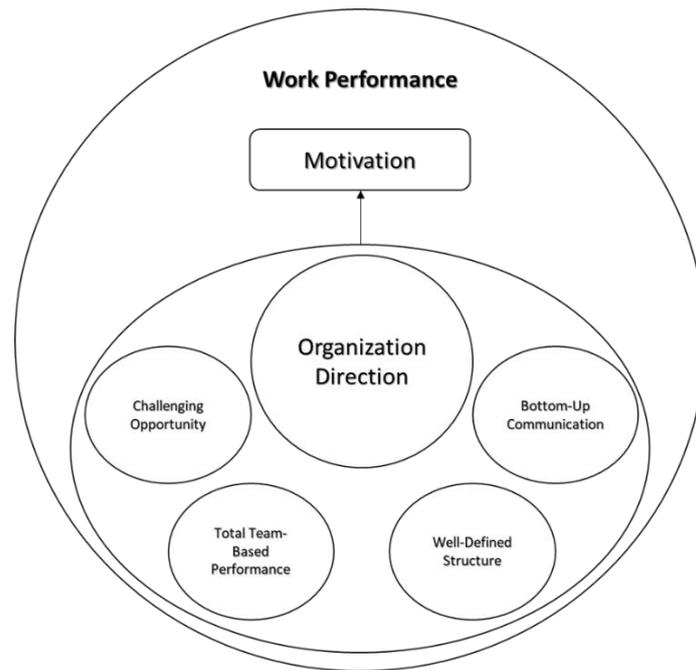
Table 4.

Conclusions

Research Questions	Findings
To identify factors that affect to work performance based on OKRs concept.	Organization Direction
To determine most important factor that affect to work performance based on OKRs concept	Organization Direction

**Recommendation**

According to the research findings, it could be explained that the Organization Direction is the most effective elements in OKRs concept that has a significant influence on Work Performance. Thus, Organization Direction should be the first element considered in order to propose an effective employee development plan. However, even though, there is only one element has a statistically significant influence on work performance, interview statement stated as the qualitative data that all elements in OKRs concept also has a significant influence on work motivation as well. Thus, the researcher can propose new model for concept of employee development program as below.



*Figure 2:* Model of Basic Concept for Strategic Plan  
Source: Developed by The Researcher

In the model, researcher identified all factors that has a significant influence on Work Performance. The researcher applied the findings of quantitative analysis to point out the focus as Organization Direction is the largest factor box within the model. It means that Organization Direction is the most effective factors that should be focused. Thus, the employee improvement program could be based on this model. The researcher established strategic plan of improvement based on this model as implementation plan below.

Table 5:

*Strategic Plan of Employee Development*

Period	Area of Focus	Activities
Jan – Mar 2020	Identifying corporate goal to be clear & strengthening understanding in Organization Direction among employee	1. Town Hall Meeting 2. Internal Communication 2.2 Announcement 2.3 Media Content
Apr – Jun 2020	Identifying role & Responsibilities clearly which could be strengthening employee motivation that also affect to work performance directly.	HR Strategic Plan - Manpower Management - JD Redefinition - Role Acknowledgement
Jul – Sep 2020	Determining appropriate challenging organization objectives and department objectives together with evaluated their performance in department level instead.	- Letting each department set up the Challenging Goal with the measurement & Present to All Department in Meeting.
Oct – Dec 2020	Strengthening all elements in OKRs based on feedback of implementation ranging from January 2020 – December 2020 together with improve employee motivation for further effective work performance.	- 360 Degree Survey Feedback - Discussion and Adaptation the Plan and Activities for further effectiveness

Table 5 presents the strategic plan to implement based on finding in this research. At the beginning, organization should pay attention to identify corporate goal for being obvious. The organization should be transparent and be realized by all of employee within organization. The process must take time for announcement and making employee really understand it. This might be able to implement through Town Hall meeting or other formal announcement channels which are able to be reached by all internal members.

The second period should focus on defining task boundary of all employee within organization. Regarding to quantitative finding, it stated that Well-Defined Structure has a statistically significant influence on motivation and motivation has a statistically significant influence on work performance. Thus, organization structure become second place of effective factors that should be focused on in term of improving work performance. In this process, Human Resource department might be able to coordinate with each department and management to revise all job description to be clear and be approved for real practice.

The third period will focus on using OKRs in real practice by setting up challenging targets for whole organization. Moreover, performance appraisal will be implemented in department level without individual performance which interview statement presented that it could make employee perform their work with full potential and provide more creative ideas to their department. At the last row of the table, it shows out the final ideal of employee improvement program based on OKRs concept.

For ideal state, all elements within OKR will be focused at same level together. All factors within OKR become necessary for organization in terms of improving work performance. Then, organization will be able to expand the bow of factors to be larger without stopping which directly sustain organization performance effectively. Moreover, the model demonstrated the relationship among of all elements within OKR concept which begin by Organization Direction or “Clear Organization Objective”. The organization must determine the clear corporate goal for whole organization and each department. Then, the

corporate goal will lead to Challenging Opportunity for each department. Challenging opportunity can be used with clear corporate goal in order to define employee role and responsibilities obviously. After all department was defined their role and responsibilities, the performance evaluation could be implemented as team based. Then, there will be feedbacks that employees are able to send backward to their management. Thus, the discussion from the bottom will be occurred. This might be the affect back to Organization Direction for the next period.

The model presents that work performance become larger together with all elements become same level of necessary to focus. Thus, this model is able to illustrate ideal future of the organization with the image of effective work performance and organization growth.

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