

Enriching Performance Through Employee Feedback

A Continuous Conversation

New managers quickly learn that to achieve results, they must transition from doing the tasks themselves to accomplishing the work through others. This requires many types of communication, including inspiring, directing, and informing. But, to stand out as an exceptional leader, it is critical for managers to provide timely and helpful feedback to employees about their performance.



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Performance feedback is not an annual effort, rather resources should be invested in performance management as a continuous conversation. A more regular cadence ensures that employees and managers mutually agree on goals and what constitutes poor, good, and excellent performance, rather than mere performance ratings (Aguinis & Joo, 2011). Such regular communications allow for behavior adjustment, when appropriate, and facilitates improved performance and productivity for the employee, team, and organization.

Chiaburu et al. (2014) demonstrated that managers who coach, set goals, and encourage continuous improvement elicit elevated performance. Further supporting this, WSA's own research consistently shows that managers rated most highly by their teams are those who:

- provide timely and helpful feedback,
- are effective listeners, and
- are supportive of their team members' career development.

That is to say, effective performance managers are viewed more positively by their teams. In a recent study, WSA looked at the relationships among managers' performance ratings of employees and employees' perceptions regarding the performance rating and management process in a US-based market analysis company. The performance ratings were an average of behavior-based and outcome-based ratings, each of which

was made on a one-to-five scale, where five is the highest. The survey data analyzed included the following four items related to employees' perceptions of their performance reviews and feedback from their managers on a Likert, one-to-five, agreement scale. The first three are important parts of effective performance management as described by Aguinis (2009) and Aguinis & Joo (2011):

- I have a clear understanding of what is expected of me.
- I have clearly defined performance goals and objectives.
- I receive timely and helpful feedback on my performance.
- My performance reviews have been useful in helping me to improve my performance.

The performance ratings were made by managers in early spring 2019 and early spring 2020, and the survey data was gathered from employees in late summer 2020. We found employees who reported in 2020 that they



had a clear understanding of expectations, clearly defined performance goals, and received timely and helpful feedback also had higher 2019 and 2020 performance ratings. To further amplify the importance of manager communication and feedback, performance reviews themselves did not demonstrate much value in terms of influencing performance as they were not found to be correlated to performance ratings. While correlation does not imply causation, this suggests managers can help their teams improve performance with regular feedback discussions. Simply issuing ratings is not enough for employees to understand what is expected of them.

Continuous Feedback Is Critical

Managers and employees often perceive performance reviews and ratings to be bureaucratic, check-the-box exercises. The key is to enable and encourage managers to communicate effectively and invest in their

employees through continuous feedback. Investing in performance *management*, rather than just performance *appraisal*, can improve employee, team, and organizational performance and productivity (Aguinis & Joo, 2011, Table 1). In fact, recently completed analyses with WSA’s benchmark database show that timely and helpful feedback from managers is significantly correlated with a company’s gross profit margin.

Ensure you have the right managers in place and are enabling and equipping them to positively influence employee performance. Communication is key to developing talent, which ties not just to higher performance but also more engaged employees. If you would like to know how to help managers effectively manage performance as opposed to simply managing ratings, [visit our website and learn more about leadership development and assessments.](#)



About WSA

We believe in the power of applying the right science to make people and organizations successful. We believe in empowering businesses to measure what matters when it matters – so they, in turn, can motivate their people to work harder, stay longer, and care more. We believe that behavioral science is the ingredient for ensuring that employees stay focused on the right things, at the right time, and with the right momentum. We believe that employees' lives are never better than when they are highly engaged and using their talents to contribute to a company, they believe in. And we know that you need a partner who has workforce performance down to a science.

References

Aguinis (2009). *Performance management (2nd Edition)*. Upper Saddle River, NJ: Pearson Prentice Hall.

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