



Research on Implementation Strategy of Objectives and Key Results Assessment in State-Owned Enterprises

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Abstract. Scientific staff assessment will help improve the staff performance. OKR assessment is a common performance assessment method. There are many problems in the implementation of OKR assessment in some state-owned enterprises, which cannot give full play to the advantages of this assessment method. On the basis of a comprehensive analysis of the connotation and characteristics of OKR assessment, this paper focuses on some typical problems existing in the implementation of OKR assessment in state-owned enterprises, and puts forward the implementation strategy of OKR assessment in state-owned enterprises through extensive reference to the research results in this field and the successful experience of OKR assessment in some enterprises.

Keywords: OKR · state-owned enterprises · assessment · implementation strategy

1 Introduction

As the most commonly used performance assessment method in the enterprises, KPI has some shortcomings in the application process [1]. OKR assessment is a new and widely concerned assessment method, which has been widely used in many enterprises, and more enterprises are preparing to introduce this assessment method. The application of OKR assessment method in state-owned enterprises is still in its infancy. Although some enterprises have made a few achievements through exploration, there are also many problems in the specific application practice, and the advantages of OKR assessment method have not been fully developed [2]. In this case, it is necessary to carry out in-depth discussion on the implementation strategy of OKR assessment method in state-owned enterprises. And comprehensively summarize the experience and lessons of enterprises in this regard, in order to provide some useful references for state-owned enterprises to make good use of this assessment method.

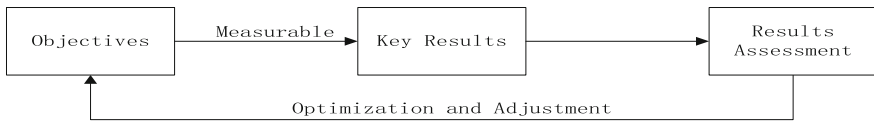


Fig. 1. OKR Assessment Model

2 Overview of OKR Assessment

OKR literally means objectives and key results. This assessment method is simply to evaluate around objectives and measurable key results, so as to motivate and guide employees to improve performance objectives [3]. This assessment method integrates the idea of objective management, key performance indicators and other assessment methods, emphasizes that employees are responsible for the objectives, and urges employees to complete the task objectives by assessing key results [4]. Compared with other assessment methods, OKR assessment has the following characteristics: The main purpose of OKR assessment is not to assess the completion of a certain employee's performance task, but to constantly remind employees of what the current task is, and focus on stimulating employees' initiative and enthusiasm; The objectives in OKR assessment are often challenging and difficult to complete, which will lead to greater pressure on employees; OKR assessment has good compatibility with assessment methods such as balanced scorecard and key performance indicators. Its basic idea is to decompose objectives from top to bottom [5]. OKR assessment model is as follows (Fig. 1).

3 Implementation Strategy of OKR Assessment in State-Owned Enterprises

The successful implementation of OKR assessment in state-owned enterprises needs to pay attention to a lot of things. Based on the successful experience of some enterprises, this paper summarizes the implementation strategy of this assessment method as follows:

3.1 Scientifically Formulate and Decompose Objectives

The key to the implementation of OKR assessment is to formulate the assessment objectives scientifically. The formulation of assessment objectives needs to be cautious. The development strategy and development plan need to be fully considered in the formulation of company-level objectives [6], and determine the company's objectives according to the four dimensions of the balanced scorecard. After the company's objectives are formulated, it needs to be broken down at different levels. Specifically at the department and employee levels, each employee needs to have clear task objectives, so that the objectives can play a guiding role [7]. The objectives needs to be challenging, and employees need to make certain efforts to achieve it. If the objective is easy to achieve, and employees feel that it is not challenging, such objective is not reasonable enough, and is not conducive to stimulating employees' work potential [8]. The formulation of challenging objectives needs to consider the growth of previous years, market competition, enterprise development potential and other factors (Fig. 2).

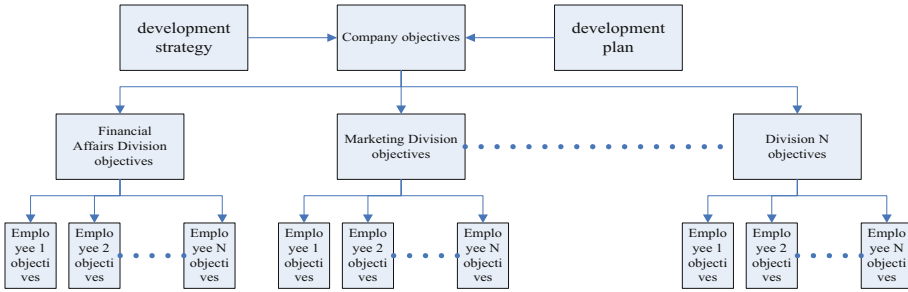


Fig. 2. Breakdown of Company Objectives

3.2 Determine Measurable Key Results

After the objectives are determined, the key results of each objective need to be formulated. The key results need to be measurable and have a close relationship with the objectives. The achievement of the key results also means the achievement of the objectives [9]. The formulation of measurable key results needs to be open and transparent, and fully recognized by employees, which is more conducive to employees' continuous efforts to achieve key results [10]. The quantity of measurable key results should not be too large. It is only necessary to find out the key results that have the greatest impact on the objectives according to the 20/80 principle. The key results of enterprise finance are mainly revenue, cost, profit, etc. The key results of enterprise customer dimension are mainly customer growth rate, customer churn rate, customer loyalty, customer satisfaction, etc.

4 Implementation and Application of OKR in State-Owned Enterprises

4.1 Scientific Assessment of Results

The result assessment is mainly to grasp the achievement of objectives and key results in a quantitative way. In the specific assessment process, quantitative assessment should be mainly used, and the assessment criteria should be clear to ensure that the assessment results are fair and objective, and can intuitively reflect the level of employee performance. Results assessment should always be based on the established objectives. Quantitative assessment with facts can reduce subjective bias and win the recognition of employees for the assessment results. Table 1 and Table 2 show the assessment score table of research offices and business organs in one enterprise according to the OKR assessment model.

The financial indicators, such as revenue, profit, cost and other indicators can be quantified easily. But indicators that are not easy to quantify, such as internal process, learning and growth, work attitude, also need to be quantified as much as possible. It can be indirectly quantified through training times, customer satisfaction, time length and other indicators. The assessment results need to be open, accept extensive supervision

Table 1. Research Office Assessment Score Table

Research Office	Total score	Tasks	Quality management	Innovation	Market development	Talent team
Office 1	100	40	30	20		10
Office 2	100	30	20	25	15	10
Office 3	100	10	20	60		10
Office 4	100	20	10	10	50	10

Table 2. Business Organs Assessment Score Table

Division	Total score	Superior assessment	Key work	Party building	Talent team	Comprehensive evaluation
Business organs	100	30	62	5	3	
Assessment authority		Company office	Planning office	Party and mass office	Human resources office	Company leaders

Table 3. Assessment Form of the Key Results

Division	Objectives	Key result number	Key result indicators	Score (0–100)
Financial Affairs Division	Ensure that the annual economic assessment indicators of superiors are fully completed.	KR1	20% increase in operating income	
		KR2	10% increase in net profit	
		KR3	10% increase in EVA	

actively, and improve the credibility of the assessment results. Any employee who is dissatisfied with the assessment results can complain to the assessment committee through an open complaint channel. The assessment form of the key results of financial affairs division of an enterprise is as follows (Table 3).

4.2 Follow up Rewards and Punishment and Improvement Measures

State-owned enterprises need to reward and punish based on the completion of objectives, find and improve the specific problems in the application of this assessment method by evaluating the implementation of OKR assessment and the assessment effect. The assessment results need to be fully linked with rewards and punishment, so that employees can

have enough pressure to complete the objectives. Specifically, the salary distribution, promotion and development, and evaluation of excellence need to refer to the assessment results. If the completion of the objectives is not ideal, their qualification for evaluation will be cancelled, and their performance compensation will be reduced. In terms of improvement measures for OKR assessment, the key is to develop improvement measures around the problems in this work to ensure the improvement of OKR assessment level. For example, problems in objective setting and deviations in assessment are found through evaluation, and then corresponding solutions are formulated. If the objective is set too high or too low, it needs to be adjusted. If the assessment content is not perfect, it needs to adjust the assessment indicators.

5 Conclusion

The advantages and disadvantages of OKR assessment coexist. For state-owned enterprises, they should not blindly follow the trend in the application of this assessment method. They should choose whether to adopt OKR assessment method according to their own industry characteristics, business fields, team structure, etc. For state-owned enterprises that have introduced or are ready to introduce the OKR assessment method, they must do a good job of research in the early stage, in-depth analysis of the applicability of the OKR assessment method in the enterprise, so as to formulate a scientific implementation strategy, give full play to the advantages of this assessment method, and promote the overall improvement of the enterprise's work performance and management level.

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