

Creating a Performance Feedback Culture



A sophisticated performance management process that fails to create solid performance dialogue will fail because managers and employees will avoid hard conversations. Conversely, a company with a strong performance feedback culture can succeed even if its process is crude and dated. Most changes to performance management are less effective than intended because they focus on the wrong issues. They focus on the latest tools and practices – the rating scale, the frequency of feedback, the technology used to manage the process, and so on.

The problem: the changes fail to focus on the **performance feedback culture** that governs whether and how managers actually deliver performance feedback. There is a mountain of research on specific performance feedback tools and practices, but little research on how to create a more effective performance feedback culture.

Research Goal

What is a performance feedback culture and how do companies create one that is successful and cost-effective? The Center for Effective Organizations will lead a multi-company study to examine answers to this question. The CEO study team will create a temporary learning community of participating companies to share experiences, best practices, and study results.

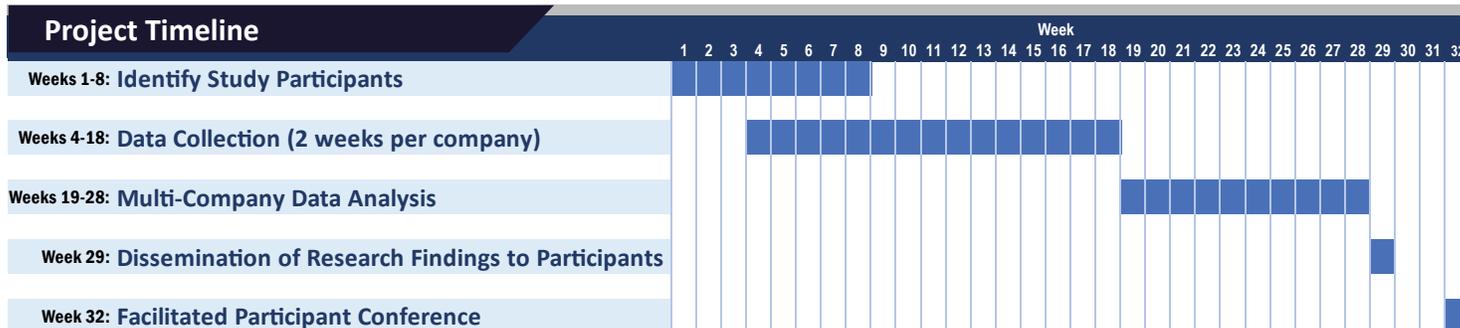
Important Study Assumptions

- *Companies have different ways of creating an effective performance feedback culture. They may use many different methods to communicate what is good performance feedback, train or coach managers and employees in how to deliver and receive feedback, monitor the level and quality of feedback conversations, and provide rewards and punishments that are based on the level and quality of performance feedback. We will study the natural variation in the use of such practices and how different practices relate to the effectiveness of the performance feedback culture.*
- *All large companies have multiple cultures, based on the nature of the business, the work, characteristics of the workforce, and many other factors. Therefore, we will study multiple organizational units in each participating company to capture variations within and across companies in performance feedback culture as well as culture-building practices.*

Research Design and Data Collection

- 1 We plan to collect data from at least ten companies.
- 2 Each participating company will provide at least three units (departments, business units, etc.) that will be part of the study.
 - *We will collect survey data from managers and employees in the units included in the study. The research team will work out the sampling procedure with each participating company.*
 - *One person (HR manager or business manager) will complete a brief questionnaire about the unit and its performance feedback practices.*
- 3 We will collect objective data (performance rating and rewards distribution, turnover rates in the prior year, spans of control, etc.) for each unit participating in the study.

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Deliverables and Cost

Participants will receive the following deliverables as a result of participation in the study:

- 1 **Overall report** summarizing data across all participating companies and units, as well as key findings and action recommendations. This will include a catalogue of practices used to create a performance feedback culture and conclusions about their effectiveness.
- 2 An individual **company feedback report**, which will include separate **unit feedback reports**, for each participating company showing results compared to the results from all other companies and units participating in the study.
- 3 **Facilitated, action-oriented conference** to share results and best practices with other participating companies and the research team.

The cost of the study will be \$25,000 for CEO Corporate Sponsors and \$32,500 for all other companies. Please note that we are able to keep the cost relatively low for participating companies by using a common set of research instruments, and there will be little or no customization of surveys.

Project Staff

Gerry Ledford, Ph.D.: Gerry is a Senior Research Scientist at CEO. He was a key contributor at CEO from 1982-1998, and returned in September 2012 after working as a consultant from 1998-2012. Gerry has deep experience with performance management as a consultant and as a researcher. He directed the recent CEO study of cutting edge performance management practices in 244 organizations. He received a Ph.D. in Psychology from the University of Michigan. He has authored over 125 articles and ten books.

George Benson, Ph.D.: George is an Associate Professor at the University of Texas at Arlington and director of the UTA Human Resource Management program. Dr. Benson earned his Ph.D. from the University of Southern California and completed a post-doctoral fellowship at the Center for Effective Organizations. He has worked with a wide range of organizations and previously worked as a researcher at the American Society for Training and Development in Alexandria, Virginia.

Benjamin Schneider, Ph.D.: Ben is Affiliated Research Scientist at CEO and Professor Emeritus of Psychology at the University of Maryland where, for many years he was the head of the Industrial and Organizational Psychology program. He was previously with CEB's Talent Management Labs from 2003 – 2016. He has authored 175 professional journal articles and book chapters and has written or co-written and co-edited 12 books. Ben has won numerous awards from major professional associations for his research on organizational climate and culture.