



Feedback: A Clear Pathway to Sustained Excellence.



EXECUTIVE
FORUM

303.796.0444
www.executiveforum.net

Feedback: Enhance Your Organization's Performance Culture

If there were a business practice that could at once improve workplace culture, increase workforce productivity and improve your organization's competitive edge, one that could yield potentially enormous returns with only a modest investment, would you consider using it?

Such a practice does exist. And new study findings suggest that not only is it underutilized and undervalued within many organizations, it is avoided, even dreaded, by bosses and employees alike.

The practice is **feedback** — information that a person or group shares with another person or group for the purpose of improving results or relationships. While feedback is by no means a panacea for organizational shortcomings, when it is encouraged widely, when it flows freely and is delivered effectively within an organization from top to bottom, bottom to top and laterally, the results can be profoundly positive for the organization as well as for the people who comprise it.

This white paper includes findings from a survey about workplace feedback conducted by Executive Forum, a leadership training and development organization, in which leaders (managers and upper level executives) from a range of private companies and public organizations answered a series of questions about communication and feedback practices (or lack thereof) in the workplace. The survey findings expose a very real — and very fixable — disconnect in how many organizations, their leaders and their employees perceive and handle feedback in the workplace.

Feedback Can Be a Gamechanger, But It's Rarely Part of the Gameplan

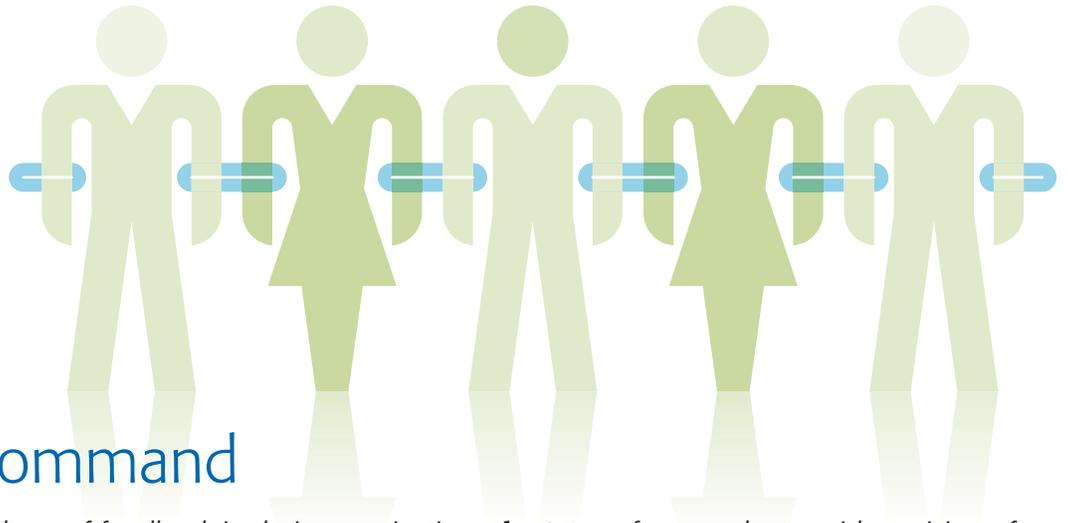
Accompanying the study findings are real-world case examples of how organizations have successfully addressed

the disconnect by making feedback a core leadership competency and an integral part of their business practices, transforming themselves in the process.

Finally, the white paper provides actionable strategic recommendations to help leaders build and sustain a culture that embraces feedback — recommendations that have proven to yield significant and lasting benefits, both internally and externally, for a broad range of organizations.

Rare is the organization where feedback is a core leadership competency and an integral, frequent and constructive practice.





Chain of Command

Asked to assess the culture of feedback in their organizations, **just 6%** of respondents said provision of feedback is “consistent throughout the chain of command.” A **scant 3%** indicated their organization has a “strong culture of feedback regardless of where you are in the chain of command.” Likewise, **just 3%** said feedback is “used regularly and appreciated.”

Meanwhile, close to half of survey respondents — **48%** — said “some leaders are better than others” at providing feedback. **Almost 17%** said feedback is “used sparingly” by leaders, **while close to 11%** said the feedback that is delivered “comes with hidden agendas.”

Thinking just about your supervisor, his/her boss and then the boss’ boss, how would you rate the culture of feedback in your organization

17% It is used sparingly



9% Only done at evaluation time



11% It comes with hidden agendas



48% Some leaders are better than others



3% My supervisor does, but his/her boss doesn’t even know what we do



3% It is consistent throughout the chain of command



6% It has a strong culture of providing helpful feedback regardless of w...



3% It is used regular and appreciated



But as much as it's overlooked, feedback has the ability to change an organization from the inside, out. What do organizations and the people who comprise them stand to gain from more frequent and more effective feedback? In *State of the Global Workplace: Employee Engagement Insights for Business Leaders*, a study of workplaces in more than 140 countries, Gallup found that organizations which effectively focus feedback on employee strengths benefit from improved retention, productivity and profitability.

For example:

- Employees who received feedback on their strengths had **turnover rates almost 15% lower** than their counterparts did.
- Productivity among employees who received strengths feedback **outpaced that of peers who** didn't receive strengths feedback by almost 8%.
- Business units whose managers received strengths coaching had **12.5% greater productivity, and 8.9% greater profitability**, than did other units.
(State of the Global Workplace: Employee Engagement Insights for Business Leaders, pg. 42)

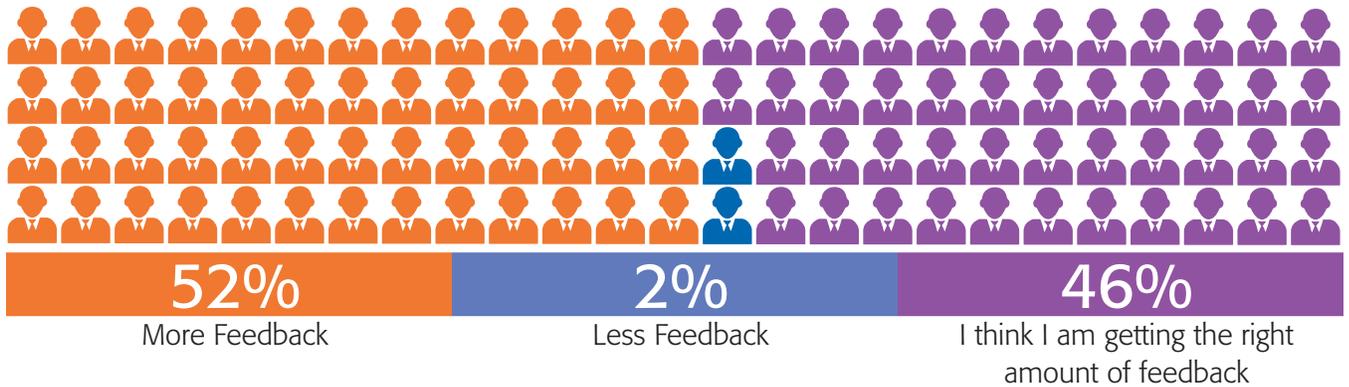
Proof that embracing an intangible like feedback can lead to very tangible bottom-line performance improvements comes from organizations such as **Menlo Innovations**, a Michigan software developer, which achieved – and has sustained – a virtually unheard-of 100% customer satisfaction rate due largely to a workplace culture that relies heavily on feedback delivered in a non-traditional way.

Meanwhile, **WOW! Internet, Cable and Phone** reports its internal promotion percentage has jumped to 75% as a direct result of integrating a program called iLoveFeedback® to instill feedback as a leadership competency. "Our employee opinion surveys score leaders as 'world class' in delivering feedback and employees feel they have the information they need from their leaders to perform at their best," says Patti Rowe, former Director of Organizational Development and Training at WOW! What's more, she adds, "employees feel they are treated fairly and with respect."

The positive effect feedback has on people reaches through the workplace and beyond. For example, clinical studies have shown that feedback bolsters employee productivity, it increases creativity, strengthens the immune system, creates resilience and even increases longevity (iLoveFeedback® Participant Workbook, pg. 14).

Not surprisingly in light of these findings, people generally welcome feedback in the workplace. **More than half of survey respondents – 52% – say they want more professional feedback from their supervisor, while only 2% want less. When they get feedback, 71% said they "use it to improve."**

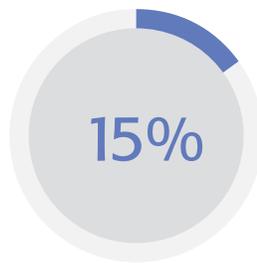
In your professional life, do you want _____ from your supervisor?



When given formal feedback from your supervisor, **what do you do with the information?**



Use it to improve



Nothing, there wasn't anything specific in the feedback to work on



Get frustrated because you don't know what to do with the information



Question the source for more information to be successful

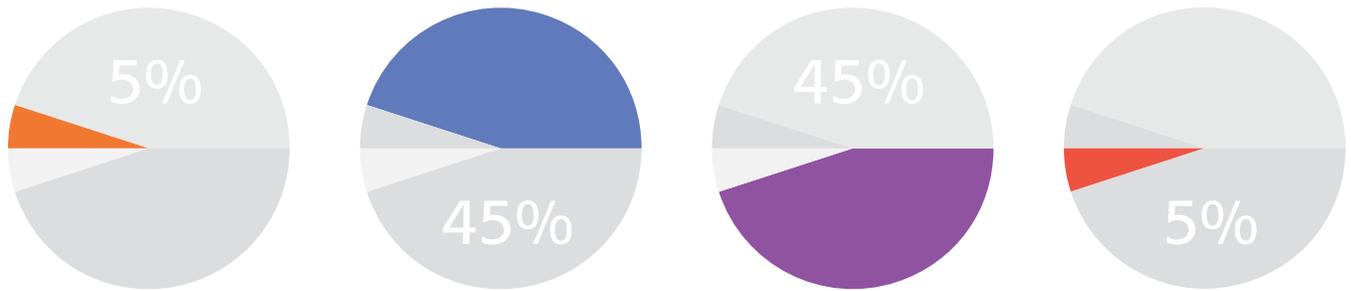
The State of Feedback: Frequency, Delivery and Effectiveness

Not only do employees want more formal feedback to improve, **close to half (49.1%) of the organizational leaders surveyed by Executive Forum said they feel "great" delivering feedback, while for about one in four respondents, providing feedback "comes easy."**

Why, then, come performance review time do employees and their bosses appear to dread the feedback process? **Asked whether or not they concur with the statement, "Evaluation time in the office is a great time because we are excited about how we did and are looking forward to making some changes," more than two-thirds of respondents (68.6%) disagreed. Only 14% agreed.** Again, strong evidence of a feedback disconnect.

One key cause for that disconnect appears to be the feedback process itself. Many organizations today rely on well-worn but not necessarily effective – and perhaps even counterproductive – feedback practices.

Ninety percent of respondents receive formal performance feedback semi-annually or annually. Just 10% get it quarterly or on a project basis.



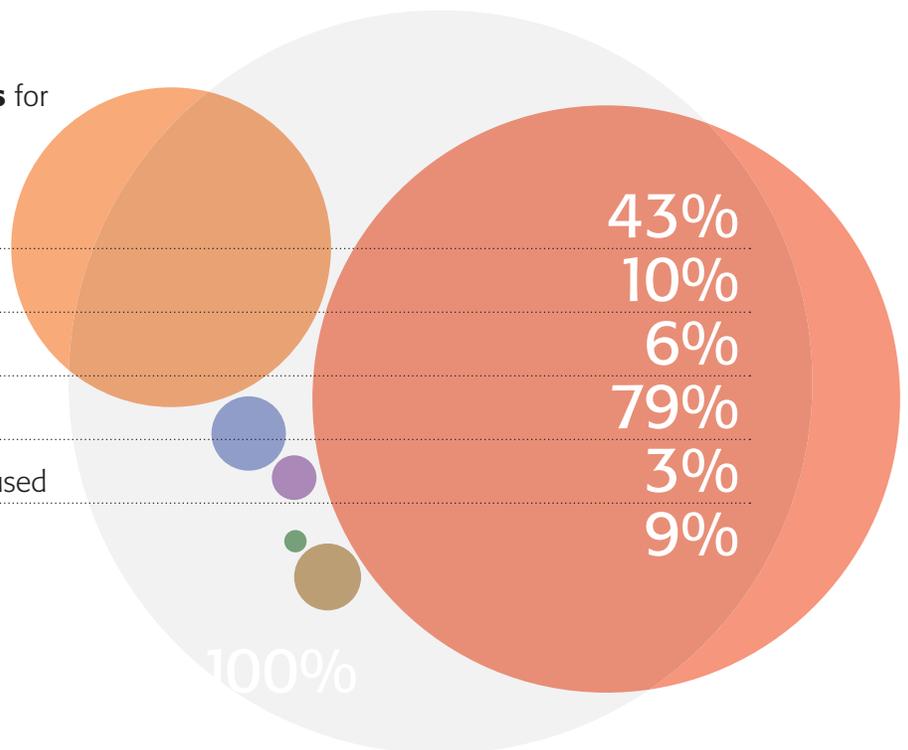
How regular do you receive formal performance feedback from your direct supervisor?

5.0% Quarterly – **45.0%** Semi-annually – **45.0%** Annually – **5.0%** Project based

Not only are organizations apparently wedded to tradition when it comes to the (in)frequency of delivering formal feedback, they're wedded to traditional delivery processes. **For about 79% of survey respondents, formal feedback comes via a one-on-one review with the manager; for about 43%, it comes via a numerical rating system** (respondents were given the option of identifying more than one feedback delivery method used in their organization). Another 9% don't even have a formal feedback delivery system.

In your organization, **what is your process** for delivering formal feedback?
(Check all that apply)

- Numerical rating system
- 360 Degree feedback
- I request feedback
- 1-on-1 review with my manager
- There is a process - but it is not used
- There is no formal system



There are alternatives to traditional feedback delivery approaches, but many organizations aren't using them. While the 360-degree process for delivering feedback (where it comes from all directions – bottom-up, top-down and laterally) has proven effective, **just 10% of respondents incorporate 360-degree feedback into their performance review process.**

One reason leaders shy from providing feedback more frequently and in new, more effective ways could be because they aren't confident in their ability to effectively deliver it. **More than half of respondents (51%) said they would provide feedback more regularly if they felt more confident doing so. About 30% said they would provide feedback more consistently if they "had the skills to do so."**

Do you think you would give feedback more regularly if:

(Check all that apply)

30% You had the skills to do it

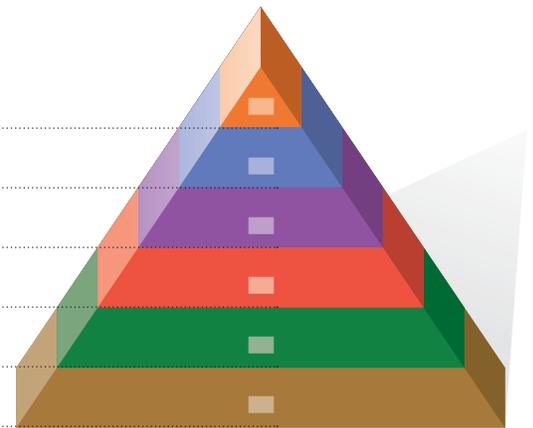
12% It was not tied to someone else's pay scale

19% It didn't take time out of my day

28% You felt more prepared to do it

33% You could gauge the other person's reaction before-hand

51% You did it more regularly so you were more confident doing it



If so many leaders lack the confidence and/or the skills they believe they need to effectively deliver feedback, and so many people dread receiving feedback through traditional top-down channels, **isn't it time to develop feedback delivery approaches** that work for both the provider and the receiver?

The Imperative to Change



Changing workplace dynamics suggest there's a pressing need for organizations to adopt more effective strategies for providing feedback, according to workplace learning consultant Jeanne Meister.

Younger employees, including members of the

Millennial generation, demand immediacy; they want prompt feedback in the workplace. And while expectations about feedback in the workplace differ by generation, Millennials aren't the only ones who expect immediate feedback. Thanks to social media, older generations are growing more accustomed to immediate feedback in their personal lives, so increasingly they'll expect it in their professional lives, too, posits Meister.

As a result, she says, the most effective workplace performance measurements and feedback delivery methods will borrow qualities from social media, with feedback delivered to employees immediately and frequently, directly to their preferred computer device, a development that, Meister suggests, could soon render the annual performance review obsolete. Feedback channels will increasingly rely on internal social networks and will be built into the workflow **process to encourage more of a 360-degree feedback process**, she says.

What's more, Meister envisions a workplace where everyone, from upper level executives down, is rated on the Web like restaurants and retailers are on sites such as Yelp.com, giving employees and job searchers a new behind-the-scenes perspective on the people with, or for, whom they may be working. (*Presentation to Executive Forum Leadership Series® 2011-2012, December 6, 2011 Denver, CO*)

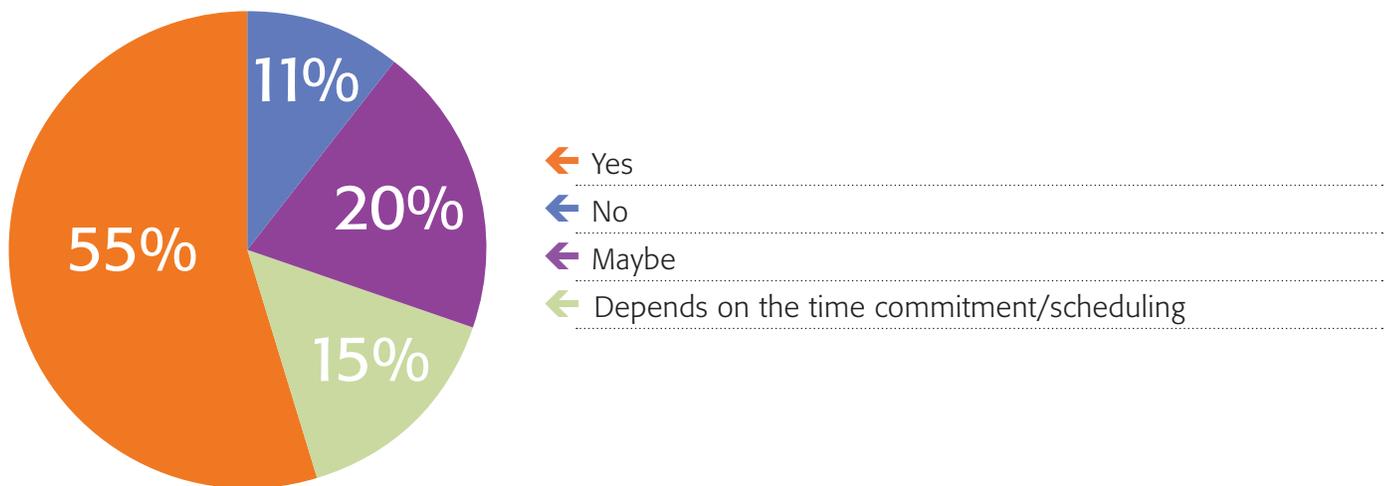
Such a reality isn't farfetched. Indeed, according to Meister, it's already taking shape as organizations move proactively to make feedback an integral part of their culture in the quest for practices that better reflect today's business environment, competitive pressures and the needs of a feedback-hungry, multigenerational workforce. "I'm here to tell you these trends and issues impact all of us today," she says, "because the workplace of 2020 is here today."

5 Best Practices for Harnessing the Power of Feedback

The imperative to change apparently is not lost on organizational leaders. Findings from the Executive Forum survey underscore their strong desire to be proactive in developing their own feedback skills.

If given the opportunity and the organizational support to engage in a program aimed specifically at strengthening their ability to effectively deliver feedback, 55% of survey respondents said they would take advantage of the opportunity; another 35% would at least be willing to consider doing so.

If there was an opportunity and commitment from your organization to take a course and learn more skills around delivering effective feedback, **would you take advantage of the opportunity?**



For leaders, it's worth looking to the likes of WOW! and Menlo Innovations, which not only are reaping benefits from their embrace of feedback, they are defining a set of best practices for building a culture of feedback inside an organization. These practices can help managers, team leaders and executives, as well as entire organizations, grow stronger and more productive.

Here's a look at several of the practices and tools leaders are using to build and sustain a healthy culture of feedback:

- **1. Work to change the mindset around feedback.** Three years ago, as part of a long-term strategy to develop a coaching culture, WOW! Internet, Cable and Phone implemented the iLoveFeedback® approach organization-wide. “Repositioning feedback as information, not criticism, was crucial to disarming the feedback process for our managers,” many of whom were either uncomfortable with or felt underequipped to deliver feedback effectively, explains Rowe.
- **2. Don't be afraid to dispense with tradition.** Richard Sheridan, CEO at Menlo Innovations, has **done away with the annual performance review**, which, he asserts, “pits people against each other in your organization,” making them counterproductive. Instead, “the only way you move up in our system...is through **peer review**. You can ask for it whenever you want.” The peer review centers around a “**feedback lunch**” held with the entire team, right in the middle of the company's workroom. (Presentation to Executive Forum Leadership Series® 2012-2013, February 20, 2013 Denver, CO)
- **3. Be methodical – and always positive – about delivering feedback.** The iLoveFeedback® approach is built on a five-step model for building feedback skills. One of the core tenets of the model is to be sure feedback is delivered when attitude, energy and environment are positively aligned. For feedback to be effective, it should not take the form of venting, blaming, shaming or yielding to excuses. Also integral to the iLoveFeedback® approach: asking permission to deliver feedback; being clear about the positive intent in doing so; being specific, showing appreciation and emphasizing positive contributions when delivering it; and, delivering it in the context of an open, mutually respectful dialogue where listening is as important as speaking.
- **4. Focus on strengths.** Summing up findings from the Gallup study, Jim Clifton, the company's chairman and CEO, asserts: “The problem is, too many companies focus on fixing weaknesses, and this only breeds non-engagement or, worse, active disengagement...Great managers build development plans around every employee's strengths...Employees working from their strengths do win customers.” Regarding feedback, the study recommends that leaders “incorporate strengths into performance conversations and reviews, and help employees set goals based on their strengths,” (pg. 44).
- **5. Use tools that make providing and getting feedback easy, non-threatening, and most importantly, effective and worthwhile.** A training methodology such as iLoveFeedback® can work well in tandem with a tool such as **myohos.com**, a web-based social performance management platform designed to help managers and employees improve performance through coaching, real-time 360-degree feedback and organizational recognition. Used by organizations large and small, myohos.com replaces the traditional performance review with a collaborative feedback approach. It also gives people within an organization the means to request and offer feedback on a colleague or a topic in an ad-hoc, real-time manner from anyone in the company, anytime.

Conclusion

As a leader you strive for organizational excellence. A culture in which feedback flows freely among and across all levels of an organization provides a clear pathway to sustained excellence.

The data is clear: Feedback, delivered effectively and consistently, engages employees and empowers them to succeed. It increases individual productivity and bolsters an organization's bottom-line profitability. Practicing positive feedback gives businesses the means to thrive in a social media-driven world where a multigenerational workforce expects to receive constructive input consistently, both formally and informally, and not just from their bosses, but from people throughout the organization.

As much as it can be a positive force when practiced regularly in the workplace, results of the Executive Forum feedback survey make clear that feedback today continues to be widely overlooked, even avoided, as a core business practice and leadership competency. When it comes to the methods for, and the frequency of, delivering feedback, many organizations and their leaders continue to cling to the status quo: a heavy reliance on annual or semi-annual performance reviews, numerical rating systems and one-on-one manager-employee reviews.

It's also clear that traditional feedback approaches are losing their effectiveness and their relevance. The leaders and the organizations that take proactive measures today to make feedback a core business practice will be the ones whose workforce is empowered, engaged and productive — and whose bottom-line performance, both internally and externally, is consistently outstanding.

Resources

For more information:

- www.executiveforum.net
- www.ilovefeedback.com
- www.myohos.com
- Link to Gallup poll: <http://www.gallup.com/services/178517/state-global-workplace.aspx>

