



From Feeding-Back to Feeding-Forward: Managerial Feedback as a Trigger of Change in SMEs

Journal:	<i>Journal of Small Business and Enterprise Development</i>
Manuscript ID	JSBED-01-2018-0034.R2
Manuscript Type:	Research Paper
Keywords:	Feedback, Change, Stability, SMEs, Managers

SCHOLARONE™
Manuscripts

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

51

52

53

54

55

56

57

58

59

60

From *Feeding-Back* to *Feeding-Forward*:
Managerial Feedback as a Trigger of Change in SMEs

Abstract

Purpose - This study seeks to explore and theorize the process of managerial feedback in relation to change in Small and Medium Enterprises (SMEs).

Design/Methodology/Approach - This research embraces a qualitative methodology in the context of manufacturing SMEs. Drawing on 30 in-depth interviews and observations, conducted with various managers in six (6) SMEs operating in three countries, it is argued that managers benefit more by using daily on-going feedback as a trigger of change in their organizations.

Findings - The findings suggest that there is an overall view that managers appear to be reluctant to change existing processes using formalized feedback mechanisms, which runs counter-intuitive to the literature. In contrast, *informal* methods of feedback work better in enhancing organizational change. Moreover, another two features of feedback enhance this process namely, benefits-oriented and confidence-oriented. As such, this study contributes to existing knowledge and practice by proposing a three-fold form of feedback through which managers expand their perspectives of feedback from *feeding-back* to *feeding-forward* thereby enhancing the opportunities of triggering change.

Theoretical implications - Feedback should be considered as a dynamic and socially constructed managerial practice, a practice whereby relevant actors, not only exchange information and share knowledge, but also act, react and interact with each other as they constantly rethink the change process. The proposed aspect of feedback emphasizes knowledge therapeutically and in combination with the dialogical discourse (practical illustration) that increases the odds for capturing change as a natural, rather than exceptional, process.

Practical implications - Practitioners, as such, may wish to consider the terminology used when it comes to studying change and its implementation in a crisis context. Using deformalized managerial feedback mechanisms to tackle a formal phenomenon like ‘change’ could help avoid employees perceiving a negative connotation, even causing resistance or confusion and feeling threatened. Therefore, we suggest that practitioners, during development initiatives on modernising or altering organizational processes, consider using the term ‘change’ as an informal rather than a formal concept.

Originality - It is an investigation from an exploratory perspective in studying and understanding the causes, factors and modalities that trigger managerial feedback towards organizational change in manufacturing SMEs.

Key Words: *Feedback, Change, Stability, SMEs, Managers*

Introduction

Firms' abilities to change have become a critical issue for organizational survival, adaptation, competitiveness, and long term sustainability (Bresnen et al., 2005). The literature on organizational change is generally triggered from two sources: external segments of the global economy and internal incentives related to organizations' management (Friedman, 2005). Although the former is a subject of economic fluctuation that produces organizational uncertainty, the latter is linked to the recognition of the appropriate means through which the change process can be facilitated. Many authors envisage managerial feedback as a key factor in triggering process change in Small and Medium Enterprises (SMEs) (Fleishman and Cleveland, 2003; Hattie and Timperley, 2007).

Although, feedback has various meanings and aspects, this study adopts a broader definition posited by Buchanan and Huczynski (2010). According to their approach, feedback is a process of giving and receiving on-going information regarding the work or task being completed. Following the abovementioned authors, we subscribe to a similar view of feedback as a daily on-going practise related to the individual and/or collective change processes. In the structural changes or transformation, daily feedback provides information about work characteristics and attempts to steer performance in a given direction (Fedor et al., 2001) and is seen as an integral part of learning and change in work processes (Ashby and O'Brien, 2007; Becker, 2004).

The practice and benefits of daily and on-going feedback is present in many organisations including SMEs, that embody a flexible hierarchy and structure (Psychogios, et al. 2016) as well as utilize managerial feedback in less formal channels in order to comply with the effects of change in a practical manner (Bresnen et al., 2005). Therefore, utilizing informal channels means that daily and on-going feedback may provide better evidence on the justification for change (Fleishman and Cleveland, 2003; VanYperen et al., 1999) and seek to improve aspects of operational processes (Soriano, 2008). Particularly within SMEs, feedback is acknowledged to contribute towards constructing organizational knowledge (Ritchie and Brindley, 2005) by providing dynamic values and inputs (Gold et al., 2001) and is usually smoothly practiced (Jabri, 2004).

Nevertheless, scrutinising further the arguments around feedback and change, as much as the current literature is concerned, there is limited research on changing work processes in SMEs (Foss, 2011; Salvato, 2009; Salvato and Rerup, 2011) especially on the

role of managerial feedback and how it can facilitate (or inhibit) change (Akgun et al., 2007; Soriano, 2008; Wischnevsky et al., 2011). Researching feedback and change is even more critical when it comes to manufacturing SMEs that operate in volatile and dynamic environments (Antonacopoulou and Sheaffer, 2014) where they conduct their operations in challenging market circumstances (Hoskisson et al., 2000). Therefore, many authors make an ‘academic call’ where they emphasise the need for more empirical studies of managerial feedback in relation to change processes in SMEs (Tourish, 2013; Petrick et al., 2016).

In this respect, this study seeks to explore and understand how managers in SMEs perceive feedback in changing their processes and the features of feedback that they need to focus on in order to facilitate change in less formalised contexts. Due to their size and structure, SMEs need to be particularly adaptive to complex and changing environments. Besides, within SMEs, managers face distinctive challenges such as relational intensity, survival risks, resource constraints and very often a high degree of procedural informality. In this context, studying feedback requires paying special attention to the role of managers who seek to affect change via reflective practices for different purposes. As such, SMEs provide an insightful setting for the study of the role played by managerial feedback in initiating changes. Following this line of inquiry, our paper is articulated around two main research questions:

RQ1 How do managers in SMEs perceive feedback in dealing with change from an operational processes perspective?

RQ2 Are there any particular aspects of feedback that managers in SMEs use in facilitating change?

In order to address these questions, we conducted an in depth qualitative study. The data collection process covered thirty (30), in-depth, semi-structured interviews with managers, twice over a period of fifteen months, and observations over a period of three months, in six manufacturing SMEs in three countries (i.e., Greece, Bulgaria and Serbia).

The main argument is that feedback plays a critical role in implementing change in operational processes in SMEs (Holmboe et al., 2010), however, this is influenced by specific features of feedback (Goodman and Wood, 2004; Maurer et al., 2003). In particular, managers appear to be reluctant to successfully implement change using formalized feedback mechanisms. They do understand that formalized feedback can create more problems than solutions (Mulder and Ellinger 2013) and, therefore, a less formalized practice of feedback

may allow managers to better face and address the challenges (Ashby and O'Brien, 2007; Wang et al., 2014). Through informal, benefits-oriented and confidence-oriented methods of feedback, managers seem to adopt more pragmatic and practical approaches to such change (Hattie and Timperley, 2007). Moreover, through these practices, managers seem to anticipate aspects of change as interconnected and challenging (Anseel et al., 2015). In short, this paper focuses on bridging through the existing knowledge by theorising feedback as an informal, socially constructed practice whereby managers and employees not only merely exchange information and share knowledge, but also act, react and interact with each other as they face the need for modernisation and transformation of internal practices/processes.

Understanding feedback as a means of change within SMEs

In organizational studies the importance of feedback in SMEs is emphasized in management theory (Ashby and O'Brien, 2007) as a (managerial) practice of facilitating change in work processes. Different studies consider feedback as a meticulous practice that creates the predisposition for change, in particular, when organizations are operating in volatile environments (Mulder and Ellinger, 2013; Skule, 2004). Subsequently, organizations operating in volatile environments consider the opportunity to understand behaviors, actions, activities and operations as they occur. Illustrating this issue further and from a practical perspective, Ashforth and Kreiner (2002) discuss the discrepant events during the change process, and indicated that such events were swiftly normalized, rationalized and interpreted to become consistent with an existing environment. Therefore, feedback, as an important managerial practice, expands employees' knowledge, and develops cognitive alertness, which seeks to understand how people react to and cope with enacting a new reality like change (Fedor et al., 1992; Maurer et al., 2003). This occurs through certain managerial activities such as recognising the importance of change processes (Fedor et al., 2001), enhancing knowledge as a conducive source of shaping the change initiative (Raemdonck and Strijbos, 2013), and increasing the knowledge of change outcomes (Linderbaum and Levy, 2010).

Marjan et al. (2013) argue that SMEs comprise many informal activities that employees have to deal with that increases learning during the change process. Therefore, a significant factor for constructing this process is the interaction between individuals (managers and employees) through feedback (Maurer et al., 2003). The process of change is considered as opening the gate for engagement into feedback or, to put it differently, feedback is the first social mechanism that emerges when considering change in organizations. Taking this into account, very often organizations do not provide a flexible structure that, through initiatives of structural transformation, other processes occur in darkness, which necessitates additional effort to accordingly understand and interpret new

schemes. In this vein, many authors place more attention on the timing of feedback and the linguistic manner in which it is deployed to facilitate any emerging obstructions during the change initiative (Holmboe et al., 2010; Shute, 2008). This means that feedback contains three critical facets: function, form and content (Tata, 2002). In essence, depending on the situation, time, scale of change demanded and context, managers' feedback undoubtedly differs in terms of content, form and approach (Linderbaum and Levy, 2010). For instance, the development of managerial feedback in large organizations has tended to be more structured, formal and written rather than in SMEs where managers seek a deformalized communication process, for instance in performance appraisals or when considering changes. Therefore, London and Smither (2002) argue that feedback's content and form are critical features that influence its quality. When feedback is received from a credible source like managers, it is perceived by employees as important for creating the infrastructure to implement changes in processes (Holmboe et al., 2010; Mulder and Ellinger 2013). Feedback that is considered to be reliable increases confidence and plausibility (Steelman and Rutkowski, 2004).

In a similar vein, there are arguments suggesting that specific feedback initiatives contribute more towards the change process in SMEs (Goodman and Wood, 2004; Mulder and Ellinger, 2013). In particular, directing specific informal feedback related to employees' daily performance can identify the gaps and reduce tensions. As suggested by Tsoukas and Chia (2002), behaviors should systematically be connected to the changes occurring.

Despite SMEs being mainly informal workplaces, scholars have tended not to emphasise the role of informal feedback on processes implemented (Cleeton, 1992) given that informal feedback can possibly bring better results during the change process (Ashby and O'Brien, 2007; Sussman and Sproull, 1999; Steelman and Rutkowski, 2004; Wang et al., 2014). For example, Westerman and Westerman (2010) suggest that informal feedback (e.g., face-to-face) increases the chances of accurately exposing the significance of change because it leads the debate towards individuals' roles and relations in the change process. When an organization's members face change, this is manifested in their expressions of surprise because a gap appears in their expectations vis-à-vis the current experience in various social interactions. This seems to reflect and activate feedback because a gap is created and a cue emerges; a situation necessitates additional interpretation, clarification and enactment. Similarly, some scholars argue that written feedback allows managers to contemplate the idea behind a change initiative and to positively reflect upon this process (Becker and Klimonski, 1989; Evans 1996; London and Smither, 1996; Maurer et al., 2003). Feedback is considered

to be critical for change in SMEs (Kunda 1992; Alvesson and Willmott, 2002), however the formalised practices of delivering feedback still dominate the literature.

In short, there is wide recognition in the change management literature that feedback is an indispensable process, particularly in altering dysfunctional processes. It appears to be one of the critical managerial practices that can facilitate (or inhibit) change. By regularly using feedback, organizations can alter processes that they want to change (Willis et al, 2009). Nevertheless, the main knowledge in relation to feedback and change comes from research on larger organisations (e.g., Szamosi and Duxbury, 2002). What has been less explored is the managerial feedback practice in SMEs during internal change processes.

Managers' feedback in a change process in SMEs

The process of change requires that managers understand the steps that need to be taken and their consequences. In this respect, initiating change requires the anticipation of different, unexpected, challenges that may influence the process (Heifetz and Laurie, 1997). When a change initiative is undertaken managerial actions need to be aligned with the rationale of establishing the basis for new practices (Mulder and Ellinger, 2013). This argument is supported by Colville et al. (2012) as we live not in times of continuous change but continuous discontinuous change – emphasizing the difficulty in recognizing how to act in a complex world that very often is not just equivocal but unpredictably equivocal, which makes managerial feedback's role crucial in guiding employees during the change process.

Recent work on change has accentuated the influence of managerial feedback in facilitating readiness for, as well as contributing towards acceptance of, change in processes (Greta and Karahanna, 2013; Jabri, 2004). Feedback contains a dynamism that formulates a way of clearly recasting how organisations respond to changes (Feldman, 2000; Pentland and Reuter, 1994). The interconnection between feedback and change in processes is important in creating a balance of initiating incentives that shape change but also establish stability that may allow the development of a stronger competitive advantage in highly dynamic environments (Farjoun, 2010; Tsoukas and Chia, 2002). Putting this into context, the role of managerial feedback is perceived to be deterministic especially within organizations that are focused on task improvements (Lechner and Gudmundsson, 2014) through accentuating specific suggestions related to what could be changed and how this change will be facilitated (Battistelli et al., 2013).

Therefore, from a management perspective, change relies on the development of internal channels of communication and feedback related to reconciling a set of broad interest during an internal initiative (Osterman, 2000). As such, feedback reduces negative concern and preoccupation of change by increasing the sense of urgency in providing the necessary information and direction (Eby et al., 2001) in order to provide clarity during the change process (Greiner, 1992). Failing to engage in conversation and apparently abandoning feedback during the change process might be associated with producing negative consequences that mitigates the opportunity to understand behaviors, actions, activities and operations as they occur. In addition, a manager's role in facilitating the process of change is widely acknowledged (Gold et al., 2001; Nonaka and Takeuchi, 1995) as a driver of understanding the internal necessity of change through, among others, delivering on-going feedback. Therefore it could be said that feedback is an important and significant 'resource', which managers utilize to change processes by creating internal room for additional information due to the need to alter work processes (Petrick et al., 2016) as a constructive practice of performance improvements.

A manager's ability to provide feedback can impact the change process, since it can be seen as enhancing skills, understanding the necessity for change, enriching its scope (Brown and Eisenhardt, 1995) and reducing resistance (Goleman, 2000). As Nilakant and Ramnarayan (1998) point out, initiating change involves focusing simultaneously on managing organizational resources and processes which make the implementation process a dual, and complicated, task. In this vein, managerial feedback is geared to motivate employees and increase self-awareness, thus contributing towards healing / emerging phenomena such as resistance (Fleishman and Cleveland, 2003). Weber and Weber (2001) extended this idea by emphasising that employees will be more inclined to seek and contribute to changes in operational processes if managers dedicate additional effort to build the perception of organizational readiness for change by updating employees with indicative information through different feedback mechanisms. Managers are, however, aware that feedback as an on-going process can be both flexible and simple yet sometimes complex and confusing (Anseel et al., 2015; Hattie and Timperley, 2007; Jawahar, 2010; London and Smither, 1996). Therefore, feedback is understood as a mutually important process of interaction between its provider and receiver and is dynamic (Ashford and Tsui, 1991; Mulder and Ellinger, 2013; Polites and Karahanna, 2013).

Overall, although there is some literature suggesting the importance of feedback in facilitating change processes (Bresnen et al., 2005; Fleishman and Cleveland, 2003), it seems that less effort has been made to explore the particular aspects and features of feedback that

can be used to enhance change within smaller organizations. In other words, there is a need to understand the way that managers in SMEs perceive feedback in changing their processes as well as the aspects and features of feedback that they need to focus on in order to facilitate change in less formalised contexts. The present study explores the ways through which managers provide feedback in SMEs by focusing on manufacturing organizations operating in different business contexts. The next section explains the methodology used and the analysis provided.

Methods

The context of the Study

The study was conducted in three countries that have dynamic and volatile market environments resulting from the recent economic crisis; Greece, Bulgaria and Serbia. The crisis resulted in a series of changes that organizations, and especially SMEs, needed to apply in order to rationalize their operations thereby increasing the chances to survive in such challenging business environments (Allmendinger and Hackman, 1996). Greece has been affected since 2009 by a critical debt crisis that has seriously affected peoples' socio-economic life, causing high levels of unemployment, job insecurity, and poverty, as well as impacting on companies' survival (Wood et al, 2015; Ifanti et al., 2013; Kondilis et al., 2013). SMEs have encountered issues such as liquidity problems (Kouretas and Vlamis, 2010), layoffs (Argyrou and Tsoukalas, 2010), and increased workload density for staff (Katou, 2013). This situation has pushed SMEs to adopt new management and production practices having as their main target to survive. A similar environment exists in Serbia and Bulgaria where both countries face what has been called 'Wild Capitalism' (Upchurch and Marinkovic, 2011). Both economies have been transformed to 'transition', 'emerging' or 'new-born capitalistic economies', characterised by the fragmentation of businesses and employment systems, with components of both state management and liberal marketization (Brewster et al., 2010). This process of economic liberalization has not come without cost, since millions of workers in both countries lost their jobs and approximately one third of their population live at or near poverty levels (Vujosevic et al., 2012; Vatchkova, 2009). This transformation process has brought significant changes to organizational life, especially for SMEs (Estrin, 2009) whereby they needed to adopt a series of new working methods in order to survive. In short, SMEs in Greece, Serbia and Bulgaria provide a context of continuous change within

which various management practices can be explored, like feedback and its role in the change process.

Data Collection

This research embraced a case study method of data collection and research investigation. In line with the views of Yin (2003), the purpose of embracing a case study illustrates an empirical inquiry that researchers seek to investigate a particular phenomenon within its real context, particularly when the boundaries amid phenomenon and context are not vivid. Following a case study demonstrates that the researchers are focused on collecting primary data thus allowing for the construction of knowledge on the selected organisations. In this respect, building upon Mitchell (1983) and Yin (1984), primary data allows for the creation of theoretical development, which is one of the most significant strengths of this approach.

The SMEs selected to be part of this study were operating in the manufacturing industry as these offer a very interesting organizational context since they have adopted a series of changes (operational and process oriented) as a response to pressures from their business environments (Psychogios et al., 2016). The process of data collection was conducted over a period of fifteen months and included interviews and observations with managers. The data collection process was undertaken following a two-stage process. We began by selecting manufacturing SMEs in each country through the respective Ministries of Trade. After screening we requested a meeting with the respective owners in order to discuss the study and gain accessibility, emphasising the importance of the research by explaining its purpose and guaranteeing the confidentiality of information (Seidman, 1998) as well as outlining any ethical considerations potentially impacting on the proposed study (Malhotra and Peterson, 2001). We visited more than 18 different manufacturing SMEs in all three countries and after discussions, as well as following strictly our main aim of researching SMEs that are conducting change in their operations and processes, six (6) SMEs agreed to participate. The sample of manufacturing SMEs as well as the managers was based on non-purposeful sampling (Gregoire et al., 2001) that allowed us to choose managers as well as organisations related to the research objectives (Teddle and Yu, 2007). Therefore, manufacturing SMEs as well as managers were selected in the researchers' efforts to obtain important information that could not be obtained from other sources. The specific manufacturing SMEs selected are shown in Table 1.

Insert Table 1 about here

A total of 30 semi-structured interviews with managers working in six manufacturing SMEs were conducted. In each organisation, we interviewed five managers, in two stages over a period of 15 months (Table 2). We conducted the interviews with managers based on their hierarchical and functional organizational positions. In each SME we interviewed managers responsible for leading different functions like finance, human resources, marketing, operations, IT, production and R&D. All the interviews were conducted in English and lasted approximately seventy minutes (Table 2 provides more information due to interviewing process with managers in manufacturing SMEs).

Insert Table 2 about here

As shown in Table 3, the issues covered in the first phase of the interviews were in reference to a manager's role, the specific change process in their respective companies, managerial feedback and the application of management concepts related to change processes. The questions posed were based on the previous work of Holmboe et al. (2010), Mulder and Ellinger (2013), and Shute (2008). The rationale behind these questions was to focus on particular events that take place daily inside SMEs thus enabling respondents to use their personal experience and cognitive understanding. In order to avoid receiving responses to recent incidents, as well as comply with the strengths of case study research, we also asked the same managers for examples in different time periods. In the second phase we modified the interview protocol slightly placing more emphasis on relations between feedback and change. In particular, we emphasized the role of feedback as a managerial practice in creating changes in operational processes and the types of feedback that increase the chances for change. In both phases, we also explored responses related to the challenges SMEs faced in these countries due to crisis and turbulence. The list of both rounds of questions was developed in English since all managers were fluent English speakers. This helped in order to expand the knowledge of conceptualising managers' approaches to change through recalling some issues being discussed in the first round of interviews and moving forward on newly established ideas, challenges faced and engaging in feedback during this period of time.

Insert Table 3 about here

Through this investigation, we were able to directly observe the managers interviewed in their day-to-day operations. We also had permission to monitor four managerial meetings with their teams (or other managers), which included discussions of daily activities. Our participation in these official meetings was explained in advance. The observation process helped us to better understand managers' reflections on critical issues raised during the interviews. In other words, we put equal attention on informal as well as formal aspects discussed during these meetings. The rationale behind this was to focus and understand how managers develop their feedback mechanisms when it comes to processes including performance, hiring policy appraisals, adjusting to new technology established processes etc. We did not record anything being discussed, but instead took notes, which were analysed afterwards. All data was extracted and then shared with the other members of the authorship team for analysis (Balogun et al., 2015).

Data Analysis

We approached the vast amount of the data collected, from an inductive analysis viewpoint. We moved back and forth amid the data collection, transcription and other materials (e.g., notes from meetings) which involved a standard, systematic, inductive set of processes where we then thoroughly proceeded through the existing structure of theoretical arguments on feedback and change in order to develop an iterative data analysis process (Strauss and Corbin, 1990; Miles and Huberman, 1984). This provided us with a consistent framework that vividly explains and captures the richness of the data and creates the coherent argument of expanding the theoretical contribution.

Moreover, we began by constructing managers' experiences and reflections due to the change process mentioned during the interviews as well as extracted from observation notes (Langley, 1999). In line with Creswell (2014) we developed a common organizational database in which we carefully created and annotated categorical and chronological analysis of the data. We then worked with these resources in order to understand managers' feedback in SMEs during the change process. In addition, the data was analysed using NVIVO then subjected to content analysis (Bryman and Bell, 2007). The significance of content analysis is recognized as an accurate technique that provides the possibility to replicate the usable approach of interpretation from the unstructured actual data to a more rational and comprehensive one (Mayring, 2004; Schreier, 2012; Krippendorff, 1980). Content analysis is used as a systematic method for ascribing the meaning of the qualitative data and is applied through the coding frame (Schreier, 2012).

We meticulously combed the data searching for dominant prevailing themes. The majority of the managers interviewed used a variety of themes to describe their position on different issues and this data was then classified, grouped and regrouped in order to facilitate the analysis process. During the entire research process, we paid attention on creating second-order codes in order to improve the research. In other words, we worked around the second-order codes numerous times in terms of gathering new data during different stages and re-analysing documents coming out of observations collected, our notes from the field and the scripts managed to produce. Moreover, we need to emphasise that the second-order codes appeared from a repeated process that necessitated amalgamating our first-order codes, different research notes and theoretical concepts developed in this research. Therefore, this process allowed building our second-order codes, which created the fundamental research themes underlying the present paper. Moreover, the first second-order code revolved around the manager's informal feedback on triggering change. The second second-order code was concerned with the manager's benefits-oriented feedback on change. The third secondary-code concentrated on the manager's confidence-oriented feedback (Motivation).

Insert Table 4 about here

Findings

We organized our findings around the three key dimensions found to be linked to managerial feedback related to the change process: informal feedback, benefits-oriented feedback and confidence-oriented feedback. We analyse each of the above dimensions by presenting the data derived from our interviews.

Insert Figure 1 about here

Informal feedback

Most of the times change within organizations is based on an idiosyncratic attribute of managerial initiative in transforming and adapting organizational processes (Tsoukas & Chia, 2002). The role of feedback is critical within this process of change. In particular, feedback encompasses various steps and methods in articulating the rationale for change. Change is

usually commonly abstractly perceived (Stacey, 2010). Although, researchers are very keen to investigate managers' responses to change within organizations they fail to emphasize and explore the triggers of change and how such triggers are understood by managers.

Conducting interviews and observations with managers in manufacturing SMEs unfolded the criticality of managerial feedback in triggering operational and process oriented change. Managers perceive feedback as a powerful means in dealing with various inter-organizational processes. In particular, they do recognize that what facilitates change is an informal means of constructive development of social (justifiable) feedback rather than formality. Because the change process demands structural incorporation from the management side to feedback and feed-forward regarding the various situations created to avoid internal instability of the processes implemented. Managers emphasised the strengths of the informal feedback that, besides avoiding instability, also helps in engineering internal divergences that could spread negative implications to the patterns of change. This argument is supported by previous research illustrating the importance of conversation and dialogue in change as a salient practice for synthesising information, and accentuating the understanding that allows evaluating patterns of change through meaning construction (Ford and Ford, 2008; Hernes, 2008; Jian, 2011; Karp and Helgø, 2008; McClellan, 2011); however, this study argues that informal feedback towards employees accentuates the importance of delegitimising or disempowering structural feedback, and prioritising the social mechanisms (dialogue) in creating positive predispositions for change.

The practice of delivering informal feedback is specific and seeks contemplating details whereby managers demonstrate the social aspect of internal cooperation established in a close relationship with employees. The collective collaboration consists of developing the tendency for internal flexibility, especially in cases where SMEs promote a decentralized hierarchy and where the perceived power distance is low. This was very much the case in our discussion with many managers illustrating the indisputable power and benefits of informal feedback in delivering concrete explanations and suggestions related to the necessary improvements required (Anseel and Lievens, 2007) without damaging morale, contesting intellectual abilities, or compromising performance commitment. As Wang et al. (2014) argue, the notion of feedback enhances acceptance of decisions even in turbulent conditions (much like those that SMEs face) as long as it is summarily justified through informal channels of communication. The managers sampled, therefore, recognise the rapid structural (departmental) movement that informal feedback produces especially in SMEs which are less

bureaucratic workplaces but this does not preclude the objective towards change and diminishing performance results. A Human Resource respondent stated that:

"... I also go out for lunches with some of the employees where in a more relaxed way I use to give feedback. I believe that my words [refers to feedback] are much more appreciated." (HR Manager, September 2014, Greece)

'Lunch' in this statement might be a strong indication that informal feedback may fit many managers' styles better because it may be considered as constructive advice and emphasises that establishing change in SMEs is a matter of interpersonal development. Such an unconventional leading philosophy of change displayed by the manager above opens the discussion towards understanding the importance of keeping, official, bureaucratic meetings to the minimum and promote more social and almost daily basis contacts with employees as a more pragmatic way of leading a change imitative. Although SMEs, put rules in place that attempt to organise and guide managerial feedback in a formal way, nevertheless, in practice, managers are aware that rules may not be the most effective. Therefore, many respondents recognised the problems that a formal approach of feedback might drag them into. At the same time managers demonstrated their commitment in guiding their staff to appreciate feedback as a managerial practice to improve what they are already doing:

"I do not like strict rules on communicating ideas and advice to my employees, because it is not the best way to speak to employees" (Operation Manager, November 2014, Greece)

"I think informal ways of giving feedback have a major positive impact on change, since through them we achieve to control more the situation internally and in this way we create the sense of stability" (Finance Manager, October 2014, Serbia)

"We normally suggest the staff to be open and patient even when they receive criticism for their actions, because this is part of the management and leadership philosophy in this company. However, we [Refers to him and other managers] do recognise that the criticism should be provided in a manner that will not stress employees, but in a way to make them better" (HR Manager, December 2014, Bulgaria).

The abovementioned quotes exemplify that managers do not understand change as static or rigid, but as a flexible and dynamic process, necessitating diligent and meticulous steps to be continuously implemented. They imply that during the change process criticism should be replaced with patience of what is happening or what is going to happen, and any unsophisticated managerial efforts of showing structural muscles is not healthy in terms of willingness, confidence, and eagerness, which raise the issue of how informal feedback is perceived, it's characteristics and attribution in content and form in establishing better

cohesion in organizations. Moreover, the above responses from research participants show that informal feedback has another practical implication; it can create a sense of stability, which is appreciated more by employees. In addition, informal feedback is more valued in producing broader organisational benefits facilitating the process towards change like efficiency, learning, and creating better external partnerships with other subcontractors.

“Informal feedback is everyday activity of the project managers, where they have to give feedback to subcontractors and employees on the work carried out (sic) during the day” (IT Manager, June 2014, Greece).

Thus, managers understand that the change process can be enhanced where feedback is attributed more to content, quality and credibility than in the more traditional ways being hierarchical, structural and function-driven.

Benefits-oriented feedback

The research on feedback unfolds managers' convictions that feedback is a critical process in SMEs especially as they attempt to establish and manage the change process. Managers link the importance of feedback to the process of articulating further continuous improvement in operations and processes. This research demonstrates, not surprisingly though, that managers embrace feedback as instrumental not only in setting the predispositions for change, but also pursuing change as a performance improvement tactic. Deploying daily feedback is related to an initiative of preventing internal efforts far away from establishing a mechanism of indirect control. This type of managerial care is not accomplished by strictly designing and applying structures or procedures in order to overcome resistance to change, but illustrates a new process whereby managers reflexively explore what is needed and what is best in order to thoroughly and thoughtfully cope with change. Therefore, feedback is not perceived simply as a method or tool, but as an embedded practice that it is significant, valuable and powerful in the context that it is intended to improve overall performance:

“Well, feedback I think helps performance by standardising the activities, thus meaning that the cost of an activity can be lower” (Production Manager, February 2014, Serbia)

“Feedback helps performance improvement by establishing capabilities that can be used as competitive advantage” (Quality Manager, December 2013, Bulgaria)

“It [Feedback] has a crucial role in overall performance of our company, since can help drastically shape behaviour of employees” (Sales Manager, January 2014, Greece)

Our respondents emphasized this dynamic and socially constructed trajectory of feedback as a positive inclination towards articulating the role and influence of sharing ideas, notions, suggestions and advice that aids in facilitating change. Looking carefully at the above quotes it is interesting to observe the motives of managerial initiatives in conducting change. The main purpose of the change process regardless if it is targeting operations, processes or even merging, downsizing (rightsizing) is to re-establish 'order'. This is seen even in managers' thoughts that referred to improving 'performance by standardising practices', 'capabilities' that might create competitive advantage, and also developing employees' skills in the workplace. Therefore, the notion of feedback as a dynamic and socially constructed process is associated positively in their (managers) minds with results in critical stages of organizational development and transformation. This was the case in the SMEs of our sample, in particular, when they were making technological investments to enhance productivity. Businesses are very much connected to market pressures and turbulences that push them to adopt solutions faster in order to adjust to fluid situations and maintain their positions. It seems that feedback can be used as an explanation mechanism in helping employees to more quickly adapt new practices and technologies:

"By explaining things to employees and guiding them how to do the job it usually makes them to feel secure how their performance can be improved, especially when it comes to adapting new technologies" (HR Manager, March 2015, Greece)

"I think that feedback is an excellent way to explain things to people. It can be used to make them understand the need to do things differently seeking in boosting their productivity" (Operation Manager, February 2015, Bulgaria)

Considering the positive impact of feedback on change as a managerial practice that aims performance improvement, it can also help organisational actors understand what should have been done differently in comparison with their actions, and adjust them towards proper direction. This could be noted by our participants' views that people are not reluctant in constructively changing from *orthodoxy* (conventional way of doing things) to *orthopraxy* (doing things in a correct manner), especially when indicative feedback is given.

"I think the more specific feedback could yield better results for my company. For example, if employees can understand specifically why they need to do something then they could push their performance" (Construction Manager, February 2015, Greece)

"In the manufacturing industry you have to have more rules for every activity. However, I think that through feedback can explain specifically to people the reasons of doing things better. Feedback should also be clear and easy to be followed from the employees" (HR Manager, April 2015, Serbia)

Moreover, in managers' minds, specific feedback is associated with a tendency of providing particular guidance for internal processes. Thus, specific feedback on particular employee behaviours, attitudes, the way of completing duties in organisations, or the right way any task needs to be done, has a positive effect on changing practices and habits because it triggers self-reflection. This can be seen with many of the managers in our sample that highlighted the benefits employees receive from this type of feedback, because the likelihood of making mistakes decrease, and arguably affects significantly employees' motivation in practicing daily tasks:

"After performance is closely related with motivation this is an additional issue, you know, that needs to be addressed" (Production Manager, February 2015, Serbia)

In this vein, specific feedback contains value as long as it proactively directs behaviour during the process of change by increasing employees' willingness to contribute to change implementation. Extending this idea further, an organization's members will be more inclined to adopt the change if managers dedicate additional effort to create the awareness of organizational readiness for change and through creating a continuum practice of updating employees with specific feedback during the process (Weber and Weber, 2001).

Confidence-oriented feedback (Motivation)

Respondents recognised that manufacturing SMEs continuously face challenges derived from the external environment that influence their performance. Nevertheless, the key for SMEs based on the discussion with managers is to adjust continuously to these challenges. This requires from manufacturing SMEs, and especially employees, to be persistent which in turn underlines the importance of being confident throughout the change process. Moreover, being and staying confident during the change process is a challenging thing to do because actors' expectations might be antagonistic to practical experiences. Therefore, managers in our sample emphasized the significance of engaging in mutual conversations with members of staff during challenging times. In their views, feedback can critically add to increasing the overall confidence of employees. Feedback helps employees not only in increasing their knowledge, skills, abilities and awareness, but also during a crisis period aims to scale up confidence:

"In this entire volatile situation I found that delivering feedback continuously towards improving behaviours and attitudes is useful in increasing the credibility and confidence and help them to have a comprehensive picture of what and why things are happening" (Operation Manager, January 2015, Bulgaria)

1
2
3 *“Proper feedback can help employees feel more confident,*
4 *especially, when the company had to deal with a difficult situation” (Sales*
5 *Manager, January 2015, Bulgaria)*

6
7 *“In our company it is important that employees feel comfortable in doing their*
8 *jobs, and respond properly to unexpected issues. Communication is vital in order*
9 *to help them feel comfortable (Logistics Manager, December 2014, Greece)”*

10
11 From the evidence above, we can also argue that managers demonstrate practically
12 the importance of increasing confidence during difficult times through delivering feedback.
13 Particularly they emphasize confidence as an engine that helps to manage manufacturing
14 SMEs in volatile circumstances. We therefore argue that feedback seems not only to be a
15 managerial practice in (re)directing, (re)adjusting, (re)evolving, (re)developing human's
16 behaviour, but also shaping proactively cognitive thinking. This argument helps to indicate
17 the salience of feedback in preserving unity during challenging times. Furthermore, managers
18 emphasized the importance of confidence without downplaying the benefits of stability. This
19 justifies the notion that the overwhelming conviction behind the rationale of change from a
20 manager's perspective is not only paying attention to facilitate change, but also how
21 managers contribute to increase employees confidence, which is manifested in creating
22 stability. The findings in our research suggest that stability is a strong derivate of managerial
23 feedback that in turn can increase employees' confidence:

24
25 *“When I give feedback to my people I always try to be calm in order to avoid*
26 *stressing them and make them believe that the situation is unstable and difficult”*
27 *(IT Manager, November 2013, Serbia)*

28
29 *“Feedback has a direct impact on creating the sense of stability within the*
30 *organisation. This is important for all of us” (HR Manager, March 2015, Greece)*

31
32 *“I think feedback plays a major role in making employees see the opportunity of*
33 *things go normal” (Sales Manager, April 2014, Bulgaria)*

34
35 This interaction between establishing stability and feedback supports another
36 interesting argument, namely claims that organizational change demands managerial
37 feedback in order to preserve internal coherence and demonstrate an open and people-
38 oriented management style. We therefore posit that *Taylorism*, and its ideas of command and
39 control, are not as relevant to SMEs' undergoing change. Managers recognise that
40 establishing confidence and stability through managerial feedback is perceived to manage
41 organisations through emphasising the benefits, and divesting from instructive approaches of
42 leading operation activities, and therefore feedback can help employees have a clear and
43 logical view (Willis et al., 2009). This interconnectedness between feedback and confidence

increases the opportunity to expose learners “internal cognitive” aspects, and practitioners “affective processes” to expose the consistency of feedback (Mory, 2004). In other words, what seems to be important in managers’ mind set is organizational sustainability, which can be achieved through the coexistence of confidence as the core of generating stability during the process of change.

Discussion

Managers attempt to guide human actions as useful processes of generalising and institutionalising particular meaning in change construction (Tsoukas and Chia, 2002; Onkelinx et al., 2016). Arguably, this forms the present approach of managers’ inclination regarding change (Westphal and Zajac, 1998) through recognising feedback as a critical deformalized, rather than instructive, practice.

SMEs are generally known for their low power distance, meaning that there is wider opportunity for employees to be involved in decision-making. Feedback seems to enhance the opportunity to constructively participate in various initiatives that demand encouragement from both sides. At the same time, it creates a better infrastructure for harmonizing the efforts of ensuring task coherence and improvements. This demonstrates the possibility of developing informal dialogue as a more flexible and suitable means for sorting out different problems. SMEs’ organizing structures allow managers to use an informal rather than formal manner of providing guidance to subordinates as long as a strong interconnectedness exists between managers and employees. This approach places more attention in emphasizing the informal discourse on providing feedback and presupposes the compatibility of relationships developed based on informal and social channels of communication rather than rigid and bureaucratic systems that formalise, to a large extent, the entire feedback process, and therefore diminish the deconstruction of structural ‘relevance’ of conducting change.

Implementing change in manufacturing SMEs through establishing an informal practice of feedback is essential, especially in turbulent conditions, since these situations require stronger interpersonal relationships and cooperation that may determine even overall success or failure. Therefore, embracing an informal attitude towards solving problems in challenging business contexts illustrates the salience of managerial attitude towards change, because it displays a clearer understanding of the organizational context; being formal in an informal workplace like SMEs exposes disintegration with the reality. Moreover, it elucidates a managerial philosophy of conceiving change as a process that involves social actors

(employees) which, paraphrasing Antonacopoulou (2014), when managers take a stance they usually stand up for what they stand for.

The process of change might not always be successful, although every initiative of change might be considered as a success philosophically. Nevertheless in our sample of SMEs, we have seen indications of conceptualizing the change process as a critical organizational reality that has to occur at certain times and that demands unconventional actions like decentralizing the hierarchy towards a more comprehensive social interaction that fits better to feedback practice. This interaction appears to generate benefits that can tackle as well as enhance both individual and collective performance.

Managers also underscored specific aspects of feedback as relevant towards particular tasks conducted, behaviour expressed or actions performed that has a better chance to capture the idea of change (Tsoukas, 2005). This finding is consistent with studies claiming that when organizations cultivate and use specific feedback, they actually contribute towards prioritizing this within working environments that have the ability to reshape change (Becker, 2010) because managers can help employees change their behaviour and more effectively align themselves with job demands (Pousette et al., 2003). By using specific feedback, both the performance and the need for change are simultaneously understood (Wilhelm and Bort, 2013). Particularly this research demonstrates that, in turbulent business environments, there is an additional dimension required to provide a specific 'picture' of what needs to be changed in manufacturing SMEs and how the proposed change can be communicated to organisational members. This is an additional example of managerial involvement in finding the most appropriate practices that enable and foster dynamic social instruments of enhancing performance compatibility with management demands.

Furthermore, the notion that organizational change is a natural rather than exceptional process (Tsoukas and Chia, 2002) is widely prevalent in the manufacturing SMEs. Feedback is conceptualised as well as practiced as a positive managerial means of increasing confidence during the change process. The salience of feedback is seen to contribute towards increasing employees' confidence particularly in a critical period where order is disordered for the purpose of reordering. Internal communication not only reflects inside an organizational context, but also how staff are treated. Paving the way for establishing change based on the findings coming out of this research challenges scholars to further investigate the rationale what managers embody and practice in their judgment. This suggests that when

managers deliver feedback they do not only look for change, but also keep an eye towards stability. In other words, managers are looking for the coexistence of change and stability in parallel. Based on the empirical evidence of this study, we argue that managers, by using *informal*, *benefits-oriented* and *confidence-oriented* feedback, enhance the feedback process itself by expanding their meaning; feedback is no longer used as just a *feeding-back* practice, but it is also perceived as *feeding-forward* practice that emphasises and invests on employees' knowledge, experience as well as practical wisdom. As a *feeding-forward* practice, feedback does not only facilitate (through informal communication) the change process by improving and correcting employees' actions (*feeding-back*), but at the same time it also emphasizes the importance of stability as a critical aspect of change by targeting on benefits (performance) and confidence (motivation) of employees that in turn can provide the sense of stability. Therefore, this research suggests that managers put in clear efforts to move change and stability hand-in-hand in the minds of organizational actors in times when internal transformation, structural disintegration and horizontal engineering occur.

Conclusions

Organizations are not static focusing only on one way of determining their scope of activities in relation to external fluctuations. The pragmatic argument in this context lies in the circumstance that generally SMEs comprise a flexible structure that provides room for multilateral interactions between managers and employees which impacts on the internal collaboration process. Although theorists and practitioners find themselves in overwhelmingly complicated times (Corley and Gioia, 2011; Weick, 2012), managerial feedback in SMEs changing processes contains some inextricable steps that are not necessarily synchronized but working in harmony in order to replace certain dysfunctional processes that cause negative effects. The present study supports the view that feedback is a powerful and constructive mechanism for change in managers' mind-set, which does not necessarily unfold in a methodological manner. Therefore, in this study, we have reopened the discussion around feedback as a managerial practice.

Theoretical and Practical Implications

In this research, we have investigated and provided empirical evidence from SMEs, on the role of managerial feedback in enhancing change. When managers provide daily feedback targeting change, they employ three main aspects, namely, i) *informal*; ii) *benefits-oriented* and iii) *confidence-oriented*. Implementing these aspects of feedback resonates to

challenge the hitherto conventional, bureaucratic, formal initiatives of directing the process of change, and replacing them with a new pragmatic, practical, more sociable approach. At the same time, by introducing nonconventional mechanisms as well as promoting new paths of understanding change, managers seem to anticipate change as interconnected and mutually challenging. In essence, this research legitimises the notion that managers in SMEs need to increasingly and continually reflect upon the importance of feedback in the change process as well as within the environments in which they operate. Employing deformed aspects of feedback is recognized to substantially trigger change in manufacturing SMEs as this research demonstrates and, at the same time, it is perceived as a clear and meticulous practice of directing activities as an illustrative point. It could therefore be said that this approach is very much determined by the new socio-political initiatives that reduce the feeling of uncertainty and lack of information provided about the change and reduce unfounded fears (Greta and Karahanna, 2013; Keneley, 2009) as a preamble of practically implementing change in SMEs in crisis contexts (Harrigan et al., 2011).

Therefore, this research also provides evidence that feedback should be considered as a dynamic and socially constructed managerial practice. A practice whereby actors not only exchange information and share knowledge, but also act, react and interact with each other as they constantly rethink the change process. The proposed aspect of feedback emphasizes knowledge therapeutically, and in combination with the dialogical discourse (practical illustration) that, increases the odds for capturing change as a natural, rather than exceptional, process (Tsoukas and Chia, 2002). In this situation the internal co-operation between different actors ensures the change process to be as a prerequisite of constitutive mutual reflection that manifests the natural process (D'adderio, 2011). In many organizational situations this 'feeding' approach presupposes avoiding contradictions and fragmentations that often produce reactions like curiosity and anxiety capitalised in an overwhelming attitude that change is an impetus that does not provide flexible structures (Bocchino, 1993) and does not conjoin coordination and interaction among employees and managers. In other words, creating and maintaining change exemplifies the reasons that consciously capture the present dynamic functionality of SMEs. Thus, the proposed three-fold feedback should be conceptualized as a driving force in driving change through ongoing deformed or informal means of feedback.

The proposed three-fold feedback can aid in helping to create the infrastructure for change for SMEs overcome critical problems faced, especially in turbulent times (Garavan et

al., 2016). In other words, the three-fold approach to feedback that this study suggests provides a comprehensive, practical, perspective in articulating the feedback landscape. In particular, these three aspects of feedback help to ensure internal collaboration among managers and employees in order to develop a meaningful business case against internal fluctuations (Ashford and Tsui, 1991; Chaterina and Landeta, 2013; Polites and Karahanna, 2013). We contend that the suggested three-fold managerial feedback should constantly cultivate the rationale of understanding the constructive communication dedicated towards specific processes that enhance the reasons and explanations for change.

Practitioners may wish to consider the terminology used when it comes to studying change and its implementation in a crisis context. Using deformed managerial feedback mechanisms to tackle a formal phenomenon like ‘change’ could help avoid employees perceiving a negative connotation, causing resistance or confusion and feeling threatened. Therefore, we suggest that practitioners, during development initiatives on modernising or altering organizational processes, consider using the term ‘change’ as an informal rather than a formal concept. This will enable greater deformed managerial feedback as well as employing informal (soft) and acceptable terms like ‘modification’ or ‘improvement’. In other words, this will help moving towards more practical, simplistic and tactile terminology that could avoid potentially negative dimensions.

Further Research

This study, however, should be considered as a foundation for further investigations to better understand managerial feedback and its relation to change processes in small organisational entities not only in South Eastern Europe but also beyond. This research opens the doors for further theoretical and practical development from multiple disciplinary fields. In particular, a focus on developing theoretical arguments related to the influence of deformed feedback approaches in *feeding forward* by employing other rigorous methodological approaches like observations, focus groups and ethnography, could be brought to the forefront. Therefore, the framework developed helps other researchers to consider further exploring the areas of informal feedback in *feeding-forward*. The theoretical and practical arguments developed posit informal channels of communication as more practical, useful and beneficial when it comes to changing processes in SMEs. Therefore, developing this topic further in another context as well as in more ‘stable’ SMEs could

provide complementary knowledge. It also will help to understand the differences between research contexts in the implementation process of such practices.

Secondly, placing more emphasis on further exploring the implications of the benefits of feedback toward outcomes in practice or *feeding-forward* is another potential area for development. In particular, focusing on managerial incentives that enable employees to increase performance would provide the opportunity to develop additional knowledge on a daily practical judgment. While behaviour in organizations is routine driven, there is a danger that shared interpretations of reality may inhibit the perceptions of the need for change and the subsequent need for adapting to change. A wider investigation of employees' views could further contribute in this regard as this approach, herein, proved to be quite useful in understanding managers' views on change as a dynamic phenomenon.

Thirdly, this research opens the foundation for further investigation on the factors that boost motivation that help *feeding-forward* particularly in unstable and tumultuous contexts (like South Eastern Europe) where SMEs are faced with a lack of incentives for internal development. Investigating this area could open a new theoretical and practical foundation in the SME literature. Therefore, a comparative analysis among specific organizations may provide richer evidence in shedding a wider light on this area.

Funding Acknowledgment: This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

References

- Akgün, A.E., Byrne, J.C. and Lynn, G.S. (2007), "Organizational unlearning as changes in beliefs and routines in organizations". *Journal of Organizational Change Management* Vol. 20 No 6, pp. 794-812.
- Allmendinger, J. and Hackman, J. R. (1996), "Organizations in changing environments: The case of East German symphony orchestras". *Administrative Science Quarterly*, Vol. 41, pp. 337-369.
- Alvesson, M. and Willmott, H. (2002), "Identity Regulation as Organizational Control: Producing the Appropriate Individual". *Journal of Management Studies*, Vol. 39 No 5, pp. 619-664.
- Anseel, F. and Lievens, F. (2007), "The relationship between uncertainty and desire for feedback: A test of competing hypotheses". *Journal of Applied Social Psychology*, Vol. 37 No 5, pp. 1007-1040.
- Anseel, F., Beatty, A.S., Shen, W., Lievens, F. and Sackett, P.R. (2015), "How are we doing after 30 years? A meta-analytic review of the antecedents and outcomes of feedback-seeking behavior". *Journal of Management*, Vol. 41 No 1, pp.318-348.
- Antonacopoulou, E. P. (2014), "The Experience of Learning in Space and Time". *Prometheus* 32(1): 83-91.

- Antonacopoulou, E. P. and Psychogios, A. (2015), "Practising Changing Change: How Middle Managers Take a Stance towards Lived Experiences of Change, *Annual Meeting of the Academy of Management*, August 2015, Vancouver, Canada (Conference Proceedings – Paper 14448)
- Antonacopoulou, E. P. and Sheaffer, Z. (2014), "Learning in Crisis Rethinking the Relationship Between Organizational Learning and Crisis Management". *Journal of Management Inquiry*, Vol. 23 No 1, pp. 5-21.
- Arghyrou, M. and Tsoukalas, J. (2010), "The Greek debt crisis: Likely causes, mechanics and outcomes". *The World Economy*, Vol. 34 No 2, pp. 173-191.
- Ashby, F. G. and O'Brian, J.R.B. (2007), "The effects of positive versus negative feedback on information-integration category learning". *Perception of Psychophysics*, Vol. 69 No 6, pp. 865-878.
- Ashford, S. J. and Tsui, A. S. (1991), "Self-regulation for managerial effectiveness: The role of active feedback seeking". *Academy of Management Journal*, Vol. 34 No 2, pp. 251–280.
- Ashforth, B. E. and Kreiner, G. E. (2002). Normalizing emotion in organizations: Making the extraordinary seem ordinary. *Human Resource Management Review*, Vol. 12 No.2, pp. 215-235.
- Balogun, J, Bartunek, J. M. and Do, B. (2015), "Senior managers' sensemaking and responses to strategic change". *Organization Science*, Vol. 26 No 4, pp. 960-979
- Battistelli, A., Montani, F. and Odoardi, C. (2013), "The impact of feedback from job and task autonomy in the relationship between dispositional resistance to change and innovative work behaviour". *European Journal of Work and Organizational Psychology*, Vol. 22 No 1, pp. 26–41.
- Becker, M. (2010). "*Handbook of Organizational Routines*". London: Edward Elgar.
- Becker, M. C. (2004). "Organisational routines: A review of the literature". *Industrial & Corporate Change*, Vol. 13 No 4, pp. 643-677.
- Becker, T. E. and Klimonski, R. J. (1989), "A field study of the relationship between organisational feedback environment and performance". *Personnel Psychology*, Vol. 42, pp. 343-58.
- Bocchino, R. (1993), "Are you planning the future or fixing the past?" *Journal of Staff Development*, Vol. 14, pp. 48-52.
- Bresnen, M., Goussevskiaia, A. and Swan, J. (2005), "Organisational routines, situated learning and processes of change in project-based organisations". *Project Management Journal*, Vol. 36 No 3, pp. 27-41.
- Brewster, C. and Viegas Bennett, C. (2010), "Perceptions of business cultures in Eastern Europe and their implications for international HRM". *Human Resource Management Journal*, Vol. 21 No 14, pp. 2568-2587.
- Brown, S. L. and Eisenhardt, K.M. (1995), "Product development: past research, present findings, and future directions". *Academy of Management Review*, Vol. 20 No 2, pp. 343–78.
- Bryman, A. and Bell, E. (2007), "*Business research methods*". Second edition. Oxford University Press: New York.
- Buchanan, D. A. and Huczynski, A. A. (2010), "*Organizational Behaviour*". 7th edition. London: Pearson.
- Charterina, J. and Landeta, J. (2013), "Effects of Knowledge-sharing Routines and Dyad-based Investments on Company Innovation and Performance: An Empirical Study of

- Spanish Manufacturing Companies". *International Journal of Management*, Vol. 30 No 1, pp. 20-39.
- Cleeton, D. (1992), "Is Your Feedback Achieving?" *Industrial and Commercial Training*, Vol. 24 No 9, pp. 9-13.
- Creswell, J. W. (2014). "*Research Design. Qualitative, Quantitative, and Mixed Methods Approaches*". (4th ed.). Limited: Sage.
- Eby, L.T., Adams, D.M., Russell, J.E. and Gaby, S.H. (2000), Perceptions of organizational readiness for change: Factors related to employees' reactions to the implementation of team-based selling. *Human relations*, Vol. 53 No 3, pp.419-442.
- Elsbach, K. (1994), "Managing legitimacy in the California cattle industry: The construction and effectiveness of verbal accounts". *Administrative Science Quarterly*, Vol. 39, pp. 57–88.
- Estrin, S. (2009), "The effects of privatization and ownership in transition economies". *Journal of Economic Literature*, Vol. 47 No 3, pp. 699-728.
- Evans, J. R. (1996), "Leading practices for achieving quality and high performance". *Benchmarking for Quality Management & Technology*, Vol. 3 No 4, pp. 43 – 58.
- Farjoun, M. (2010), "Beyond Dualism: Stability and change as a duality". *Academy of Management Review*, Vol. 35 No 2, pp. 202-225.
- Fedor, D. B., Rensvold, R. B. and Adams, S. M. (1992), "An investigation of factors expected to affect feedback seeking: A longitudinal field study". *Personnel Psychology*, Vol. 45 No 4, pp. 779–805.
- Fedor, D.B., Davis, W.D., Maslyn, J.M. and Mathieson, K. (2001), "Performance improvement efforts in response to negative feedback: The roles of source power and recipient self-esteem". *Journal of Management*, Vol. 27 No 1, pp.79-97.
- Feldman, M. (2000), "Organisational routines as a source of continuous change". *Organization Science*, Vol. 1No 6, pp. 611-629.
- Fleishman, E. A. and Cleveland, J. N. (2003), "*Job Feedback: Giving, Seeking, and Using Feedback for Performance*". (2nd edition). Improvement Awrence Erlbaum Associates, Mahwah: New Jersey.
- Ford, J. D. and Ford, L. W. (2008), "Conversational Profiles: A Tool for Altering the Conversational Patterns of Change Managers". *The Journal of Applied Behavioral Science* 44(4): 445-467.
- Foss, N. J. (2011). "Invited Editorial: Why Micro-Foundations for Resource-Based Theory Are Needed and What They May Look Like." *Journal of Management*, Vol. 37 No 5, pp. 1413-1428.
- Friedman, T. L. (2005). "*The World Is Flat: A Brief History of the Twenty-first Century*". Farrar, Straus, and Giroux, New York: NY.
- Garavan, T., Watson, S., Carbery, R. and O'Brien, F. (2016), "The antecedents of leadership development practices in SMEs: The influence of HRM strategy and practice". *International Small Business Journal*, Vol. 34 No 6, pp.870-890.
- Glaser, B. G. and Strauss, A. (1968), "*A Time for Dying*". Chicago: Aldine.
- Gold, A., Malhotra, A. and Segars, A. (2001), "Knowledge management: an organisational capabilities perspective". *Journal of Management Information Systems*, Vol. 18 No 1, pp. 185-214.
- Goleman, D. (2000), "Leadership that gets results". *Harvard Business Review*, Vol. 78, pp. 78–90.
- Goodman, J. S. and Wood, R.E. (2004), "Feedback specificity, exploration, and learning". *Journal of Applied Psychology*, Vol. 89 No 2, pp. 248-62.
- Greiner, L. E. (1992), "Resistance to change during restructuring". *Journal of Management Inquiry*, Vol. 1 No 1, pp. 61-5.

- Gregoire, T. G., Schreuder, T. H. and Weyer, P. J. (2001), "For what applications can probability and non-probability sampling be used?" *Environmental Monitoring and Assessment*, Vol. 66, pp. 281-291.
- Greta, L. P. and Karahanna, E. (2013), "The embeddedness of information systems habits in organizational and individual level routines: Development and disruption". *MIS Quarterly*, Vol. 37 No 1, pp. 221-246.
- Harrigan, P., Ramsey, E. and Ibbotson, P. (2011), "Critical factors underpinning the e-CRM activities of SMEs". *Journal of Marketing Management*, Vol.27 No 5-6, pp. 503-529.
- Hattie, J. and Timperley, H. (2007), "The power of feedback". *Review of Educational Research*, Vol. 77 No 1, pp. 81-112.
- Heifetz, R. and Laurie, D. (1997), "The work of leadership". *Harvard Business Review*, Vol. 75, pp. 124-34.
- Hernes, T. (2008), "*Understanding Organization as Process: Theory for a tangled world*". London: Routledge.
- Holmboe, E.S., Sherbino, J., Long, D.M., Swing, S.R., Frank, J.R. and International CBME Collaborators. (2010), "The role of assessment in competency-based medical education". *Medical teacher*, Vol. 32 No 8, pp.676-682.
- Hoskisson, R.E., Eden, L., Lau, C.M. and Wright, M. (2000), "Strategy in emerging economies". *Academy of management journal*, Vol. 43 No 3, pp.249-267.
- Ifanti, A.A., Argyriou, A.A., Kalofonou, F.H. and Kalofonos, H.P. (2013), "Financial crisis and austerity measures in Greece: their impact on health promotion policies and public health care". *Health policy*, Vol. 113 No 1, pp.8-12.
- Jabri, M. (2004), "Team feedback based on dialogue". *Journal of Management Development* Vol. 23 No 2, pp. 141 – 151.
- Jawahar, I. M. (2010), "The mediating role of appraisal feedback reactions on the relationship between rater feedback-related behaviors and rate performance". *Group & Organization Management*, Vol. 35 No 4, pp. 494-526.
- Jian, G. (2011), "Articulating circumstance, identity and practice: Toward a discursive framework of organizational changing". *Organization*, Vol. 18 No 1, pp. 45-64.
- Karp, T. and Helgø, T.I.T. (2008), "From Change Management to Change Leadership: Embracing Chaotic Change in Public Service Organizations. *Journal of Change Management*, Vol. 8 No 1, pp. 85-96.
- Katou, A. (2013), "The link between HR practices, psychological contract fulfilment, and organizational performance in Greece: An economic crisis perspective". *Journal of Industrial Engineering and Management*, Vol. 6 No 2, pp. 568-594.
- Keneley, M.J. (2009), "Organisational Capabilities and the Role of Routines in the Emergence of a Modern Life Insurer: The Story of the AMP". *Business History*, Vol. 51 No 2, pp. 248-267.
- Kondilis, E., Waitzkin, H. and Benos, A. (2013), Economic crisis, restrictive policies, and the population's health and health care: The Greek case. *American Journal of Public Health* 103: 973-979.
- Kouretas, G. and Vlamis, P. (2010), "The Greek crisis: Causes and implications". *Panoeconomicus*, Vol. 57 No 4, pp. 391-404.
- Kunda, G. (1992), "*Engineering Culture. Control and Commitment in a High-Tech Corporation*." Philadelphia: Temple University Press.
- Krippendorff, K. (1980), "*Content analysis. An introduction to its methodology*". Newbury Park, CA: Sage.
- Langley, A. (1999), "Strategies for theorizing from process data". *Academy of Management Review*, Vol. 24 No 4, pp. 691-710.

- Lechner, C. and Gudmundsson, S. V. (2014), "Entrepreneurial orientation, firm strategy and small firm performance". *International Small Business Journal*, 32(1): 36-60.
- Linderbaum, B. A. and Levy, P. E. (2010), "The development and validation of the feedback orientation scale (FOS)". *Journal of Management*, Vol. 36 No 6, pp. 1372-1405.
- London, M. and Smither, J. W. (1996), "Can multi-source feedback change perceptions of goal accomplishment, self-evaluations, and performance-related outcomes? Theory-based applications and directions for research". *Personnel Psychology*, Vol. 48 No 4, pp. 803-39.
- Govaerts, M. J., van de Wiel, M. W. and van der Vleuten, C. P. (2013), "Quality of feedback following performance assessments: does assessor expertise matter?" *European Journal of Training and Development*, Vol. 37 No 1, pp. 105 – 125.
- Maurer, T.D., Weiss, E.M. and Barbeite, F.G. (2003), "A model of involvement in work-related learning and development activity: the effects of individual, situational, motivational, and age variables". *Journal of Applied Psychology*, Vol. 88 No 4, pp. 707-24.
- Mayring, P. (2004), "*Qualitative Content Analysis*". London: Sage.
- McClellan, J. G. (2011) "Reconsidering Communication and the Discursive Politics of Organizational Change". *Journal of Change Management*, Vol. 11 No 4, pp. 465-480.
- Miles, M.B. and Huberman, A.M. (1984), "*Qualitative Data Analysis: A Sourcebook of New Methods*". London: Sage.
- Mitchell, J. C. (1983), "Case and Situation Analysis". *Sociological Review*, Vol. 31, pp. 186-211.
- Mory, E.H. (2004), "*Feedback research revisited*", in Jonassen, D.H. (Ed.), *Handbook of Research on Educational Communications and Technology*, Erlbaum, New York: NY, 745-83.
- Mulder, R.H. and Ellinger, A.D. (2013), "Perceptions of quality of feedback in organisations". *European Journal of Training and Development*, Vol. 37 No 1, pp. 4 – 23.
- Nilakant, V. and Ramnarayan, S. (1998), "*Managing Organisational Change*". New Delhi: Response Books.
- Nonaka, I. and Takeuchi, H. (1995), "*The Knowledge-Creating Company. How Japanese Companies Create the Dynamics of Innovation*". Oxford University Press, New York: NY.
- Onkelinx, J., Manolova, T.S. and Edelman, L.F. (2016), "Human capital and SME internationalization: Empirical evidence from Belgium". *International Small Business Journal*, Vol. 34 No 6, pp. 818-837.
- Petrick, I., Maitland, C. and Pogrebnyakov, N. (2016). "Unpacking Coordination Benefits in Supply Networks: Findings from Manufacturing SMEs". *Journal of Small Business Management*, Vol. 54 No 2, pp. 582-597.
- Pentland, B. and Rueter, H. (1994). "Organizational routines as grammars of action". *Administrative Science Quarterly*, Vol. 39, pp. 484-510.
- Polites, G.L. and Karahanna, E. (2013). "The embeddedness of information systems habits in organizational and individual level routines: development and disruption". *MIS Quarterly*, Vol. 37 No 1, pp. 221-246.
- Pouserre, A., Jacobsson, C., Thylefors, I. and Hawang, C.P. (2003), "The role of feedback in Swedish human service organizations". *Community, Work & Family*, Vol. 6 No 3 pp.245-268.
- Psychogios, A., Szamosi, L.T., Prouska, R. and Brewster, C. (2016), "A three-fold framework for understanding HRM practices in South-Eastern European SMEs". *Employee Relations*, Vol. 38 No 3, pp.310-331.

- Raemdonck, I. and Strijbos, J. W. (2013), "Feedback perceptions and attribution by secretarial employees". *European Journal of Training and Development*, Vol. 37 No 1, pp. 24 – 48.
- Salvato, C. (2009), "Capabilities Unveiled: The Role of Ordinary Activities in the Evolution of Product Development Processes." *Organization Science*, Vol. 20 No 2, pp. 384-409.
- Salvato, C. and Rerup, C. (2011), "Beyond collective entities: Multilevel research on organizational routines and capabilities". *Journal of Management*, Vol. 20 No 10, pp. 468-490.
- Shreier, M. (2012), "Qualitative Content Analysis in Practice". London: Sage
- Shute, V.J. (2008), "Focus on formative feedback". *Review of Educational Research* 78: 153-89.
- Skule, S. (2004), "Learning conditions at work: a framework to understand and assess informal learning in the workplace". *International Journal of Training and Development*, Vol. 8 No 1, pp. 8–20.
- Soriano, D. R. (2008), "Can Goal Setting and Performance Feedback Enhance Organizational Citizenship Behavior?" *The Academy of Management Perspectives*, Vol. 22 No 1, pp. 65-66.
- Stacey, D. R. (2010), "*Complexity and Organisational Reality: Uncertainty and the need to rethink management after the collapse of investment capitalism.*" 2nd Ed., Routledge
- Sterman, J. D. (2002), "All models are wrong: Reflections on becoming a systems scientist". *System Dynamics Review*, Vol. 18 No 4, pp. 501–531.
- Steelman, L. A. and Rutkowski, K. A. (2004), "Moderators of employee reactions to negative feedback". *Journal of Managerial Psychology*, Vol. 19 No 1, pp. 6-18.
- Stern, E.K. (2009), "Crisis Navigation: Lessons from History for the Crisis Manager in Chief". *An International Journal of Policy, Administration, and Institutions*, Vol. 22 No 2, pp.189–202.
- Strauss, A. L. and Corbin, J. (1990), "*Basic of qualitative research: Bounded theory procedures and techniques*". Newbury Park, CA: Sage.
- Sussman, S. W. and Sproull, L. (1999), "Straight talk: Delivering bad news through electronic communication". *Information Systems Research*, Vol. 10 No. 2, pp.150-166.
- Szamosi, L.T. and Duxbury, L. (2002), "Developing of a measure to assess organizational change". *Journal of Organizational Change Management*, Vol. 15 No 2, pp. 184-201.
- Tata, J. (2002), "The influence of managerial accounts on employees' reactions to negative feedback". *Group & Organization Management*, Vol. 27 No 4, pp. 480-503.
- Teddlie, C. and Yu, F. (2007), "Mixed Methods Sampling: A Typology With Examples". *Journal of Mixed Methods Research*, Vol. 1. No. 77, pp. 76-100.
- Tourish, D. (2013), "Evidence Based Management, or Evidence Oriented Organizing? A critical realist perspective". *Organization*, Vol. 20 No 2, pp. 173-192.
- Tsoukas, H. (2005), "Afterword: Why language matters in the analysis of organizational change". *Journal of Organizational Change Management*, Vol. 18 No 1, pp. 96-104.
- Tsoukas, H. and Chia, R. (2002), "On organisational becoming: Rethinking organisational change". *Organizational Science*, Vol. 13 No 5, pp. 567-582.
- Upchurch, M. and Marinkovic, D. (2011), "Wild capitalism, privatization and employment relations in Serbia". *Employee Relations*, Vol. 33 No 4, pp. 316-333.
- VanYperen, N. W., Van den Berg, A.E. and Willering, M.C. (1999), "Towards a better understanding of the link between participation in the decision-making and organizational citizenship behavior: a multi- level analysis". *Journal of Occupational and Organizational Psychology*, Vol. 72 No. 3. pp 377-92.

- Vatchkova, E. (2009), "Managing Human Resources in Bulgaria". In *Managing Human Resource in Central and Eastern Europe*. Edited by Morley, M.J., Heraty, N., and Michailova, S. New York: Routledge.
- Wang, W., Zhao, Y., Qiu, L. and Zhu, Y. (2014), "Effects of emoticons on the acceptance of negative feedback in computer-mediated communication". *Journal of the Association for Information Systems*, Vol. 15 No 8, pp.454.
- Weber, P. S. and Weber, J. E. (2001), "Changes in employee perceptions during organizational change". *Leadership & Organization Development Journal*, Vol. 22 No 6, pp. 291 – 300.
- Westerman, C.Y.K. and Westerman, D. (2010), "Supervisor impression management: message content and channel effects on impressions". *Communication Studies*, Vol. 61 No 5, pp. 585-601.
- Westphal, J.D. and Zajac, E.J. (1998), "The symbolic management of stockholders: Corporate governance reforms and shareholder reactions". *Administrative Science Quarterly*, Vol. 43, pp. 127-153.
- Wilhelm, H. and Bort, S. (2013), "How managers talk about their consumption of popular management concepts: Identity, rules and situations". *British Journal of Management*, Vol. 24 No 3, pp. 428–444.
- Willis, A., Deane, F.P. and Coombs, T. (2009), "Improving clinicians' attitudes toward providing feedback on routine outcome assessments". *International Journal of Mental Health Nursing*, Vol. 18 No 3, pp. 211-215.
- Wischnevsky, J.D., Damanpour, F. and Méndez, A.F. (2011), "Influence of Environmental Factors and Prior Changes on the Organizational Adoption of Changes in Products and in Technological and Administrative Processes". *British Journal of Management*, Vol. 22 No 1, pp. 132–149.
- Wood, G., Szamosi, L., Psychogios, A., Sarvanidis, S. and Fotopoulou, D. (2015), "Rethinking Greek capitalism through the lens of industrial relations reform: a view until the 2015 referendum". *Relations industrielles/Industrial Relations*, Vol. 70 No 4, pp.698-717.
- Yin, R. K. (2003), *Case Study Research: Design and Methods*. (3rd ed.). Thousand Oaks, CA: Sage.
- Yin, R. K. (1984), *Case Study Research: Design and Methods*. Beverly Hills, Calif: Sage.

Appendixes

Table 1 Organizations additional information

No	Manufacturer	Number of Employees	Country	Managers Interviewed /Years of Work Experiences (YWE)	Number of Interviews Conducted (Total=30)
1	Food Industry	178	Greece	HR Manager/13 YWE R&D Manager/8 YWE Finance Manager/ 15 YWE Production Manager/ 5 YWE IT Manager/ 6 YWE	5
2	Electronics	155	Bulgaria	IT Manager/ 5 YWE R&D Manager /18 YWE Marketing Manager/ 7 YWE Finance Manager/ 12 YWE Operation Manager/ 5 YWE	5
3	Construction	167	Greece	HR Manager/ 20 YWE Marketing Manager/ 5 YWE Production Manger/ 6 YWE Finance Manager/ 15 YWE Operation manager/ 7 YWE	5
4	Textile Industry	159	Serbia	Marketing Manager/ 5 YWE HR Manager/ 14 YWE Operation Manager/ 12 YWE IT Manager/ 9 YWE Production Manager/ 8 YWE	5
5	Shoe Industry	190	Bulgaria	IT Manager/ 15 YWE Production Manager/ 21 YWE Quality Manager/ 7 YWE Finance Manager/ 5	5

				YWE	
				HR Manager/ 15 YWE	
6	Agriculture industry	183	Serbia	Finance Manager/ 20 YWE	5
				Operation Manager/ 5 YWE	
				Marketing Manager/ 10 YWE	
				HR Manager/8YWE	
				IT Manager/7YWE	

Table 2 Information due participants' data collection

Greece	First Interviews Time-Second Interviews Time recorded (min)	Electronically Recorded	First Interviews Pages Transcribed/Second Interview pages Transcribed
Albert B	60-65 min	Yes	5/7
Janis K	65-63 min	Yes	8/7
Christos P	60-69 min	Yes	7/8
Arber M	70-55 min	Yes	9/5
Alexander K	67-60 min	Yes	9/7
Anna G	70-55 min	Yes	11/7
Alexis F	61-67 min	Yes	8/8
Alison P	66-50 min	Yes	9/6
Nichola G	53-60 min	Yes	7/7
Juliana A	60-63 min	Yes	6/7

Bulgaria	First Interviews Time-Second Interviews Time recorded (min)	Electronically Recorded	First Interviews Pages Transcribed/Second Interviews pages Transcribed
Todor K	60-67 min	Yes	8/6
Kiril B	50-59 min	Yes	6/7
Stojan K	67-60 min	Yes	10/8
Valentina A	63-60 min	Yes	7/7
Elena T	62-53 min	Yes	6/7
Nikolaj V	64-59 min	Yes	8/6
Hristo N	67-65 min	Yes	6/7

Atanas D	65-72 min	Yes	7/9
Anastasia P	68-63 min	Yes	8/8
Giorgi H	72-67 min	Yes	9/8

Serbia	First Interviews Time- Second Interviews Time recorded (min)	Electronically Recorded	First Interviews Pages Transcribed/Second Interviews pages Transcribed
Branislav T	60-66 min	Yes	8/9
Tomislav H	65-60 min	Yes	8/7
Bojan P	72-64 min	Yes	9/6
Dragomir B	63-68 min	Yes	6/8
Dajana K	69-60 min	Yes	8/6
Marija S	61-64 min	Yes	6/7
Katarina M	76-65 min	Yes	10/8
Pedrag S	67-60 min	Yes	6/7
Nenad T	80-65 min	Yes	12/8
Danko S	61-50 min	Yes	6/6

	Countries	Hours recorded	Pages transcribed	Word Count
First/ Second Interviews	Greece	20.6	148	49,280
	Bulgaria	21.1	147	47,360
	Serbia	21.6	151	48,320
Overall		63.2	447	144,960

Table 3 First Interview Protocol

The Role of Feedback in the Changing Process of SMEs

- What is feedback for you? (Explain)
- Is there any formal feedback in your organization? If yes, what? If no, why?
- Is there any informal feedback in your organization? If yes, what? If no, why?
- Which of the two do you think is the best and why?
- Can you tell some informal examples of feedback within your organization?
- What is the relation of feedback with your organizational change?
- What is the role of feedback in the changing process of SMEs?
- What are the steps that you conduct in creating change by providing feedback?
- Can SMEs change with more specific and clear feedback? -Why?
- How do you perceive feedback as change instrument in your organizations? (Explain)

Can feedback become adaptable and routinized? (Explain)

Second Interview Protocol

How do you perceive informal feedback in your daily work?

What are the advantages and disadvantages of informal feedback in change process of SMEs?

How feedback is related to performance in SMEs?

What are the challenges of managerial feedback in improving performance in SMEs?

What is the role of specific feedback towards various activities in SMEs?

What is the interconnection between feedback and benefits in change process of SMEs?

How feedback could improve organization's staff performance if it is more benefits oriented?

TABLE 4 Axial Coding and Open Coding

Second-order codes	First-order codes
1. Manager's informal feedback on triggering change	"Feedback"; Feedback Process"; "Feedback as Practice"; "Formal Feedback"; "Informal Feedback"; "Feedback & Change"; "Daily Feedback" "Benefits Oriented Feedback" "Confidence Oriented Feedback"
2. Manager's benefits-oriented feedback on change	"Organizational Change"; "Understanding of Change"; "Change Process"; "Change and Feedback"; "The Impact of Feedback on Change"
3. Manager's confidence-oriented feedback (Motivation)	"Formal & Informal Processes of Feedback"; "Formal & Informal Processes of Change"; "Change & Processes"; "Impact of Feedback Process on Change"

Figure 1 Managers Feedback in Triggering Change in Manufacturing SMEs

