



## **The Value of Real-Time Feedback**

A Human Capital Whitepaper  
presented by FullView Solutions, LLC

FullView Solutions, LLC specializes in the delivery of performance management solutions. FullView Solutions' software makes it practical for companies to comprehensively evaluate, guide and track individual and team performance. This leads to a stronger, smarter, and more productive team focused on continually improving performance across the enterprise. For more information on FullView Solutions, LLC see [www.fullviewsolutions.com](http://www.fullviewsolutions.com)

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In today's fast-paced, competitive marketplace, organizations find themselves searching for ways to increase productivity, particularly the productivity of human capital. One way to increase performance of an organization's human capital is to provide each employee with frequent and effective performance feedback.

Although many organizations embrace the concept of frequent performance feedback, in practice, frequent feedback is more often the exception than the rule. Until now, systems for managing frequent feedback have been unavailable. This is partly because performance appraisal systems are often time-consuming and limited to annual reviews with no methods for managing frequent feedback.

### **Real-Time Feedback Tool**

If management wants to maximize performance improvement, it is important to provide feedback frequently and as close to the employee's actions as possible. FullView Solutions LLC, a firm specializing in performance management systems, offers a frequent feedback tool called Real-Time Feedback as part of their Individual Performance Management System (IPMS). Real-Time Feedback can be provided in conjunction with more formal evaluation methods completed yearly or every six months to produce a comprehensive picture of employee performance.

As an automated tool, Real-Time Feedback helps overcome some of the barriers to providing frequent feedback because it is less time-consuming than paper-and-pencil forms. Also, the Real-Time Feedback process is designed with features that promote effective feedback and includes training materials on how to provide useful feedback.

The Real-Time Feedback process begins at the end of the formal performance appraisal session. After reviewing performance appraisal results, the employee and manager jointly set three developmental goals for the employee. Then the employee selects three Performance Assessors to provide automated Real-Time Feedback concerning the selected developmental areas on a periodic basis, such as every quarter. Employees are encouraged to confer with the Performance Assessors, as well as supervisors and coworkers, to obtain further guidance on improving performance after receiving feedback.

### **Advantages of Frequent Performance Feedback**

Manual London (1997), in his book on job feedback, lists several factors that increase the likelihood of performance feedback leading to improved employee performance. Three of these factors – comes soon after the behavior occurs, is frequent, and is specific – are problematic for traditional performance appraisals systems.

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| <p>Three factors lead to improved employee performance:</p> <ul style="list-style-type: none"> <li>• Feedback is frequent</li> <li>• Feedback is received soon after the behavior occurs</li> <li>• Feedback is specific</li> </ul> |
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Frequent performance feedback is particularly effective at filling the gaps left by traditional performance appraisals because it occurs more closely in time to the recipient's behavior and is specific. In practice, frequent perfor-

mance feedback has additional advantages that, when combined with the ones just mentioned, make this form of feedback an extremely effective method for improving performance.

Frequent performance feedback:

1. Provides timely feedback on a frequent basis
2. Enhances quality of feedback
3. Encourages employee involvement and satisfaction with the feedback process
4. Encourages shared responsibility for feedback
5. Can be customized to organizational work cycle requirements

A more detailed description of each of these advantages follows.

### **1. *Provides Timely Feedback on a Frequent Basis***

In his book, *Performance Management*, Robert Bacal (1999) states that ongoing performance communication should be part of the performance management cycle. Most managers know that ongoing performance communication or feedback is the best way to correct or reward an employee's behavior. The more time that elapses between an employee's actions and feedback, the less likely that feedback will be effective.

Best practices for providing performance feedback recommend that performance feedback should be given frequently, not once a year (Cascio, 1998; Noe et al., 2003; Squires & Adler, 1998).

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Companies such as Microsoft, Western Digital, Southern California Gas, Fluor, and Synergy have added frequent, informal performance reviews between formal performance appraisal sessions in the belief that such feedback will help employees improve performance (Cascio, 1998; Gililand & Langdon, 1998).

When feedback is not timely, several problems result. First of all, both the employee and the manager lose some recall of the exact event that occurred making it less likely that the employee will know how to repeat desired behaviors and eliminate undesirable actions. Mount and Thompson (1987) found that biased ratings may result if a rater is asked to evaluate an employee's performance over a 6- to 12-month period. This is particularly true if the rater has stored the information in memory using irrelevant, overly simplistic, or otherwise faulty categories.

When feedback is not timely and frequent, it will also be more difficult for the manager to provide information about specific behaviors. Cascio (1998) suggests supervisors should be candid and specific offering clear feedback to the employee about past actions in order to conduct effective performance feedback interviews. This type of feedback helps ensure that employees perceive the evaluation as fair and accurate.

Another difficulty when performance appraisals occur once a year or every six months is that

employees may be surprised by the feedback they receive. An employee may feel betrayed by her manager if she receives negative feedback concerning an action that was taken months ago.

Furthermore, when feedback is delayed employees may continue the undesired behaviors throughout the appraisal period, developing negative habits and causing more problems for the organization. Frequent feedback allows management to focus on poor performance sooner and provide coaching and discipline before the problems become serious. This can boost the morale of all employees in the organization because they see a connection between performance and consequences.

Long delays in providing performance feedback are also detrimental because today's organizations are required to respond to a fast-changing economy and business environment. In addition, workers are highly mobile rather than staying at one organization or job for many years. Tulgan (1999, p. 74) says that, "Managers today must lead by engagement on a moment-to-moment basis. What long-term mentoring was to the workplace of the past, day-to-day coaching must be to the workplace of the future."

FullView Solutions' Real-Time Feedback is designed to provide timely and frequent feedback. In addition to providing feedback for employees with extensive experience on a job, Real-Time Feedback allows employees taking new jobs to ramp up more quickly by receiving feedback earlier in the learning curve. In fact, Real-Time Feedback can be set at more frequent intervals for new hires during a probationary period.

## ***2. Enhances Quality of Feedback***

Squires and Adler (1998) argue that if performance reviewers do not provide specific information concerning developmental needs and actions employees should take, employees may be more confused and frustrated than they were prior to receiving feedback. With frequent performance feedback, a manager or performance coach can provide specifics on exact actions that the employee has performed rather than a summary of more general behaviors for the past 12 months provided in the traditional performance appraisal.

Frequent performance evaluations enhance feedback quality for yet another reason. Gilliland & Langdon (1998) recommend giving feedback frequently, even continuously, because it helps employees form realistic expectations of how they are performing. The challenge for organizations is to implement a system that provides this type of feedback without becoming unwieldy to manage.

FullView Solutions' Real-Time Feedback tool is, by nature, brief and to the point. It focuses on specific performance goals and actions rather than general, broad competencies or dimensions. In addition, Real-Time Feedback solicits performance feedback from three or more individuals multiple times during the year, providing the recipient with a more comprehensive and up-to-date pic-

ture of how he is being perceived in the organization.

### ***3. Encourages Employee Involvement and Satisfaction with the Feedback Process***

Coens and Jenkins (2000) suggest that feedback is often more effective when solicited by the recipient because it's more likely that the feedback will be timely and useful and that the employee will make an effort to understand the feedback. Frequent performance feedback encourages employees to set goals concerning specific areas they want to be evaluated on by others in the organization. Using this process, feedback can be customized in terms of timing, format and content which allows the employee some control over the feedback process and tends to increase the value of the feedback to the employee.

Feedback is often more effective when solicited by the recipient. Full-View Solutions' Real-Time Feedback is designed to provide high levels of employee involvement in the feedback process.

Furthermore, research shows that the majority of employees prefer informal feedback over formal interviews with their supervisors (Beatty, 1989). If employees are more satisfied with the feedback process they are more likely to value the input received and make use of it. Frequent feedback that is not part of a formal performance appraisal session, can take on a more informal or coaching approach. Feedback given in this manner seems a natural part of the day-to-day work environment rather than part of a formal appraisal session.

FullView Solutions' Real-Time Feedback is designed to provide high levels of employee involvement in the feedback process. Feedback is solicited by employees from Performance Assessors they have selected concerning developmental areas they have chosen jointly with their managers. Real-Time Feedback is also less formal than a traditional performance appraisal session.

### ***4. Encourages Shared Responsibility for Feedback***

In many organizations the entire responsibility for performance evaluations falls on the shoulders of managers. Managers are often busy focusing on tasks they believe will lead to higher profitability and increased shareholder value. As such, they may procrastinate in conducting performance appraisals, focusing instead on meeting operational and strategic goals and objectives.

In today's flatter organizations, managers may be overwhelmed by providing detailed performance feedback on each of their direct reports. Some organizations have addressed this problem by encouraging feedback from multiple sources.

Kiger (2002) reports that Synergy, a firm providing incentive compensation plan management software and services for companies like DuPont and Eli Lilly, encourages frequent feedback throughout the organization. This feedback is provided in quarterly reviews of each employee that are from an employee's supervisor, co-workers, and employees and supervisors in other departments with whom the employee interacts.

Real-Time Feedback removes some of the burden for providing performance feedback from individual managers and spreads that responsibility throughout the organization. In addition, more frequent, automated performance feedback makes it easier for managers to stay on top of the performance of each direct report. Formal performance appraisals become less onerous when quarterly Real-Time Feedback reports provide documentation and data to assist in making the formal evaluation.

### ***5. Can Be Customized to Organizational Work Cycle Requirements***

Coens and Jenkins (2000) argue that performance feedback more logically should be timed with the flow of the work in an organization. Frequent performance feedback can be easily customized to the work cycle needs of an organization, adapting the feedback process to important events or changes, such as an acquisition or merger, a product launch, or changes in manufacturing processes. For example, if an organization modifies production processes, frequent feedback can be obtained quickly as the employees are learning the new processes. This provides employees with the feedback they need to improve their performance sooner rather than waiting a year for feedback.

Frequent performance feedback can be easily customized to the work cycle needs of an organization, adapting the feedback process to important events or changes, such as an acquisition or merger, a product launch, or changes in manufacturing processes.

FullView Solutions' Real-Time Feedback can be configured according to an organization's needs, occurring quarterly or timed with work cycles. Also, Real-Time Feedback is automated, allowing management to look for patterns or trends across work areas or shifts to determine where more training is required.

### **Summary**

Organizations are continually striving for ways to be more productive, effective, and competitive. One of the chief methods for achieving these goals is to enhance the performance of human capital by using a well-designed and comprehensive Performance Management System. A Hewitt Associates study of 437 companies found that companies with effective Performance Management Systems outperformed companies without such systems on every financial and productivity factor measured in the study, including profits, cash flow, and stock market performance (Campbell & Garfinkel, 1996).

The ideal Performance Management System provides multiple, comprehensive sources of performance feedback with employees receiving feedback on multiple occasions from a variety of sources, such as managers, coworkers, subordinates, and customers. In this system, feedback includes both formal performance appraisal reviews and informal performance evaluations on a more frequent basis.

In the ideal Performance Management System employees should ask for feedback and be trained

on how to utilize feedback most effectively. In addition, managers and others in leadership roles should model correct behavior, conduct on-the-job training and other training, and coach employees on how to improve their performance.

A key part of the ideal Performance Management System just described is a mechanism for frequent performance feedback. When done well, frequent performance feedback provides quality feedback that is timely and frequent, increases employee involvement and satisfaction with the feedback process, helps make feedback everyone's responsibility, and can be customized to work cycle needs.

The FullView Individual Performance Management System (IPMS) provides an organization with everything necessary to conduct comprehensive performance appraisals, generate reports and action plans, and provide ongoing feedback to individuals in an effort to continuously improve performance. FullView IPMS is one of the few performance management systems to offer an automated feedback tool called Real-Time Feedback. Real-Time Feedback is a valuable tool to help organizations build a strong Performance Management System, providing employees with effective, frequent feedback to improve their performance.

For more information on  
**FullView Individual Performance Management System,**  
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<http://www.fullviewsolutions.com/pages/solu-fullviewipa.htm>  
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