Performance feedback and how to make it work

Author: Milton Jack . March 2021

Organizational leaders want their employees to succeed. Employees are an integral component of the overall business' success. Plus when employees succeed, they have a more positive demeanour (well-being) and everyone enjoys being at the office more when people are happy. Performance feedback is critical to helping employees understand expectations, make adjustments and get the coaching necessary to improve and succeed. Providing effective performance feedback is a key human resource management strategy to enable organizations to retain and support talent management. Organizations can develop the knowledge, skills, and abilities (KSAOs) of employees for successful performance by providing effective performance feedback that grows and develops employees (Boon et al., 2017).

What is performance feedback?

Performance feedback is a communications process (Greller, 2003). It should be ongoing meaning adjustments are made based on the information exchanged between a manager and a team member. There should be regular follow-up dialogue to determine success. Feedback is designed to note where things are going right and where they are going wrong (Greller, 2003). This means that leaders may need to be patient as new habits get developed and the learning curves for new skills are overcome.

Ideally, that communication increases cooperation and understanding between supervisors and employees, thus enhancing both work performance and the work environment (Greller, 2003). Those enhancements are reflected in better customer service, more engaged employees, and improved organizational performance.

Performance feedback is useless unless business leaders have standards for performance, meaning they should have expectations of reasonable achievement (Vandewalle, 2003). For example, a car dealership may set the standard as 10 sales per month. An Account Manager might set the standard of meeting with three clients per day. Without these standards, a manager is unable to take a baseline level of productivity and make adjustments.

When it comes to adjustments, leaders need to get feedback from the team member before they can provide new goals and tasks for improvement (Vandewalle, 2003). The employee who is unable to meet 10 car sales per month might be struggling because he is not getting scheduled for the prime sales periods. In most cases, the only way a manager can provide effective feedback is to be among the team. A sports coach can't provide productive feedback without seeing a player do his job. It is how the manager can fully understand the situation and make the right adjustment rather than just guess(Vandewalle, 2003).

A performance review (feedback) is a two-way, individualized conversation between a manager and an employee about performance impact, development, and growth (Tata, 2002). It is a critical component of

an organization's overall performance management strategy. Traditionally, performance reviews have occurred once a year and have focused on evaluating past performance. Modern performance reviews should happen quarterly or monthly and should focus on driving and improving future performance (Tata, 2002).

What is the Purpose of a Performance Review?

Whether conducted as an annual formal evaluation or a weekly check-in, performance reviews give employers and employees periodic opportunities to assess how well the employee's efforts match with near- and long-term goals. They also are a chance to adjust goals to ensure they continue to align with any changes in the organization's strategic priorities for example changes due to the current worldwide COVID – 19 pandemic.

Also, performance reviews guide the development of training plans to maximize the employee's strengths and address any skill or knowledge gaps that might hold them back. Finally, while most organizations have now separated performance discussions from compensation *discussions*, the performance review should correlate with merit pay and targeted bonuses based on performance.

Scientific evidence on performance feedback.

Research by Jackie Gnepp (Published 19 June 2020) supports the intriguing possibility that the future of feedback could be more effective and less aversive than its past. The research by Jackie Gnepp (2020) looked at three studies done. Managers described actual, recently experienced incidents of work-related feedback and the degree to which they accepted that feedback as legitimate (Gnepp, 2020). The second study was designed to examine and question the pervasive view that a two-way feedback discussion leads the parties to a shared explanation of past performance and a shared desire for behaviour change. It was hypothesized instead that the attributions of feedback providers and recipients diverge as a consequence of reviewing past performance. In that study, businesspeople role-played a performance review meeting based on objective data in a personnel file. The third study is a modified replication of the second, with an added emphasis on the developmental purpose of the feedback. Finally, the study used data from Studies 2 and 3 to model the connections among provider-recipient attribution differences, future focus, feedback acceptance, and intentions to change. The overarching theory posits that in the workplace (and in other domains of life), feedback conversations are most beneficial when they avoid the diagnosis of the past and instead focus directly on implications for future action (Gnepp, 2020).

Three studies shed light on why performance feedback fails and how it can be made more effective (Gnepp, 2020):

In Study 1, managers described recent performance feedback experiences in their work settings. Providers of feedback reported that the incidents in question were largely caused by the abilities and efforts of the feedback recipients. They reported that their feedback was accurate and that they were well qualified to give it. These findings held for both positive and negative feedback. Recipients of feedback made similar judgments when the feedback was positive: They took personal credit for incidents that

turned out well and accepted the positive feedback as true. However, when the feedback was negative, recipients judged the failures as due principally to causes beyond their control, such as task demands and bad luck. They did not accept the negative feedback received, judging it as less accurate ($t(192) = 7.50$, $p < .001$) and judging the feedback provider less qualified to give it $t(192) = 5.25$, $p < .001$). One manager who defended the reasonableness of these findings during a group debrief put it this way: "We are the best there is. If we get negative feedback for something bad that happened, it probably wasn't our fault!"

In Studies 2 and 3, pairs of managers role-played a performance review meeting. In all studies, recipients of mixed and negative feedback doubted the accuracy of the feedback and the providers' qualifications to give it. Disagreement regarding past performance was greater following the feedback discussion than before, due to feedback recipients' increased self-protective and self-enhancing attributions. Managers were motivated to improve to the extent they perceived the feedback conversation to be focused on future actions rather than on past performance.

In another study by Kurtulu? Kaymaza (2011), it was found out that performance feedback is an important source of information that supports the technical and behavioural development of all levels in an organization. It is possible to identify the strengths and weaknesses of the employees with the support of this information. The performance feedback data lead the development of training plans, job rotation efforts, compensation-based regulations, and career development activities. The link between these formal processes and performance feedback affects the individual performance of the firm personal (Kaymaza, 2011). Besides this, it should be said that performance feedback has its natural effect at an individual level.

It's well known that performance feedback decreases performance ambiguity so that everyone could be aware of their performance level expected by the organization (Kaymaza, 2011). On the other hand, performance feedback develops a manager-subordinate relationship via effective feedback interviews, facilitates the achievement of goals by getting the right feedback about ongoing projects, gives way to determine the weaknesses from all feedback sources, and make it easier to adapt internal and external based changes (Kaymaza, 2011). If the performance feedback information is given under the right condition and more constructive, it will improve the productivity of employees. Feedback information used under these conditions with the aim of development will be able to create a positive effect on motivation (Kaymaza, 2011).

THE BEST WAY TO GIVE PERFORMANCE FEEDBACK (HOW TO MAKE IT WORK)

The feedback needs to be clear, specific and detailed so that employees gain information on their strengths and weaknesses. This knowledge allows employees to gain a better knowledge of their job duties and consider how to improve and refine their performance (Humphrey et al., 2007). Feedback is important because it also helps identify gaps in current knowledge. Providing effective performance feedback, as part of an effective performance management system, also enables organizations to identify individuals for promotion and to facilitate lateral transfers through identifying current individual strengths.

The goal-setting theory demonstrates that employees respond best to feedback when they are assigned goals that are specific and difficult for task performance (Locke & Latham, 2002). It is important for management to set specific, difficult goals early in the process rather than vague goals or merely encouraging employees to do their best. Integral to the process is that employees accept the difficult goals and accept the feedback that is given by their supervisor. Feedback provides opportunities to clarify expectations and adjust goal difficulty. Management can provide opportunities for employees so they can self-monitor their progress. These progress reports can be implemented throughout the year through an effective performance system that includes continuous conversations and discussions about employee progress (Pulakos et al., 2015).

a. *Effective Feedback: Key Principles of Effective Performance Rating scales*

A recent review of performance appraisal research reveals several solid principles that can be engaged as part of a performance management system (DeNisi & Murphy, 2017). In their review of the literature, DeNisi and Murphy (2017) concur that, despite all the research, the search for a superior rating scale has not been successful. However, they also state that this surge in research demonstrated that some scales are superior to others. For example, the use of anchored performance judgments in behavioural terms has improved the clarity of performance ratings. This research shows that it is important for organizations to utilize solid and clear performance rating scales that are accepted by all employees in the organization.

b. *Ensure Raters receive quality training*

The second important principle in providing effective performance feedback is to ensure that raters receive quality training. Empirical research has sought to determine: a) how best to train raters and b) to determine the effectiveness of rater training (DeNisi & Ford, 2017). The consensus on rater training is that it is best to train raters in best practices rather than focuses on what not to do or how to avoid errors such as rater bias. The best way in which to provide training is in establishing concepts on what represents effective vs. ineffective performance. It is also important to train raters on which behaviours and competencies constitute a performance.

c. *Be Transparent and involve employees in the performance appraisal process*

Third, the research shows that attitudes towards performance ratings matter to the incumbent (DeNisi & Murphy, 2017). A meta-analytic review of the literature shows that participation in the appraisal process is important because it is related to employee reactions (Cawley et al., 1998). Justice perceptions are an integral part of performance ratings and can be aligned with effective performance management systems (DeNisi & Murphy, 2017).

d. *Align Performance Appraisal with Staffing, Feedback, and Compensation*

Research conducted on performance feedback also demonstrates that performance appraisal is an integral component of performance management; however, linking individual and firm performance has been problematic (DeNisi & Murphy, 2017). One of the best ways in which to link individual and firm

performance is through the acknowledgement that performance appraisal, as a human resource practice, is a component of a parcel of activities that align staffing, performance feedback, and compensation with the strategic goals of the firm (DeNisi & Murphy, 2017). In this way, performance feedback would be viewed as a broader set of human resource activities. However, DeNisi and Murphy (2017) point out that many of these models need to be more thoroughly tested to assess their effectiveness.

   e. *Understand the context in which feedback is provided*

One of the other features of effective performance feedback is in understanding the context in which feedback is provided (DeNisi & Murphy, 2017). Much of the research on performance feedback has considered particular aspects of the process, including cognitive processes, scales, and training, without considering the situation in which the appraisal takes place. Research in organizational psychology informs us that the climate and culture within the firm shape the beliefs concerning talent and this can impact the appraisal system (DeNisi & Murphy, 2017).

Overall, the research on performance feedback is useful in detailing how best to provide feedback to individuals. However, it is important to consider how performance feedback should be integrated into an effective performance management system for feedback to be effective (DeNisi & Murphy 2017). Advances in organizational science inform both scientists and practitioners that it is prudent to be aware of how changes in technology and organizational culture influence performance feedback.

EMPLOYEE PERFORMANCE FEEDBACK

A Gallup 2019 study compared annual and weekly reviews. The results showed that when managers gave weekly feedback, employees were "3.2x more likely to strongly agree they are motivated to do outstanding work". Therefore, organizations must analyze which frequency best fits their workforce/management style. Workers are different, and everyone has diverse work needs and preferences.

Company communications should always be a two-way street. In addition to telling employees what to do, the organization must also give them a chance to offer suggestions on how the company can help them do their work.

Performance reviews can make workers stressed and anxious, which harms employees and their work performance. But they can also help employees understand which skills/abilities should be strengthened and even if they should develop new ones. Employers must help them throughout this learning process, by offering workshops/training. Employees' evaluations must be honest, constructive, allowing them to understand where they succeeded/failed and why. Moreover, during these evaluations, it is beneficial to ask employees about their needs, expectations, work preferences, and whether they are being met. It helps to understand employees' engagement and work satisfaction levels. It is critical for workers to feel that their organization listens and supports them. Company communications should always be a two-way street. In addition to telling employees what to do, you must also give them a chance to offer suggestions on how you and your company can help them do their work.

CONCLUSION

Performance feedback is an important source of information that supports the technical and behavioural development of all levels in an organization. It is possible to identify the strengths and weaknesses of the employees with the support of this information. The performance feedback data lead the identification of training gaps, job rotation efforts, compensation-based regulations, and career development activities. The link between these formal processes and performance feedback affects the individual performance. If the performance feedback information is given under the right conditions it will improve the productivity of employees.

Milton Jack is a Business Consultant at Industrial Psychology Consultants (Pvt) Ltd, a business management and human resources consulting firm.

LinkedIn: linkedin.com/in/milton-jack-9798b966

Phone: +263 242 481946-48/481950

Mobile: +263 774 730 913

Email: milton@ipcconsultants.com

Main Website: www.ipcconsultants.com

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