

# External Feedback, Organizational Training and Organizational Performance: A Qualitative Inquiry

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## ABSTRACT

The goal of HRM practices is to increase productivity and organizational performance. Training as one of the HRM practices can improve organizational performance through enhancing organizational human capital and organizational knowledge. This research examines the interaction between training and external feedback, which might strengthen the relationship between training and organizational performance in a positive way. Using a qualitative research approach, the research had been done in a service company mainly focus on delivery services. After interviewing the key people in the organization, we concluded that external feedback given by the supervisors or colleagues can strengthen the relationship between training and organizational performance. Finally, practical implication and research limitations are discussed.

**Keywords:** *external feedback, training, performance, HRM practices*

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## Introduction

The goal of HRM practices is to increase productivity and organizational performance. According to Delaney and Huselid (1996), there are three categories of HRM practices to enhance organizational performance. First, improving the quality of the individuals hired. Second, improving the quality of current employees by providing comprehensive training and development activities after selection. Third, optimizing the structure of the workplace. In this paper we focus on the second category; improving the quality of current employees by providing comprehensive training and development activities after selection.

In a meta-analysis from 67 studies, it was found that training is positively related to human resource outcomes and organizational performance (Tharenou, Sakes & Moore, 2007). Training can

improve organizational performance through enhancing organizational human capital and organizational knowledge (Aragon & Valle, 2013). Besides, training also creates competitive advantages for an organization, provides opportunities to learn new technologies, and improves employee skills and knowledge. As a result, training will improve organizational performance (Thang, Quang, & Buyens, 2010).

Castellanos and Martin (2011) argue that organizational training plays a vital role in the development of the human capital element and knowledge management in organizations. Furthermore, they argue that organizational training leads to an increase in worker productivity. Training also improves the inimitability of internal human resources, which means that the human resource is difficult to imitate. These two aspects are vital in

obtaining and maintaining organizational competitive advantage and performance.

In another study, 50 business units were questioned about the aspects that increase organizational performance. Organizational training was found to significantly relate to operational measures of performance (Wright, Gardner & Moynihan, 2003). Although many authors are positive about the relationship between training and organizational performance, there is also some criticism, such as that it is too expensive, that it is not transferred to the workplace, and that training is implemented only to reward and retain certain employees (Kraiger, McLinden, & Casper, 2004). Even though training has received criticism, it is an essential aspect that is needed to improve performance on all levels of organizational outcomes: individual, team, organizational and society (Aguinis & Kraiger, 2009). Hence, this research focuses on the effect of training on organizational performance. Therefore, the main research question is:

*“What is the relationship between training and organizational performance?”*

Next to examining the relationship between training and organizational performance, we also investigate the interaction between training and external feedback, which might moderate the relationship between training and organizational performance in a positive way. External feedback is one of the job characteristics and job designs that exist in organizations (Grant, Fried, & Juillerat, 2010). External feedback can be described as “actions taken by (an)

external agent(s) to provide information regarding some aspect(s) of one’s task performance” (Kluger & DeNisi, 1996). External agents could be the supervisors, trainers or colleagues of the employee.

The feedback given by the supervisors or colleagues provides informational and motivational aspects that could guide employees in their behaviour in the workplace (Jaworski & Kohli, 1991), particularly for understanding which behaviours are appropriate or inappropriate for successful performance (Goodman, Wood, & Hendrickx, 2004). So, external feedback can serve as a moderator between training and organizational performance. When external feedback is given to an employee regularly and accurately, it can lead to better organizational performance. This leads to the following research question:

*“Does external feedback strengthen the relationship between training and organizational performance?”*

We expect to find a positive interaction between training, external feedback, and organizational performance. This means that when external feedback is given accurately and on a regular bases, the stronger the positive link between training and organizational performance becomes.

### **Research methodology**

This research employed a qualitative research. The research has been conducted at Company X. Its business focuses on direct mailing, fulfilment (the processing of orders), postage, and document solutions. An interview was conducted with the senior Human

Resources (HR) advisor, the regional manager and the employees. Related to the research questions, the senior HR advisor, the regional manager and the employees were asked about the training given by the company, such as the various training opportunities, the training participants, the training evaluation, and the impact of training on the organizational performance. In addition, they also were asked about feedback given to the employees and how feedback could increase the effectiveness of training.

## **Results and Discussion**

We interviewed the interviewees and asked them about their experiences with training opportunities and external feedback given to the employees. During the interviews, it became clear that not all employees of Company X receive training. According to the senior HR advisor and the regional manager, all employees from the call centre as well as the employees from the sales division receive training. The regional manager stated that they only provide training to people who have a high function in the organization, such as the sales division.

Furthermore, Company X has an online training portal for their employees. Here, employees can find several training opportunities, such as programs to improve their Excel skills. Next to this online portal, employees can mention that they would like to improve several skills to their manager. Whenever the manager thinks this is reasonable, training opportunities will be offered. The company is really strict when it comes to determine whether someone needs training, they only

provide training when they believe that it will actually improve the performance of the employee.

The first research question asks about the effect of training on performance. We hypothesize that training has a positive effect on the performance. All interviewees think that training does influence the organizational performance positively. The trainings for the call centre employees and the employees of the sales division are especially regarded as performance improving instruments, since the employees gain more insight in their behaviour and get a better picture of what is expected from them. After the training, the employees know what to say and how to respond to the clients, and they are better able to adapt to the customers' needs and wishes. Hence, they are better able to attract clients and to create sales. Ultimately, it improves individual and organizational performances.

Company X makes use of an evaluation cycle. At the beginning of the year, the employee and the manager will have a conversation in which the employee sets his or her goals and targets for the year. It is also the opportunity for the employee to mention if he or she wants to receive a training this year. In July, there will be a conversation to look at the employee's progress, and at the end of the year the employee and the manager will discuss whether the goals are achieved in a job evaluation conversation. Although the interviewees believe that training does influence the organizational performance in a positive way, they admit that it is hard to measure. At the end of the year,

the employee is asked if the training provided enough instruments to achieve the goal in the job evaluation conversation. The divisional manager believes this is a good way to measure the performance.

Another way of measuring the organizational performance is by looking at the sales increases. Besides, customer satisfaction surveys are held every year. This shows that customers are more satisfied. Company X uses this as proof of the effect of the training of the sales division and call centre employees. Based on the explanation above, all interviewees support that training positively influences organizational performance.

The second research question asks that feedback will strengthen the relationship between training and organizational performance positively. All interviewees believe that feedback strengthens the relationship between training and organizational performance. According to the senior HR advisor, feedback is given during and after the training by both the trainer and the manager.

One of the employees, who received a sales training, however, stated that during the training, the trainer did not give much feedback. After the training the employee did not receive specific feedback or evaluation from the trainer. According to her, this is something that could be improved and to show whether the training did or did not have the expected result and to get a better fit between training and work. She, however, did receive external feedback from her manager and has a meeting

with him every 2 weeks. Besides, she receives feedback from her colleague. According to her, the feedback from both the manager as the colleague is really helpful. She mentions problems she faces and the manager and colleague try to help her. This works well and gives her more self-confidence.

Next to the meetings with the manager and colleagues, feedback will be given at the end of the year about overall performance during the job evaluation conversation. Although there was a lack of feedback given during the training and after the training according to the sales employee, all interviewees stated that feedback did strengthen the relationship between training and organizational performance. Especially the feedback given by the manager is helpful to the employees. In conclusion, all interviewees supports that external feedback strengthens the relationship between training and organizational performance positively.

### **Conclusion and limitations**

The aim of this paper is to investigate the relationship between training and organizational performance. Training has a positive influence on organizational performance (Tharenou, Sakes & Moore, 2007). The goal of training is to increase productivity and performance and can be divided into three sub categories according to Delaney & Huselid (1996): improving the quality of the individuals hired, improving the quality of current employees, and optimizing the structure of the workplace. Training can improve organizational performance (Aragon & Valle, 2013). The feedback given by the

supervisors, trainers or colleagues provides informational and motivational aspects that could guide employees in their behaviour in the workplace (Jaworski & Kohli, 1991). In the study done by Latham, Ford and Tzabbar (2012) feedback increased both employee performance and organizational performance, but performance dropped when the intervention was cut back. Therefore, we proposed that external feedback is a moderator between training and organizational performance. Looking at the results of the interviews, all interviewees believe that training will influence the organizational performance positively, and they also believe that external feedback will strengthen the relationship between training and organizational performance.

Our contribution to the literature is concerned with the role external feedback plays regarding the relationship between training and organizational behaviour. We believe that if an organization offers its employees training opportunities in order to improve the organizational performance, it should take external feedback into account and make sure that employees receive external feedback accurately and regularly during or after training in order to improve their performances and as a result organizational performance will improve.

### **Limitations**

We only conducted interviews with few employees. In order to improve the reliability of this research, a larger sample of respondents is needed. In that way, the quality and reliability of the

results will improve and it would also be possible to generalize about the results, something that is very difficult at this moment. For further research, we suggest to test the research model using a quantitative research, employing a moderation model and a statistical analysis.

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