

## Performance Feedback: Individual Based Reflections and the Effect on Motivation

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**Abstract:** *There is also enough scientific research proved the positive effect of performance on motivation. The common idea is that the performance feedback improve the technical and behavioral effectiveness of employees which then reflect on the job motivation. Around this idea, performance feedback effect motivation via reducing the performance ambiguity, improving the manager-subordinate relationships, making more easy to achieve goals, supporting the personal development and adapting to change. In this article, the effect of performance feedback on motivation is examined around this stated five different variables. The research result indicated that the only reducing performance ambiguity have positive effect on motivation.*

**Keywords:** Performance feedback, feedback, performance evaluation system, motivation, personal development.

**JEL Classification:** C12, M12

### 1. Introduction

The aim of this study is to determine how performance feedback reflect individual based implications and probable affects on motivation. With the aim of rendering his environment meaningful, an individual is continually trying to achieve complete consistency in the environment by the use of cognitive processes to map knowledge and shape his behaviour. When this is considered at the level of an organisation, an individual is activating the adapting process by responding the various expectations of the organisation. The majority of the success of adapting processes at an organisational level depends on having sufficient correct knowledge. This knowledge facilitates the direction of basic behaviour and enables the individual to meet the organisation's expectations and his personal goals. In this context, the information in question is expressed under the name of 'feedback' in a general meaning (Ashford, 1986: 465).

The most clear case of the effects of feedback on behaviour was written by Judd in 1905 under the title, "Practice without knowledge of results'. However, the scientific concept of feedback as a tool to explain people's behaviour was created in an article by Rosenblueth in 1943 (Baker and Buckley, 1996: 22).

Feedback is one of the most frequently used concepts in the fields of technical and social sciences. When looked at from the aspect of management of the organisation, analyses arise related to the management subjects of communication, decision-making, motivation,

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organisational change, performance evaluation, employee satisfaction and training (Herold and Greller, 1977: 142).

The concept of feedback is explained in different areas in different forms. In a performance evaluation system, it is the prime information to achieve development by confirming or rejecting a performance or behaviour (Bee and Bee, 1997: 9) from the aspect of interaction between individuals, how others perceive and evaluate an individual's behaviour is explained by related data. Ashford and Cummings characterised the concept of feedback as an individual consciously making the effort to develop correct and appropriate behaviour in order to achieve the valuable results (Ashford, 1986: 466). It has been stated that a performance feedback given in the right way which is meaningful and constructive yields exceedingly effective results in solving problems at work, increasing motivation and stimulating learning (London, 2003: 3).

On the other hand, the 'information' dimension of performance feedback carries another meaning for employees. This is because feedback includes a personal dimension particularly oriented to employees. It can be said that performance feedback has a natural power of influence as a personal information. Therefore, compared to other forms of information, performance feedback create greater sensitivity because of including personal data (Morrison and Cummings, 1992: 252).

Besides this it can be said that performance feedback is so close to human psychology. A person's biases, fears and aims are seen to change the content, direction, source and form of performance feedback during the process of giving and receiving feedback. Therefore, it is a mistake to analyse a case of performance feedback only within a framework of planned formal mechanisms (eg. process, forms).

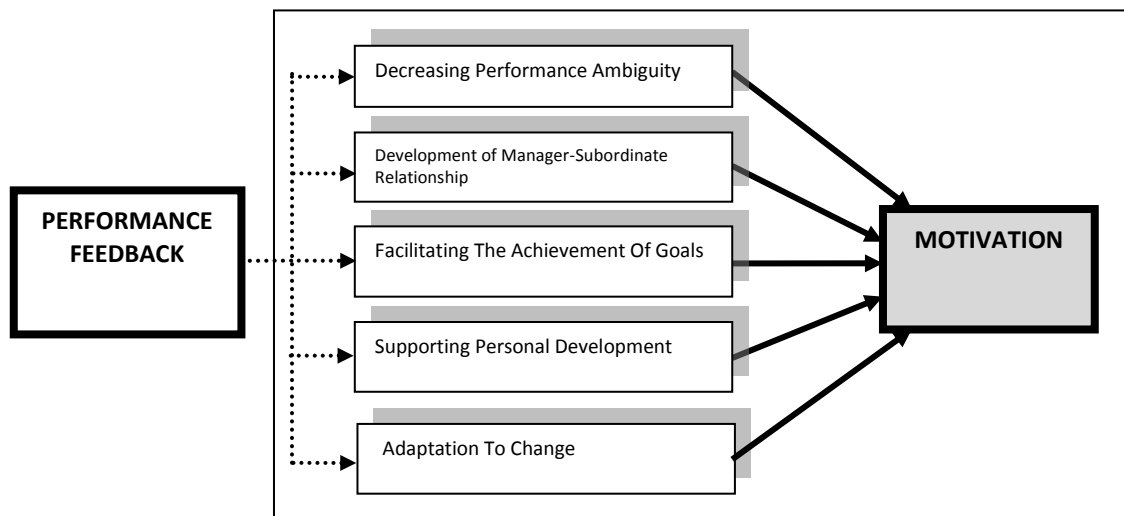
In research by Kluger and DeNisi in 1996, feedback was seen to have positive effects on performance but it was also stated that the feedback created negative effects at a rate of over 38%. This statistical result clearly shows that how the mechanism of feedback is operated is not fully understood and thus the process of feedback, and incorrect methods of appraisal can have destructive effects on performance and motivation (Steelman et al, 2004: 165).

The primary aim of performance feedback is to reshape behaviour. That is, the basis of performance feedback is to develop employees' behaviour performance (Tata, 2002: 481; Mazdar, 1997: 246). At a personal level it is also stated that the performance feedback increase the level of technical and behavioural efficiency. Achieving the desired behaviour from employees, encouraging expected behaviour and making it permanent, facilitating the achievement of goals by decreasing uncertainty, revising personal competencies, trying to find support while protecting self-respect, creating a positive impression in the social environment, acquiring new skills or adapting to a new and different environment can be counted among the possible personal reflections of performance feedback information (Dodd and Ganster, 1996: 332).

## 2. The Personal Effects of Performance Feedback

Performance feedback has an indirect effect on productivity via human resources systems such as training, compensation, career planning and job design. On the other hand, there are also direct personal effects of performance feedback to be considered. Reducing the ambiguity of performance, developing manager-subordinate relationships, facilitating the employee achieving goals, personal development and adaptation to change are effects occurring in the personal dimension of performance feedback. The conceptual framework of the stated personal effects of performance feedback and the edited theoretical model of work are shown in Figure 1.

**Figure 1:** The Conceptual Framework Of The Study



### 2.1. Reducing the Performance Ambiguity

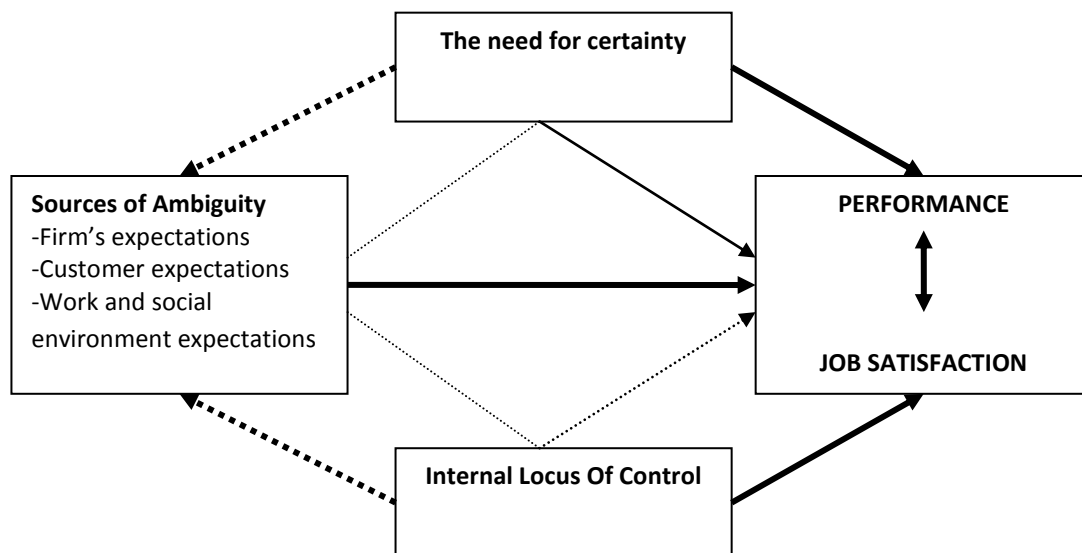
When the level of perceived ambiguity related to performance increases, it can also be said that in the employees' minds there is also uncertainty as to whether or not the level of performance desired by management is being demonstrated so there is an increase in feedback oriented (Bennett at al, 1990: 343). Previous performance plays an important role in this perceived uncertainty. For those who have previously shown a high level of performance in the organisation, feedback information is thought to be unnecessary in the belief that they are performing in the desired way. In contrast, those whose performance was not of a satisfactory level in the previous period always need performance feedback, even if it is negative, because of the performance uncertainty (Audia and Locke, 2003: 633)

For an employee to see the results of his work and to know whether he has reached his goals or not is of the utmost importance from the aspect of success. Job feedback gives the employee the opportunity to develop competencies and allows to see improvement areas. It is not possible to understand whether an employee with a lack of feedback information related to performance level meets management expectations or not (Keser, 2006: 84). Performance level should be reviewed in the framework of company aims and department goals, the degree of performance standard reached should be measured and most importantly, this information (feedback) should certainly be shared with the employees (Armstrong, 2006: 84).

Feedback is defined as a management process for the acquisition of knowledge as to what degree of efficiency and productivity it has brought to the work related activities of the employee and what sort of results these activities have yielded. That “performance feedback will remove ambiguity” is a motivational job factor much emphasised by Hackman and Lawler, who stated that where feedback is not obtained, job satisfaction and motivation may effected negatively. On the other hand, Wanous stated that the ‘internal motivation’ effected deeply by performance feedback create job / organizational commitment. Brief and Aldag reached the conclusion in their research that performance feedback is one of the most important variable effect internal motivation and job / organizational commitment. Thus it can be seen from performance feedback view that there is a correlated mutual interaction between the level of uncertainty, motivation and job satisfaction (Çakır, 2001: 100).

The relationship between the level of uncertainty and performance/job satisfaction is shown in Figure 2.

**Figure 2:** The relationship Between Ambiguity, Job Satisfaction and Performance



**Ref:** Behrman, Douglas N., Bigoness, William J., Perreault, William D., “Sources of Job Related Ambiguity and Their Consequences Upon Salespersons’ Job Satisfaction and Performance”, *Management Science*, 1981, Vol: 27, No: 11, s. 1248.

The firm, customers, work and social environments are all possible sources of uncertainty. Personal performance can be negatively affected in various dimensions by organization based uncertainty “ambiguity of role, undefined job description, uncertain conditions of job security, and undefined career path”, customer based uncertainty such as “uncertainty of customer demands and expectations, uncertainty of customer buying behaviour, uncertainty within the area of customer relations”, and in work or external social life “the uncertainties of the variations of economic, cultural and political requirements” which may arise. The presence of non-evident components directs the employees in search of or to construct appropriate conditions for ‘clarification’. This orientation is an important expression of the effort to achieve internal control on job. At this stage, to remove ambiguity and achieve internal control the employee shows a tendency to follow performance feedback and uses this acquired knowledge to strengthen skills to be able to deal with the ‘unknown’. Therefore, performance feedback is an important tool for the desired requirements of

increasing control at work or in a specific position and increasing productivity (Behrman et al, 1981: 1249).

Uncertainty has a negative effect on the process of decision-making. It makes it much more difficult to evaluate uncertain conditions or make choices (Einhorn and Hogarth, 1986: 228). It is so difficult to make decisions under conditions such as which areas are below the required performance level, which kind of behaviour should be demonstrated and what techniques should be applied (Atkins et al., 2002: 588). In this situation, the performance results direct the choices of the employee as to what improvement measures can be taken in what areas (Downey and Slocum, 1975: 564-565). As there is a necessity to consider the previous period in the general process of decision-making, the referencing of the performance feedback to the past is useful in establishing relationships of cause and results (Hogarth and Einhorn, 1999: 134).

Uncertainty is also a source of stress. If the structure and contents of the organisation are not evident, if working conditions are constantly subject to change, if the possibilities for career progression are not clear or job security is not evident, then employees will feel under stress. If the level of success achieved at work is not clear, one of the contributing causes to this is stress (Greenberg, 2002: 281-282). To remove the ambiguity in question, it is necessary to obtain the employee's feedback information, in particular to acquire the data concerning his own performance to eradicate the uncertainty of that performance. Otherwise employee productivity is negatively affected by stress-induced physical and psychological problems (cardiac disease, headaches, gastric upsets, anxiety, depression, insomnia etc.). Increased stress levels have a particularly destructive effect both physiologically and psychologically on managers. Stress overload results in loss of attention at work requiring mental skills and reduced creativity (Sabuncuoğlu and Tüz, 2003: 239). Not receiving performance feedback related to the job prevents the employee from contributing to the organisation and result in company alienation (Albrecht, 1988: 165).

## **2.2. Development of Manager-Subordinate Relationships**

Performance feedback interviews develop inter-personal social relations and increase communication (Kaynak et al, 1998: 208). As performance feedback interviews carry above all the aim of 'sharing', they create a positive or negative interaction between the manager and subordinate or in more general terms, the evaluator and evaluatee (Cacioppe and Albrecht, 2000: 400). Uyargil et al. (2008, p. 257) indicated that developing work relations and improving communication from the aspect of both rater and rate are the main success factors of performance feedback process.

A positive interaction established between a manager and subordinate in a performance feedback interview directly affects the employee's satisfaction. This is because in establishing a two-way communication (Gravan et al, 1997: 140). between the manager and employee, there is an opportunity for the employee to voice his expectations, feelings, wishes or complaints. The freedom to express himself increases an employee's motivation and develops the relationship with the manager (Nathan et al, 1991: 354).

During a performance feedback interview the employee is able to actively participate by listening and answering questions. Perhaps without realising, many communication methods are used together during an interview, such as discussion, stating ideas, developing alternative solutions, commenting, criticising, analysing and body language. As face-to-face

interviews are generally conducted one-to-one and in a suitable physical environment, from a communication aspect the person feels more comfortable and better able to express themselves. In this respect there is an increased ability to comment on and evaluate the employee's perceived messages about performance being communicated (Rensburg and Prideaux, 2006: 567).

Performance feedback interviews are not only giving information about technical issues. All topics relating to social life which affect the employee's firm performance in a positive or negative way are included in the scope of the interview (Jansen and Vloeberghs, 1999: 471). Family situation, social environment outside work and economic conditions are evaluated within the scope of the interview and an attempt made to find solutions to problems which are having a negative effect on work performance. Thus points can be discussed which are not spoken about in the work environment between manager and subordinate. The allround development of this form of communication increases the emotional closeness of the superior and subordinate, enabling both sides to feel they know each other better (Cederblom, 1982: 224).

If the performance feedback interview is aimed at benefitting the employee, to establish two-way communication, being constructive and giving especially positive feedback has been found to be useful. By bringing out a person's weak performance areas, it is personally hurtful, puts them under psychological pressure and communication is hindered by negative feedback being prioritised and develops prejudice against the evaluator. Thus, to keep all the channels of communication open throughout the performance feedback interview and to develop a mutual social dialogue, the feedback information should be given in a constructive, organised and developed manner (Armstrong and Baron, 2007: 33).

It must not be forgotten that formal feedback interviews in particular put the employee under pressure. Monitoring performance over a set period of time and laying that performance on the table at a face-to-face interview puts the employee under pressure and forces him to defend himself. In this situation the evaluator and evaluatee may find themselves in conflict from time to time. To prevent conflict it is necessary to put the employee at ease and be supportive throughout the interview. Even at this stage the feedback interview is rendered constructive by encouraging self-evaluation and enabling the employee to speak freely (Armstrong and Baron, 2007: 33-34).

### **2.3. Facilitating the Achievement of Goals**

To create goals to increase the level of performance two important preconditions are necessary:

1. The employee must have a clear concept of what he must do to realise the stated goals.
2. The goals must be accepted by the employee. When creating goals, the employee's views and suggestions must be taken into account. There is a risk that the employee will not make sufficient effort to meet goals which have not been accepted.

Because of the two reasons given above, goal collaboration and consensus should be created between employees and the organisation. Goal oriented feedback information not

only states what is necessary to realise the goal, but also puts the employee into the position of partnership regarding the goal (Schweiger and Summers, 1994: 5).

The mechanism of feedback is recognised as the opportunity to create various goals for employees, to provide development of the measurement of goals and direct the process of change which will increase performance (London and Smither, 1995: 823). In this context, research by Kim and Hammer in 1976 of 113 blue collar workers placed importance on the relationship between the creation of goals and performance feedback. In the study the workers were divided into 4 groups of which the first 3 groups received detailed explanations of a set of goals and took feedback, whereas the fourth group were not allowed to get feedback. The findings of the study reached the conclusion that the groups which had been supported with feedback met the goals and had a higher level of job satisfaction (Ivancevich and McMahon, 1982: 360). In another study by Renn and Fedor (2001) of performance feedback it was found that the setting of goals as the basis of increased job performance. The study stated that the person taking performance feedback used the acquired knowledge towards personal development goals, thus feedback had a positive effect on the employee's qualitative and quantitative job performance (Ivancevich and McMahon, 1982: 359).

Focussing on the goals is seen to be one of the reasons which directs a person towards accepting the message hidden in feedback. Despite being multi-dimensional, Locke and Latham (1990) tried to explain this situation with the goal theory. According to the goal theory, the negative gap between a goal and the performance shown and the perception of inadequate skills for the stated goal, force the person to seek performance feedback. Low performance and a low level of self-efficacy - self-efficacy is defined as a person's belief in their own skills, capabilities and strength - (Budak, 2000: 581) results in organization alienation. In this situation various behavioural changes are needed to regain the employee's concentration at work and to motivate them towards the goal. At this stage, performance feedback increases self -efficacy and the chances of success towards the goal (Audia and Locke, 2003: 640).

From another aspect performance feedback is also important in clarifying which goals it is necessary to be oriented towards and for existing goals, what kind of behavioural or technical requirements are needed (Vandewalle, 2003: 583).

Performance feedback ensures information as to what degree the goals have been met. In this framework, a study by Locke et al in 1935 shed light on the interaction between feedback and goals. In the study, apart from the control group, all the other participants received feedback according to their goals at set intervals, when evaluation was made as to at that level the goals were being met. The control group received no manner of feedback. The results of the study showed that the workers who had received feedback information were 18% more successful at reaching their goals than those who had not received feedback (Baker and Buckley, 1996: 23)

Another study by Pritchard et al (1988) confirms that feedback obtained regarding goals increases performance. The results of the study conducted on airforce personel concluded that feedback information on goals increased performance at a rate of 75%. In 1990 Locke and Latham conducted a study where a training programme was supported by feedback and reached the conclusion at the end of the programme that the goals set had increased performance (Renn, 2003: 569). In a study of 310 workers in an American timber production company, Stansfield and Longenecker (2006) confirmed that setting goals and



giving timely feedback increase job performance and efficiency, laying the ground for setting more realistic goals (Stansfield and Longenecker, 2006: 346).

One aspect of performance feedback is to evaluate the success of existing goals and the other aspect is to set new goals in areas requiring improvement. In this context, performance feedback presents retrospective information on reaching the existing desired goals and also encourages the setting of new work and personal goals. In a study by Tziner and Latham (1989) of 20 managers and 125 workers in an Israeli airline where satisfactory level performance was supported by feedback information, sharing new goals towards strengths and weaknesses of the person is more satisfactory than sharing standard feedback issues in a standard open interview (Tziner and Latham, 1989: 150).

#### **2.4. Personal Development and Adaptation to Change**

Many performance evaluation forms have a personal development area on the reverse page and this is a most important section which directly affects the employee's performance. This section states what it is necessary for the employee to acquire in the future for his benefit. The future planning in feedback interviews is so important in determining of areas for development. Personal development plans provide the acquisition of skills by encouraging training and the use of technical and behavioural knowledge at work (Armstrong and Baron, 2007: 96-97)

Learning plays an important role in personal development. Within a performance evaluation mechanism, learning can be analysed at three separate phases. The first learning phase is based on the period prior to the performance evaluation process. In this phase the employee's existing role is re-defined and new roles are determined. After it has been declared what is necessary to fulfil the new roles, the competencies can be worked on which are felt to be needed to make both the existing and new roles productive. The second phase which provides an opportunity for learning is the phase of the performance feedback interview. The need for training is identified by both the employee and the interviewer, the employee's agreement is obtained in this phase. At this stage an analysis can be made of how far previously set learning goals have been achieved. This allows for the employee to be totally involved in the learning process. Learning following the performance evaluation process is the final phase which presents the last opportunity. Here, according to decided personal development plan, the employee directed to acquire new knowledge, skills and competencies until the next performance evaluation period (Armstrong, 2006: 144-145).

Personal development plans naturally require the change process. Organisms are known to resist change in their environment and in situations where they do not have adequate capabilities to do that, they try to defend themselves. This occurrence equates with the concept of homeostasis, which was broached by the psychologist, Claude Bernard, in 1865. The concept is defined as living organisms tending to maintain a stable balance in their internal structure against changes in the external environment, so resisting the changes by continual adjustments against the dynamic external environment and performing reorganised activities, thus making the appropriate efforts to protect themselves from the unexpected environmental events. If the human structure of organisations is considered as a living and continually changing organism, the process of personal change relates to this concept. In situations when there is a need for change, for an individual to adapt to the change he forces himself to renew, reorganise and establish a stable balance. Feedback is the most important tool used to achieve internal control in the process of personal homeostasis



in this situation at work. There is the possibility of positive influence on the performance of a programme of change which is continually supported by feedback and personal development plans which are directed (Greller, 2003: 652).

At an individual level, there are three important motivating elements for the feedback supported change process. The first element is increased awareness. Here employee is conscious of existing problems and the possible solutions, the level of awareness is comparatively high. To produce solutions for the problems and to be able to bring the change into effect, the person need performance feedback and get feedback information from interviews implemented with managers or trainers. The second element is the stirring of emotions. It is extremely pleasant for an employee to be at the desired level of performance and to receive positive feedback. However, as a point of failure he shrinks from receiving negative feedback. Thus the manager or trainer giving continuous feedback to the employee are attempting to direct a successful change process. The third element is a re-evaluation of the environment. In this phase the employee is aware of whether his own social and work environment will respond in a positive manner to the change. The employee knows that as well as increasing his own performance, the change will at the same time contribute to the department / firm performance. At this stage, feedback information has been found to have a directional effect on the anticipated change in the work and social environment (London, 2003: 139).

Change may occur before or after the process of feedback. Expressed another way, the need for change will render a need for feedback information or the feedback information can also bring change. An employee who aims to change his knowledge, skills and behaviour feels the need for feedback information on his own performance to be able to determine which areas need to be focussed on during the process of change. On the other hand, when an employee thinks he has demonstrated the desired level of performance in all areas, if evidence is produced that change is required in knowledge, skills and behaviour during the feedback interview with the manager, then the process of change can be started at that stage. In both situations the guiding influence of feedback information becomes important for the change (Dessler, 1997: 343).

Feedback also has the characteristic of being a warning for the signals of change. The feedback to be given by the manager or other potential sources of feedback can force a change in workplace habits. Then the employee may not feel ready for the change being indicated or may have a tendency to resist the change. From this angle the feedback information should be given constructive in order to lead change. It is important to convey the concept that feedback is important to increase the performance of the employee. In this way feedback supports a healthy process of change and reflects in a positive manner in increased motivation (Greguras at al, 2003: 346).

### 3. Research Desing

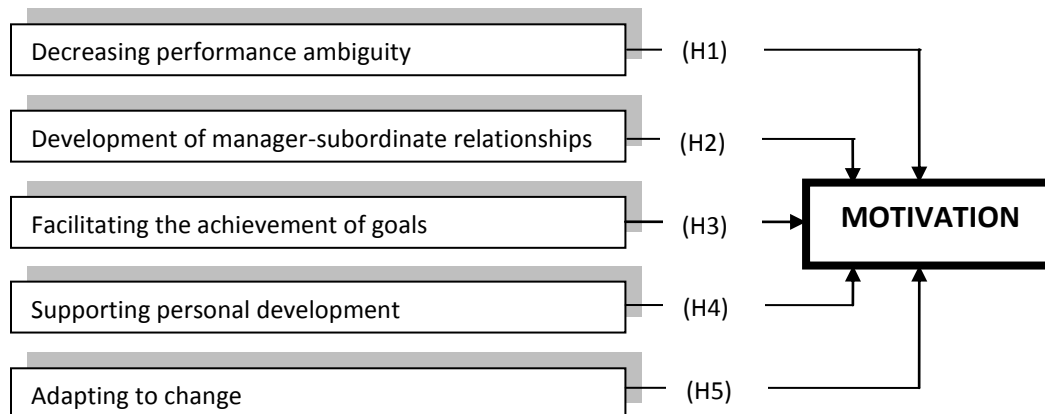
#### 3.1. Method

An evaluation was made in five different areas to determine how performance feedback affected employees' level of motivation. The 5 areas were:

1. Decrease in performance ambiguity
2. Development of manager-subordinate relationships
3. Facilitating the achievement of goals
4. Supporting personal development
5. Adaptation to change

The existing literature demonstrates that on a personal level, feedback decreases the ambiguity of performance, develops manager-subordinate relationships, facilitates the the achievement of goals, supports personal development, make more easy for adapting to change and also these has a positive effect on motivation. Within this framework, the model used in this study is shown in Figure 3 and the hypotheses tested are stated below.

**Figure 3:** The Overall Research Framework



**Hypothesis 1:** *Decrease in performance ambiguity as a result of receiving performance feedback has a positive affect on motivation.*

**Hypothesis 2:** *Development of manager-subordinate relationships as a result of receiving performance feedback has a positive affect on motivation.*

**Hypothesis 3:** *Facilitate the achievement of goals as a result of receiving performance feedback has a positive affect on motivation.*

**Hypothesis 4:** *Support the personal development as a result of receiving performance feedback has a positive affect on motivation.*

**Hypothesis 5:** *Adapting to change as a result of receiving performance feedback has a positive affect on motivation.*

Five statements used in the survey which is used to explain the effects of performance feedback on motivation were determined from the related conceptual literature and therefore the articles (Bennett et al, 1990; Einhorn and Hogarth, 1986; London, 2003; London and Smither, 1995; Ivancevich and McMahon, 1982; Baker and Buckley, 1996; Audia and Locke, 2003; Greller, 2003) were used to establish the research framework. Therefore five variables were examined via five statements. On the other hand, in order to measure the possible effects on motivation, one "motivation" statement was added to the survey. All participants were asked to assess their motivation level by this "motivation" statement.

The research data was gathered by means of questionnaire and face-to-face interviews. Firstly the human resources manager of each firm was interviewed separately. At these interviews the target study group (managers) was determined by examining the firm's organisation structure. A text was written to explain the concept of the study and shared with the managers. Besides this, some data was taken from the human resources managers and the existing performance appraisal system in organizations were analysed during the interviews.

Multi-linear regression analysis was applied to demonstrate the effects of performance feedback on motivation on a personal basis. In this framework, a model including what percentage of the dependent variable (motivation) was explained by the independent variables was determined. In this study, the 'Enter Method' was preferred.

To measure the statements given by the respondents in the study, a 5-point Likert scale was used [strongly disagree (1) – strongly agree(5)]. The data obtained was analysed by SPSS 13.0 statistical program.

A pilot study comprising the analysis of 40 questionnaires was conducted to determine the validity and reliability of the means of measurement used in the research.

Firstly the reliability of the measurements used were analysed. In this context, the Cronbach alpha coefficient of the measurement was determined as 0.91. This result implies that the measurement has a high level reliability coefficient. Also, in the context of the data obtained, corroborative factor analysis was performed with the aim of testing the validity of the measurement power or other stated means of measurement. The corroborative factor analysis was performed with the aim of testing whether the consistency of the specified measurement model was statistically significant or not (Yurdugül, 2000: 155). Corroborative factor analysis, being different from factor analyses using traditional methods, was used to test the verification of a factorial structure previously specified by a researcher.

When evaluating the appropriacy of the model there are different goodness-of-fit tests with statistical functions which can be used. In the analysis, goodness of fit index (GFI), adjusted goodness of fit index (AGFI), standardized root mean square result (RMR), root mean square error of approximation (RMSEA), and Bentler Comparative Fit Index (CFI), are considered. When determining the measurement power of the model in question, the above-mentioned indices are expected to have certain fitness values. These values are shown in Table 2 (Erdoğan et al, 2007, p. 11).

**Table 1:** Recommended Goodness-of-fit values and standard measurements for the model

Goodness-of-fit measurements	Goodness-of-fit values	Acceptable goodness-of-fit values
RMSEA	0.00<RMSEA<0.05	0.05<RMSEA<0.10
SRMR	0.00<SRMR<0.05	0.05<SRMR<0.10
GFI	0.95<GFI<1.00	0.90<GFI<0.95
AGFI	0.90<AGFI<1.00	0.85<AGFI<0.90
CFI	0.95<CFI<1.00	0.90<CFI<0.95

**Table 2:** Corroborative Factor Analysis Results

STATEMENTS	Mean	Standard deviation
Decrease in performance ambiguity	3,40	0,98
Development of manager-subordinate relationships	3,29	0,99
Facilitate the achievement of goals	3,34	1,06
Support the personal development	3,39	0,91
Adapting to change	3,30	0,95
<b>GFI: 0,97   AGFI: 0,93   CFI: 0,99   SRMR: 0,02   RMSEA: 0,01</b> ( $\alpha = 0,91$ )		

When the goodness of fit values in Table 2 are compared with the data in Table 1, the measurement power of the measure being used is at an acceptable level to determine the relationship between motivation and individual based performance feedback, in other words, it can be seen that there is the desired level of validity.

### 3.2. Sample

The research sample was selected from manufacturers in the automotive sector in Bursa. The sample was selected by the judgemental sampling method from the main mass. The basic measurement of the structure of the judgemental sample to determine participation in the scope of the study was the researcher's decision. These kind of sample units are selected at the discretion of the researcher, and whether the size of the sample is sufficient or not is decided by the researcher during the data gathering process (Yükselen, 2000: 69). At this point, the conditions stated below were taken into account for the firms in the sample.

1. The company included in the study should be a manufacturer in the automotive sector<sup>\*</sup>,
2. The company included in the study should be a large-scale company,

<sup>\*</sup>According to the observations, the automotive sector was selected as it has well-established and successful human resources applications and attributes importance to the development of the human component of the organisation.

3. The company included in the study should have performance evaluation system,
4. The firms included in the research should share feedback information with employees by formal or informal interviews.

Six large scale firms met the four criteria above at the same time, so the study was applied to a total of 206 managers in that firms.

The position, seniority, age, gender and educational profile of the participants included in the research were determined. Evaluating the participant profile from the aspect of position, 12.14% were manager / assistant manager, 20.39% were department head, 29.61% were supervisor/specialist, 10.19% line manager, 8.74% unit head and 16.02% engineer. As each firm showed different managerial job titles, the management positions to be taken within the concept of the research were specified individually by looking at the organisation structure.

The tenure of managers in the research was determined as 33.50% 1-5 years, 27.18% 6-10 years, 17.96% 11-15 years, 10.68% 16 years or more.

The age distribution of the participants was determined as 5.34% below 25 years, 27.18% 26-30 years, 47.57% 31-40 years, 10.68% 41-50 years and 3.4% 51 years and older. Thus it can be said that the majority of the participants (74.75%) were aged between 26-40 years.

An examination of the gender distribution showed that the majority of the participants (81.55%) were male, whereas 16.50% were female.

Finally, the educational level of the managers in question was specified. According to the data obtained, 71.84% of the participants had a university degree and 10.19% had a degree at master or doctorate level. On the other hand 17.97% of the participants were seen to have an educational level of high school or middle school. The level of educational level being high supports the view that the questionnaires were completed in a relatively more knowledgeable manner.

#### **4. Limitation**

As a result of the interviews with the Human Resources Managers, the decision was taken that only the managerial positions in sampling organizations should be included in the research. It was also determined from those interviews that blue collar or office personnel job feedback process had been conducted in a limited or ineffective way, therefore the study was only applied to managers to obtain satisfactory data.

#### **5. Findings**

It has been previously stated that in theory performance feedback decreases performance ambiguity, supports the achievement of various work goals, facilitates adaptation to change, is helpful in personal development, develops manager-subordinate relationships in feedback interviews and these interactions have a positive effect on motivation. With the aim of measuring whether these theoretical interactions were there or

not in the firms in the scope of the research, multi-linear regression analysis was performed and the results obtained are shown in Tables 3 and 4.

**Table 3:** Correlation Analysis Results

Pearson Correlation N=194 Sig=.000 (1-tailed)	Average	Standard Deviation	1	2	3	4	5	6
Motivation	3.60	0.89	1.000					
Decreasing performance ambiguity	3.37	0.98	0.574	1.000				
Development of manager-subordinate relationships	3.29	0.99	0.458	0.664	1.000			
Facilitating the achievement of goals	3.35	1.06	0.491	0.650	0.695	1.000		
Personal development	3.40	0.90	0.537	0.706	0.689	0.778	1.000	
Adaptation to change	3.30	0.94	0.443	0.623	0.586	0.667	0.751	1.000
$\alpha = 0.01$ significance level all the correlation coefficients are significant								

**Table 4:** Multi-Linear Regression Analysis Results

	R <sup>2</sup>	Adjusted R <sup>2</sup>	F value (Anova)	Beta	t value	p value	D.W. Test
<b>Personal Effects</b>	0.368	0.351	21.848 (p=0.000)*	1.510 (Fixed Term)	6.934	0.000*	1.965
Decreasing performance ambiguity	-	-	-	0.333	<u>4.114</u>	0.000*	-
Development of manager- subordinate relationships	-	-	-	0.018	0.225	0.822	-
Facilitating the achievement of goals	-	-	-	0.072	0.844	0.400	-
Personal development	-	-	-	0.203	1.084	0.073	-
Adaptation to change	-	-	-	-0.006	-0.068	0.946	-
*p < 0.05							

In the findings section, firstly the basic hypothesis of the multi-linear regression analysis were tested. Thus, it was firstly determined whether the model being considered for the research (Figure 1) was a good model. When the correlation analysis results are examined, as there were no coefficients with a value of 0.80 and above, it was confirmed that there were no multiple correlation problem in the model. As the result of the D.W. test (1.965), the model is determined not to have auto correlation. The F test (21.848,  $p < 0.05$ ) demonstrates the significance of the model as a whole. The specification coefficient ( $R^2 = 0.368$ ) shows that 36.8% of the dependent variable (motivation) is explained by the independent variables included in the model.

The possible effects of personel based performance feedback on motivation and the degree of these effects can be seen in Table 4 from the t values. When the coefficients of the significance of all the parameters included in the model are examined, the only variable of performance feedback supporting an increase in motivation is the function of decreasing performance ambiguity ( $t = 4.114$ ,  $p < 0.05$ ). So, this finding verify hypothesis 1 that is expressed as “decrease in performance ambiguity as a result of receiving performance feedback have a positive affect on motivation”.

Apart from this, on the basis of t values, it can be said that all other parameters taken into considiration in this research did not support the expected results. First of all, contrary to expectations, giving and receiving performance feedback between managers and subordinates did not give support to develop relationships and create motivation ( $t = 0.225$ ,  $p < 0.05$ ). So the hypothesis 2 that is expressed as “development of manager-subordinate relationships as a result of receiving performance feedback have a positive affect on motivation” did not verified in this application. Beside this, the research did not verify ( $t = 0.844$ ,  $p < 0.05$ ) the hypothesis 3 that is stated as “facilitate the achievement of goals as a result of receiving performance feedback have a positive affect on motivation.” So it would be indicated that the performance feedback must be given more importance in the organization when driving goals and create motivation.

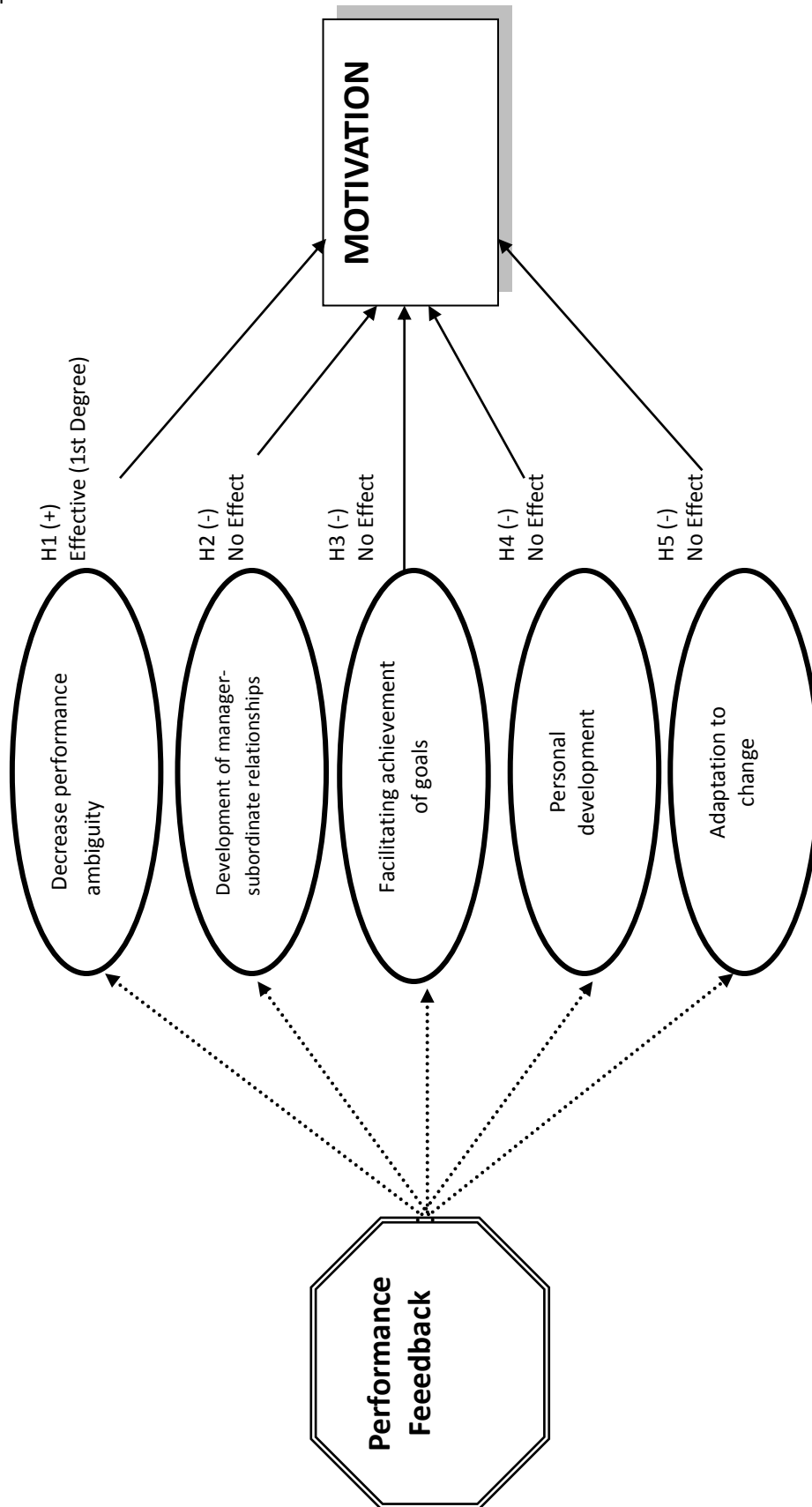
Similarly, this research did not verify ( $t = 1.084$ ,  $p < 0.05$ ) the hypothesis 4 that is indicated as “support the personal development as a result of receiving performance feedback have a positive affect on motivation.” Performance feedback give clear argument to individuals in the firms to see the improvement areas and redesign the future plans. But, the result achieved show us that workers in the firm did not use feedback data for personal development and therefore performance feedback did not reveal motivation.

And last, it is found in this study that performance feedback has no role in adapting change and therefore have no positive effect on motivation as a result of receiving feedback. So, the the hypothesis 4 expressed as “adapting to change as a result of receiving performance feedback have a positive affect on motivation.” did not verify ( $t = 0.068$ ,  $p < 0.05$ ). The overall hypothesis test results are shown in Figure 4.

In this study, we also tried to determine the most important parameter on motivation according to their significance level. The beta value (0.333) confirms that the decreasing performance ambiguity as a function of performance feedback is the most important variable on motivation. The degrees of relative effect on motivation of the prescribed variables in the model are shown in Figure 4.



**Figure 4:** Hypothesis Test Results and The Degree Of The Effect Of Independent Variables On Motivation



## 6. Conclusion and Future Research Suggestions

Performance feedback is an important source of information which supports the technical and behavioral development of all levels in organization. It is possible to identify strengths and weaknesses of the employees with the support of this information. The performance feedback data lead the training plans, job rotation efforts, compensation based regulations and career development activities. The link between these formal processes and performance feedback effect the individual performance of the firm personal. Beside this, it should be said that performance feedback has it's own natural effect at individual level. It's well known that performance feedback decrease performance ambiguity so that everyone could be aware of their personal performance level expected by the organization. On the other hand, performance feedback develop manager-subordinate relationship via effective feedback interviews, facilitates the achievement of goals by getting right feedback about ongoing projects, gives way to determine the weaknesses from all feedback sources and make more easy to adapt internal and external based changes. If the performance feedback information is given under the right condition and more constructive, it will improve the productivity of personal. Feedback information used under these conditions with the aim of development, it will be able to create a positive effect on motivation.

In this research, the most important finding is that the performance feedback did not strongly support desired personal development areas in the the scope of the application. The study did not confirm the theories stated in the relevant literature that performance feedback develops manager-subordinate relationships, facilitates the achievement of goals, supports personal development and achieves adaptation to change. In this study it was only found that performance feedback decreases performance ambiguity and this has a positive effect on motivation. The situation in the scope of the application of this research indicates that performance feedback information was not used in such a way as to create motivation. Suggestions which could remedy this negative perception are stated below.

1. To develop manager-subordinate relationships in performance feedback interviews, it is useful to give evaluators training sessions on 'performance feedback interview techniques' or 'consultation techniques'. This training should emphasise why it is important in the interviews to make time for any personal questions the evaluatee may have, to direct questions from different angles to get to know the person's family and social background and to give the employee the opportunity to express himself.

2. The evaluatee's definite work and personal goals must be included in the performance feedback interview plan. The evaluator must communicate to the evaluatee the level to which an objective has been met and the strengths and weaknesses necessary to realise the stages of the objective, thus the sharing of information primarily creates motivation towards a goal.

3. On an organisational basis and at department or unit level, giving feedback to employees *more often* at times of intensive change will both speed up the process of change and ease adaptation to that change. Giving employees relevant information about their own performance level enables them to know what new knowledge, skills and competencies are required. This will be made possible by new job analysis studies and reviewing the job description.

4. To create a culture of feedback and support personal development, more frequent feedback interviews should be organised, for example, at three or six monthly intervals instead of annually.

5. It is necessary to ensure that feedback information can be accessed more easily as a part of the organisational communication mechanism. In this way attention should be paid to the effective operation of vertical and particularly lateral channels of communication.

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