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

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## 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

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3 role of managerial feedback and how it can facilitate (or inhibit) change (Akgun et al., 2007;  
4 Soriano, 2008; Wischnevsky et al., 2011). Researching feedback and change is even more  
5 critical when it comes to manufacturing SMEs that operate in volatile and dynamic  
6 environments (Antonacopoulou and Sheaffer, 2014) where they conduct their operations in  
7 challenging market circumstances (Hoskisson et al., 2000). Therefore, many authors make an  
8 'academic call' where they emphasise the need for more empirical studies of managerial  
9 feedback in relation to change processes in SMEs (Tourish, 2013; Petrick et al., 2016).  
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15 In this respect, this study seeks to explore and understand how managers in SMEs  
16 perceive feedback in changing their processes and the features of feedback that they need to  
17 focus on in order to facilitate change in less formalised contexts. Due to their size and  
18 structure, SMEs need to be particularly adaptive to complex and changing environments.  
19 Besides, within SMEs, managers face distinctive challenges such as relational intensity,  
20 survival risks, resource constraints and very often a high degree of procedural informality. In  
21 this context, studying feedback requires paying special attention to the role of managers who  
22 seek to affect change via reflective practices for different purposes. As such, SMEs provide  
23 an insightful setting for the study of the role played by managerial feedback in initiating  
24 changes. Following this line of inquiry, our paper is articulated around two main research  
25 questions:  
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33 RQ1 How do managers in SMEs perceive feedback in dealing with change from an  
34 operational processes perspective?  
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37 RQ2 Are there any particular aspects of feedback that managers in SMEs use in  
38 facilitating change?  
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41 In order to address these questions, we conducted an in depth qualitative study. The  
42 data collection process covered thirty (30), in-depth, semi-structured interviews with  
43 managers, twice over a period of fifteen months, and observations over a period of three  
44 months, in six manufacturing SMEs in three countries (i.e., Greece, Bulgaria and Serbia).  
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48 The main argument is that feedback plays a critical role in implementing change in  
49 operational processes in SMEs (Holmboe et al., 2010), however, this is influenced by specific  
50 features of feedback (Goodman and Wood, 2004; Maurer et al., 2003). In particular,  
51 managers appear to be reluctant to successfully implement change using formalized feedback  
52 mechanisms. They do understand that formalized feedback can create more problems than  
53 solutions (Mulder and Ellinger 2013) and, therefore, a less formalized practice of feedback  
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3 may allow managers to better face and address the challenges (Ashby and O'Brien, 2007;  
4 Wang et al., 2014). Through informal, benefits-oriented and confidence-oriented methods of  
5 feedback, managers seem to adopt more pragmatic and practical approaches to such change  
6 (Hattie and Timperley, 2007). Moreover, through these practices, managers seem to  
7 anticipate aspects of change as interconnected and challenging (Anseel et al., 2015). In short,  
8 this paper focuses on bridging through the existing knowledge by theorising feedback as an  
9 informal, socially constructed practice whereby managers and employees not only merely  
10 exchange information and share knowledge, but also act, react and interact with each other as  
11 they face the need for modernisation and transformation of internal practices/processes.  
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### 19 **Understanding feedback as a means of change within SMEs**

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21 In organizational studies the importance of feedback in SMEs is emphasized in  
22 management theory (Ashby and O'Brien, 2007) as a (managerial) practice of facilitating  
23 change in work processes. Different studies consider feedback as a meticulous practice that  
24 creates the predisposition for change, in particular, when organizations are operating in  
25 volatile environments (Mulder and Ellinger, 2013; Skule, 2004). Subsequently, organizations  
26 operating in volatile environments consider the opportunity to understand behaviors, actions,  
27 activities and operations as they occur. Illustrating this issue further and from a practical  
28 perspective, Ashforth and Kreiner (2002) discuss the discrepant events during the change  
29 process, and indicated that such events were swiftly normalized, rationalized and interpreted  
30 to become consistent with an existing environment. Therefore, feedback, as an important  
31 managerial practice, expands employees' knowledge, and develops cognitive alertness, which  
32 seeks to understand how people react to and cope with enacting a new reality like change  
33 (Fedor et al., 1992; Maurer et al., 2003). This occurs through certain managerial activities  
34 such as recognising the importance of change processes (Fedor et al., 2001), enhancing  
35 knowledge as a conducive source of shaping the change initiative (Raemdonck and Strijbos,  
36 2013), and increasing the knowledge of change outcomes (Linderbaum and Levy, 2010).  
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45 Marjan et al. (2013) argue that SMEs comprise many informal activities that  
46 employees have to deal with that increases learning during the change process. Therefore, a  
47 significant factor for constructing this process is the interaction between individuals  
48 (managers and employees) through feedback (Maurer et al., 2003). The process of change is  
49 considered as opening the gate for engagement into feedback or, to put it differently,  
50 feedback is the first social mechanism that emerges when considering change in  
51 organizations. Taking this into account, very often organizations do not provide a flexible  
52 structure that, through initiatives of structural transformation, other processes occur in  
53 darkness, which necessitates additional effort to accordingly understand and interpret new  
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3 schemes. In this vein, many authors place more attention on the timing of feedback and the  
4 linguistic manner in which it is deployed to facilitate any emerging obstructions during the  
5 change initiative (Holmboe et al., 2010; Shute, 2008). This means that feedback contains  
6 three critical facets: function, form and content (Tata, 2002). In essence, depending on the  
7 situation, time, scale of change demanded and context, managers' feedback undoubtedly  
8 differs in terms of content, form and approach (Linderbaum and Levy, 2010). For instance,  
9 the development of managerial feedback in large organizations has tended to be more  
10 structured, formal and written rather than in SMEs where managers seek a deformed  
11 communication process, for instance in performance appraisals or when considering changes.  
12 Therefore, London and Smither (2002) argue that feedback's content and form are critical  
13 features that influence its quality. When feedback is received from a credible source like  
14 managers, it is perceived by employees as important for creating the infrastructure to  
15 implement changes in processes (Holmboe et al., 2010; Mulder and Ellinger 2013). Feedback  
16 that is considered to be reliable increases confidence and plausibility (Steelman and  
17 Rutkowski, 2004).  
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25 In a similar vein, there are arguments suggesting that specific feedback initiatives  
26 contribute more towards the change process in SMEs (Goodman and Wood, 2004; Mulder  
27 and Ellinger, 2013). In particular, directing specific informal feedback related to employees'  
28 daily performance can identify the gaps and reduce tensions. As suggested by Tsoukas and  
29 Chia (2002), behaviors should systematically be connected to the changes occurring.  
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34 Despite SMEs being mainly informal workplaces, scholars have tended not to  
35 emphasise the role of informal feedback on processes implemented (Cleeton, 1992) given  
36 that informal feedback can possibly bring better results during the change process (Ashby and  
37 O'Brien, 2007; Sussman and Sproull, 1999; Steelman and Rutkowski, 2004; Wang et al.,  
38 2014). For example, Westerman and Westerman (2010) suggest that informal feedback (e.g.,  
39 face-to-face) increases the chances of accurately exposing the significance of change because  
40 it leads the debate towards individuals' roles and relations in the change process. When an  
41 organization's members face change, this is manifested in their expressions of surprise  
42 because a gap appears in their expectations vis-à-vis the current experience in various social  
43 interactions. This seems to reflect and activate feedback because a gap is created and a cue  
44 emerges; a situation necessitates additional interpretation, clarification and enactment.  
45 Similarly, some scholars argue that written feedback allows managers to contemplate the idea  
46 behind a change initiative and to positively reflect upon this process (Becker and Klimonski,  
47 1989; Evans 1996; London and Smither, 1996; Maurer et al., 2003). Feedback is considered  
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3 to be critical for change in SMEs (Kunda 1992; Alvesson and Willmott, 2002), however the  
4 formalised practices of delivering feedback still dominate the literature.  
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7 In short, there is wide recognition in the change management literature that feedback  
8 is an indispensable process, particularly in altering dysfunctional processes. It appears to be  
9 one of the critical managerial practices that can facilitate (or inhibit) change. By regularly  
10 using feedback, organizations can alter processes that they want to change (Willis et al, 2009).  
11 Nevertheless, the main knowledge in relation to feedback and change comes from research on  
12 larger organisations (e.g., Szamosi and Duxbury, 2002). What has been less explored is the  
13 managerial feedback practice in SMEs during internal change processes.  
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### 18 **Managers' feedback in a change process in SMEs**

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21 The process of change requires that managers understand the steps that need to be  
22 taken and their consequences. In this respect, initiating change requires the anticipation of  
23 different, unexpected, challenges that may influence the process (Heifetz and Laurie, 1997).  
24 When a change initiative is undertaken managerial actions need to be aligned with the  
25 rationale of establishing the basis for new practices (Mulder and Ellinger, 2013). This  
26 argument is supported by Colville et al. (2012) as we live not in times of continuous change  
27 but continuous discontinuous change – emphasizing the difficulty in recognizing how to act  
28 in a complex world that very often is not just equivocal but unpredictably equivocal, which  
29 makes managerial feedback's role crucial in guiding employees during the change process.  
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36 Recent work on change has accentuated the influence of managerial feedback in  
37 facilitating readiness for, as well as contributing towards acceptance of, change in processes  
38 (Greta and Karahanna, 2013; Jabri, 2004). Feedback contains a dynamism that formulates a  
39 way of clearly recasting how organisations respond to changes (Feldman, 2000; Pentland and  
40 Reuter, 1994). The interconnection between feedback and change in processes is important in  
41 creating a balance of initiating incentives that shape change but also establish stability that  
42 may allow the development of a stronger competitive advantage in highly dynamic  
43 environments (Farjoun, 2010; Tsoukas and Chia, 2002). Putting this into context, the role of  
44 managerial feedback is perceived to be deterministic especially within organizations that are  
45 focused on task improvements (Lechner and Gudmundsson, 2014) through accentuating  
46 specific suggestions related to what could be changed and how this change will be facilitated  
47 (Battistelli et al., 2013).  
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3 Therefore, from a management perspective, change relies on the development of  
4 internal channels of communication and feedback related to reconciling a set of broad interest  
5 during an internal initiative (Osterman, 2000). As such, feedback reduces negative concern  
6 and preoccupation of change by increasing the sense of urgency in providing the necessary  
7 information and direction (Eby et al., 2001) in order to provide clarity during the change  
8 process (Greiner, 1992). Failing to engage in conversation and apparently abandoning  
9 feedback during the change process might be associated with producing negative  
10 consequences that mitigates the opportunity to understand behaviors, actions, activities and  
11 operations as they occur. In addition, a manager's role in facilitating the process of change is  
12 widely acknowledged (Gold et al., 2001; Nonaka and Takeuchi, 1995) as a driver of  
13 understanding the internal necessity of change through, among others, delivering on-going  
14 feedback. Therefore it could be said that feedback is an important and significant 'resource',  
15 which managers utilize to change processes by creating internal room for additional  
16 information due to the need to alter work processes (Petrick et al., 2016) as a constructive  
17 practice of performance improvements.  
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25 A manager's ability to provide feedback can impact the change process, since it can  
26 be seen as enhancing skills, understanding the necessity for change, enriching its scope  
27 (Brown and Eisenhardt, 1995) and reducing resistance (Goleman, 2000). As Nilakant and  
28 Ramnarayan (1998) point out, initiating change involves focusing simultaneously on  
29 managing organizational resources and processes which make the implementation process a  
30 dual, and complicated, task. In this vein, managerial feedback is geared to motivate  
31 employees and increase self-awareness, thus contributing towards healing / emerging  
32 phenomena such as resistance (Fleishman and Cleveland, 2003). Weber and Weber (2001)  
33 extended this idea by emphasising that employees will be more inclined to seek and  
34 contribute to changes in operational processes if managers dedicate additional effort to build  
35 the perception of organizational readiness for change by updating employees with indicative  
36 information through different feedback mechanisms. Managers are, however, aware that  
37 feedback as an on-going process can be both flexible and simple yet sometimes complex and  
38 confusing (Anseel et al., 2015; Hattie and Timperley, 2007; Jawahar, 2010; London and  
39 Smither, 1996). Therefore, feedback is understood as a mutually important process of  
40 interaction between its provider and receiver and is dynamic (Ashford and Tsui, 1991;  
41 Mulder and Ellinger, 2013; Polites and Karahanna, 2013).  
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53 Overall, although there is some literature suggesting the importance of feedback in  
54 facilitating change processes (Bresnen et al., 2005; Fleishman and Cleveland, 2003), it seems  
55 that less effort has been made to explore the particular aspects and features of feedback that  
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3 can be used to enhance change within smaller organizations. In other words, there is a need to  
4 understand the way that managers in SMEs perceive feedback in changing their processes as  
5 well as the aspects and features of feedback that they need to focus on in order to facilitate  
6 change in less formalised contexts. The present study explores the ways through which  
7 managers provide feedback in SMEs by focusing on manufacturing organizations operating  
8 in different business contexts. The next section explains the methodology used and the  
9 analysis provided.  
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## 15 **Methods**

### 16 **The context of the Study**

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21 The study was conducted in three countries that have dynamic and volatile market  
22 environments resulting from the recent economic crisis; Greece, Bulgaria and Serbia. The  
23 crisis resulted in a series of changes that organizations, and especially SMEs, needed to apply  
24 in order to rationalize their operations thereby increasing the chances to survive in such  
25 challenging business environments (Allmendinger and Hackman, 1996). Greece has been  
26 affected since 2009 by a critical debt crisis that has seriously affected peoples' socio-  
27 economic life, causing high levels of unemployment, job insecurity, and poverty, as well as  
28 impacting on companies' survival (Wood et al, 2015; Ifanti et al., 2013; Kondilis et al., 2013).  
29 SMEs have encountered issues such as liquidity problems (Kouretas and Vlamis, 2010),  
30 layoffs (Argyrou and Tsoukalas, 2010), and increased workload density for staff (Katou,  
31 2013). This situation has pushed SMEs to adopt new management and production practices  
32 having as their main target to survive. A similar environment exists in Serbia and Bulgaria  
33 where both countries face what has been called 'Wild Capitalism' (Upchurch and Marinkovic,  
34 2011). Both economies have been transformed to 'transition', 'emerging' or 'new-born  
35 capitalistic economies', characterised by the fragmentation of businesses and employment  
36 systems, with components of both state management and liberal marketization (Brewster et  
37 al., 2010). This process of economic liberalization has not come without cost, since millions  
38 of workers in both countries lost their jobs and approximately one third of their population  
39 live at or near poverty levels (Vujosevic et al., 2012; Vatchkova, 2009). This transformation  
40 process has brought significant changes to organizational life, especially for SMEs (Estrin,  
41 2009) whereby they needed to adopt a series of new working methods in order to survive. In  
42 short, SMEs in Greece, Serbia and Bulgaria provide a context of continuous change within  
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3 which various management practices can be explored, like feedback and its role in the change  
4 process.  
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### 6 **Data Collection**

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9 This research embraced a case study method of data collection and research  
10 investigation. In line with the views of Yin (2003), the purpose of embracing a case study  
11 illustrates an empirical inquiry that researchers seek to investigate a particular phenomenon  
12 within its real context, particularly when the boundaries amid phenomenon and context are  
13 not vivid. Following a case study demonstrates that the researchers are focused on collecting  
14 primary data thus allowing for the construction of knowledge on the selected organisations.  
15 In this respect, building upon Mitchell (1983) and Yin (1984), primary data allows for the  
16 creation of theoretical development, which is one of the most significant strengths of this  
17 approach.  
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24 The SMEs selected to be part of this study were operating in the manufacturing  
25 industry as these offer a very interesting organizational context since they have adopted a  
26 series of changes (operational and process oriented) as a response to pressures from their  
27 business environments (Psychogios et al., 2016). The process of data collection was  
28 conducted over a period of fifteen months and included interviews and observations with  
29 managers. The data collection process was undertaken following a two-stage process. We  
30 began by selecting manufacturing SMEs in each country through the respective Ministries of  
31 Trade. After screening we requested a meeting with the respective owners in order to discuss  
32 the study and gain accessibility, emphasising the importance of the research by explaining its  
33 purpose and guaranteeing the confidentiality of information (Seidman, 1998) as well as  
34 outlining any ethical considerations potentially impacting on the proposed study (Malhotra  
35 and Peterson, 2001). We visited more than 18 different manufacturing SMEs in all three  
36 countries and after discussions, as well as following strictly our main aim of researching  
37 SMEs that are conducting change in their operations and processes, six (6) SMEs agreed to  
38 participate. The sample of manufacturing SMEs as well as the managers was based on non-  
39 purposeful sampling (Gregoire et al., 2001) that allowed us to choose managers as well as  
40 organisations related to the research objectives (Teddlie and Yu, 2007). Therefore,  
41 manufacturing SMEs as well as managers were selected in the researchers' efforts to obtain  
42 important information that could not be obtained from other sources. The specific  
43 manufacturing SMEs selected are shown in Table 1.  
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5 A total of 30 semi-structured interviews with managers working in six manufacturing  
6 SMEs were conducted. In each organisation, we interviewed five managers, in two stages  
7 over a period of 15 months (Table 2). We conducted the interviews with managers based on  
8 their hierarchical and functional organizational positions. In each SME we interviewed  
9 managers responsible for leading different functions like finance, human resources,  
10 marketing, operations, IT, production and R&D. All the interviews were conducted in  
11 English and lasted approximately seventy minutes (Table 2 provides more information due to  
12 interviewing process with managers in manufacturing SMEs).  
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20 *Insert Table 2 about here*  
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22 As shown in Table 3, the issues covered in the first phase of the interviews were in  
23 reference to a manager's role, the specific change process in their respective companies,  
24 managerial feedback and the application of management concepts related to change processes.  
25 The questions posed were based on the previous work of Holmboe et al. (2010), Mulder and  
26 Ellinger (2013), and Shute (2008). The rationale behind these questions was to focus on  
27 particular events that take place daily inside SMEs thus enabling respondents to use their  
28 personal experience and cognitive understanding. In order to avoid receiving responses to  
29 recent incidents, as well as comply with the strengths of case study research, we also asked  
30 the same managers for examples in different time periods. In the second phase we modified  
31 the interview protocol slightly placing more emphasis on relations between feedback and  
32 change. In particular, we emphasized the role of feedback as a managerial practice in creating  
33 changes in operational processes and the types of feedback that increase the chances for  
34 change. In both phases, we also explored responses related to the challenges SMEs faced in  
35 these countries due to crisis and turbulence. The list of both rounds of questions was  
36 developed in English since all managers were fluent English speakers. This helped in order to  
37 expand the knowledge of conceptualising managers' approaches to change through recalling  
38 some issues being discussed in the first round of interviews and moving forward on newly  
39 established ideas, challenges faced and engaging in feedback during this period of time.  
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3 Through this investigation, we were able to directly observe the managers interviewed  
4 in their day-to-day operations. We also had permission to monitor four managerial meetings  
5 with their teams (or other managers), which included discussions of daily activities. Our  
6 participation in these official meetings was explained in advance. The observation process  
7 helped us to better understand managers' reflections on critical issues raised during the  
8 interviews. In other words, we put equal attention on informal as well as formal aspects  
9 discussed during these meetings. The rationale behind this was to focus and understand how  
10 managers develop their feedback mechanisms when it comes to processes including  
11 performance, hiring policy appraisals, adjusting to new technology established processes etc.  
12 We did not record anything being discussed, but instead took notes, which were analysed  
13 afterwards. All data was extracted and then shared with the other members of the authorship  
14 team for analysis (Balogun et al., 2015).  
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### 22 23 **Data Analysis**

24 We approached the vast amount of the data collected, from an inductive analysis  
25 viewpoint. We moved back and forth amid the data collection, transcription and other  
26 materials (e.g., notes from meetings) which involved a standard, systematic, inductive set of  
27 processes where we then thoroughly proceeded through the existing structure of theoretical  
28 arguments on feedback and change in order to develop an iterative data analysis process  
29 (Strauss and Corbin, 1990; Miles and Huberman, 1984). This provided us with a consistent  
30 framework that vividly explains and captures the richness of the data and creates the coherent  
31 argument of expanding the theoretical contribution.  
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38 Moreover, we began by constructing managers' experiences and reflections due to the  
39 change process mentioned during the interviews as well as extracted from observation notes  
40 (Langley, 1999). In line with Creswell (2014) we developed a common organizational  
41 database in which we carefully created and annotated categorical and chronological analysis  
42 of the data. We then worked with these resources in order to understand managers' feedback  
43 in SMEs during the change process. In addition, the data was analysed using NVIVO then  
44 subjected to content analysis (Bryman and Bell, 2007). The significance of content analysis is  
45 recognized as an accurate technique that provides the possibility to replicate the usable  
46 approach of interpretation from the unstructured actual data to a more rational and  
47 comprehensive one (Mayring, 2004; Schreier, 2012; Krippendorff, 1980). Content analysis is  
48 used as a systematic method for ascribing the meaning of the qualitative data and is applied  
49 through the coding frame (Schreier, 2012).  
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3 We meticulously combed the data searching for dominant prevailing themes. The  
4 majority of the managers interviewed used a variety of themes to describe their position on  
5 different issues and this data was then classified, grouped and regrouped in order to facilitate  
6 the analysis process. During the entire research process, we paid attention on creating second-  
7 order codes in order to improve the research. In other words, we worked around the second-  
8 order codes numerous times in terms of gathering new data during different stages and re-  
9 analysing documents coming out of observations collected, our notes from the field and the  
10 scripts managed to produce. Moreover, we need to emphasise that the second-order codes  
11 appeared from a repeated process that necessitated amalgamating our first-order codes,  
12 different research notes and theoretical concepts developed in this research. Therefore, this  
13 process allowed building our second-order codes, which created the fundamental research  
14 themes underlying the present paper. Moreover, the first second-order code revolved around  
15 the manager's informal feedback on triggering change. The second second-order code was  
16 concerned with the manager's benefits-oriented feedback on change. The third secondary-  
17 code concentrated on the manager's confidence-oriented feedback (Motivation).  
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30 *Insert Table 4 about here*

### 31 32 **Findings**

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34 We organized our findings around the three key dimensions found to be linked to  
35 managerial feedback related to the change process: informal feedback, benefits-oriented  
36 feedback and confidence-oriented feedback. We analyse each of the above dimensions by  
37 presenting the data derived from our interviews.  
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44 *Insert Figure 1 about here*

### 45 46 47 48 ***Informal feedback***

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50 Most of the times change within organizations is based on an idiosyncratic attribute of  
51 managerial initiative in transforming and adapting organizational processes (Tsoukas & Chia,  
52 2002). The role of feedback is critical within this process of change. In particular, feedback  
53 encompasses various steps and methods in articulating the rationale for change. Change is  
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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

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

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

10  
11 ‘Lunch’ in this statement might be a strong indication that informal feedback may fit  
12 many managers’ styles better because it may be considered as constructive advice and  
13 emphasises that establishing change in SMEs is a matter of interpersonal development. Such  
14 an unconventional leading philosophy of change displayed by the manager above opens the  
15 discussion towards understanding the importance of keeping, official, bureaucratic meetings  
16 to the minimum and promote more social and almost daily basis contacts with employees as a  
17 more pragmatic way of leading a change imitative. Although SMEs, put rules in place that  
18 attempt to organise and guide managerial feedback in a formal way, nevertheless, in practice,  
19 managers are aware that rules may not be the most effective. Therefore, many respondents  
20 recognised the problems that a formal approach of feedback might drag them into. At the  
21 same time managers demonstrated their commitment in guiding their staff to appreciate  
22 feedback as a managerial practice to improve what they are already doing:

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

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30 *“I think informal ways of giving feedback have a major positive impact on*  
31 *change, since through them we achieve to control more the situation internally*  
32 *and in this way we create the sense of stability” (Finance Manager, October*  
33 *2014, Serbia)*

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

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47 The abovementioned quotes exemplify that managers do not understand change as  
48 static or rigid, but as a flexible and dynamic process, necessitating diligent and meticulous  
49 steps to be continuously implemented. They imply that during the change process criticism  
50 should be replaced with patience of what is happening or what is going to happen, and any  
51 unsophisticated managerial efforts of showing structural muscles is not healthy in terms of  
52 willingness, confidence, and eagerness, which raise the issue of how informal feedback is  
53 perceived, it’s characteristics and attribution in content and form in establishing better  
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3 cohesion in organizations. Moreover, the above responses from research participants show  
4 that informal feedback has another practical implication; it can create a sense of stability,  
5 which is appreciated more by employees. In addition, informal feedback is more valued in  
6 producing broader organisational benefits facilitating the process towards change like  
7 efficiency, learning, and creating better external partnerships with other subcontractors.  
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10  
11 *“Informal feedback is everyday activity of the project managers, where they have*  
12 *to give feedback to subcontractors and employees on the work carried out (sic)*  
13 *during the day” (IT Manager, June 2014, Greece).*  
14

15 Thus, managers understand that the change process can be enhanced where feedback is  
16 attributed more to content, quality and credibility than in the more traditional ways being  
17 hierarchical, structural and function-driven.  
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### 20 21 ***Benefits-oriented feedback***

22 The research on feedback unfolds managers' convictions that feedback is a critical  
23 process in SMEs especially as they attempt to establish and manage the change process.  
24 Managers link the importance of feedback to the process of articulating further continuous  
25 improvement in operations and processes. This research demonstrates, not surprisingly  
26 though, that managers embrace feedback as instrumental not only in setting the  
27 predispositions for change, but also pursuing change as a performance improvement tactic.  
28 Deploying daily feedback is related to an initiative of preventing internal efforts far away  
29 from establishing a mechanism of indirect control. This type of managerial care is not  
30 accomplished by strictly designing and applying structures or procedures in order to  
31 overcome resistance to change, but illustrates a new process whereby managers reflexively  
32 explore what is needed and what is best in order to thoroughly and thoughtfully cope with  
33 change. Therefore, feedback is not perceived simply as a method or tool, but as an embedded  
34 practice that it is significant, valuable and powerful in the context that it is intended to  
35 improve overall performance:  
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45 *“Well, feedback I think helps performance by standardising the activities, thus*  
46 *meaning that the cost of an activity can be lower” (Production Manager,*  
47 *February 2014, Serbia)*  
48

49 *“Feedback helps performance improvement by establishing capabilities that can*  
50 *be used as competitive advantage” (Quality Manager, December 2013, Bulgaria)*  
51

52 *“It [Feedback] has a crucial role in overall performance of our company, since*  
53 *can help drastically shape behaviour of employees” (Sales Manager, January*  
54 *2014, Greece)*  
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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)*

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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)*

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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 derivative of managerial  
23       feedback that in turn can increase employees’ confidence:

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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)*

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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)*

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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

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

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13 Managers attempt to guide human actions as useful processes of generalising and  
14 institutionalising particular meaning in change construction (Tsoukas and Chia, 2002;  
15 Onkelinx et al., 2016). Arguably, this forms the present approach of managers’ inclination  
16 regarding change (Westphal and Zajac, 1998) through recognising feedback as a critical  
17 deformalized, rather than instructive, practice.  
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22 SMEs are generally known for their low power distance, meaning that there is wider  
23 opportunity for employees to be involved in decision-making. Feedback seems to enhance the  
24 opportunity to constructively participate in various initiatives that demand encouragement  
25 from both sides. At the same time, it creates a better infrastructure for harmonizing the efforts  
26 of ensuring task coherence and improvements. This demonstrates the possibility of  
27 developing informal dialogue as a more flexible and suitable means for sorting out different  
28 problems. SMEs’ organizing structures allow managers to use an informal rather than formal  
29 manner of providing guidance to subordinates as long as a strong interconnectedness exists  
30 between managers and employees. This approach places more attention in emphasizing the  
31 informal discourse on providing feedback and presupposes the compatibility of relationships  
32 developed based on informal and social channels of communication rather than rigid and  
33 bureaucratic systems that formalise, to a large extent, the entire feedback process, and  
34 therefore diminish the deconstruction of structural ‘relevance’ of conducting change.  
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44 Implementing change in manufacturing SMEs through establishing an informal  
45 practice of feedback is essential, especially in turbulent conditions, since these situations  
46 require stronger interpersonal relationships and cooperation that may determine even overall  
47 success or failure. Therefore, embracing an informal attitude towards solving problems in  
48 challenging business contexts illustrates the salience of managerial attitude towards change,  
49 because it displays a clearer understanding of the organizational context; being formal in an  
50 informal workplace like SMEs exposes disintegration with the reality. Moreover, it elucidates  
51 a managerial philosophy of conceiving change as a process that involves social actors  
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(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

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3 challenge the hitherto conventional, bureaucratic, formal initiatives of directing the process of  
4 change, and replacing them with a new pragmatic, practical, more sociable approach. At the  
5 same time, by introducing nonconventional mechanisms as well as promoting new paths of  
6 understanding change, managers seem to anticipate change as interconnected and mutually  
7 challenging. In essence, this research legitimises the notion that managers in SMEs need to  
8 increasingly and continually reflect upon the importance of feedback in the change process as  
9 well as within the environments in which they operate. Employing deformalized aspects of  
10 feedback is recognized to substantially trigger change in manufacturing SMEs as this  
11 research demonstrates and, at the same time, it is perceived as a clear and meticulous practice  
12 of directing activities as an illustrative point. It could therefore be said that this approach is  
13 very much determined by the new socio-political initiatives that reduce the feeling of  
14 uncertainty and lack of information provided about the change and reduce unfounded fears  
15 (Greta and Karahanna, 2013; Keneley, 2009) as a preamble of practically implementing  
16 change in SMEs in crisis contexts (Harrigan et al., 2011).  
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26 Therefore, this research also provides evidence that feedback should be considered as  
27 a dynamic and socially constructed managerial practice. A practice whereby actors not only  
28 exchange information and share knowledge, but also act, react and interact with each other as  
29 they constantly rethink the change process. The proposed aspect of feedback emphasizes  
30 knowledge therapeutically, and in combination with the dialogical discourse (practical  
31 illustration) that, increases the odds for capturing change as a natural, rather than exceptional,  
32 process (Tsoukas and Chia, 2002). In this situation the internal co-operation between  
33 different actors ensures the change process to be as a prerequisite of constitutive mutual  
34 reflection that manifests the natural process (D'adderio, 2011). In many organizational  
35 situations this 'feeding' approach presupposes avoiding contradictions and fragmentations  
36 that often produce reactions like curiosity and anxiety capitalised in an overwhelming attitude  
37 that change is an impetus that does not provide flexible structures (Bocchino, 1993) and does  
38 not conjoin coordination and interaction among employees and managers. In other words,  
39 creating and maintaining change exemplifies the reasons that consciously capture the present  
40 dynamic functionality of SMEs. Thus, the proposed three-fold feedback should be  
41 conceptualized as a driving force in driving change through ongoing deformalized or  
42 informal means of feedback.  
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53 The proposed three-fold feedback can aid in helping to create the infrastructure for  
54 change for SMEs overcome critical problems faced, especially in turbulent times (Garavan et  
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3 al., 2016). In other words, the three-fold approach to feedback that this study suggests  
4 provides a comprehensive, practical, perspective in articulating the feedback landscape. In  
5 particular, these three aspects of feedback help to ensure internal collaboration among  
6 managers and employees in order to develop a meaningful business case against internal  
7 fluctuations (Ashford and Tsui, 1991; Chaterina and Landeta, 2013; Polites and Karahanna,  
8 2013). We contend that the suggested three-fold managerial feedback should constantly  
9 cultivate the rationale of understanding the constructive communication dedicated towards  
10 specific processes that enhance the reasons and explanations for change.  
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16 Practitioners may wish to consider the terminology used when it comes to studying  
17 change and its implementation in a crisis context. Using deformed managerial feedback  
18 mechanisms to tackle a formal phenomenon like 'change' could help avoid employees  
19 perceiving a negative connotation, causing resistance or confusion and feeling threatened.  
20 Therefore, we suggest that practitioners, during development initiatives on modernising or  
21 altering organizational processes, consider using the term 'change' as an informal rather than  
22 a formal concept. This will enable greater deformed managerial feedback as well as  
23 employing informal (soft) and acceptable terms like 'modification' or 'improvement'. In  
24 other words, this will help moving towards more practical, simplistic and tactile terminology  
25 that could avoid potentially negative dimensions.  
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### 33 ***Further Research***

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36 This study, however, should be considered as a foundation for further investigations  
37 to better understand managerial feedback and its relation to change processes in small  
38 organisational entities not only in South Eastern Europe but also beyond. This research opens  
39 the doors for further theoretical and practical development from multiple disciplinary fields.  
40 In particular, a focus on developing theoretical arguments related to the influence of  
41 deformed feedback approaches in *feeding forward* by employing other rigorous  
42 methodological approaches like observations, focus groups and ethnography, could be  
43 brought to the forefront. Therefore, the framework developed helps other researchers to  
44 consider further exploring the areas of informal feedback in *feeding-forward*. The theoretical  
45 and practical arguments developed posit informal channels of communication as more  
46 practical, useful and beneficial when it comes to changing processes in SMEs. Therefore,  
47 developing this topic further in another context as well as in more 'stable' SMEs could  
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3 provide complementary knowledge. It also will help to understand the differences between  
4 research contexts in the implementation process of such practices.  
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6 Secondly, placing more emphasis on further exploring the implications of the benefits  
7 of feedback toward outcomes in practice or *feeding-forward* is another potential area for  
8 development. In particular, focusing on managerial incentives that enable employees to  
9 increase performance would provide the opportunity to develop additional knowledge on a  
10 daily practical judgment. While behaviour in organizations is routine driven, there is a danger  
11 that shared interpretations of reality may inhibit the perceptions of the need for change and  
12 the subsequent need for adapting to change. A wider investigation of employees' views could  
13 further contribute in this regard as this approach, herein, proved to be quite useful in  
14 understanding managers' views on change as a dynamic phenomenon.  
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20 Thirdly, this research opens the foundation for further investigation on the factors that  
21 boost motivation that help *feeding-forward* particularly in unstable and tumultuous contexts  
22 (like South Eastern Europe) where SMEs are faced with a lack of incentives for internal  
23 development. Investigating this area could open a new theoretical and practical foundation in  
24 the SME literature. Therefore, a comparative analysis among specific organizations may  
25 provide richer evidence in shedding a wider light on this area.  
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## Appendixes

**Table 1 Organizations additional information**

<b>No</b>	<b>Manufacturer</b>	<b>Number of Employees</b>	<b>Country</b>	<b>Managers Interviewed /Years of Work Experiences (YWE)</b>	<b>Number of Interviews Conducted (Total=30)</b>
<b>1</b>	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
<b>2</b>	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
<b>3</b>	Construction	167	Greece	HR Manager/ 20 YWE Marketing Manager/ 5 YWE Production Manger/ 6 YWE Finance Manager/ 15 YWE Operation manager/ 7 YWE	5
<b>4</b>	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
<b>5</b>	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

<b>Greece</b>	<b>First Interviews Time-Second Interviews Time recorded (min)</b>	<b>Electronically Recorded</b>	<b>First Interviews Pages Transcribed/Second Interview pages Transcribed</b>
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

<b>Bulgaria</b>	<b>First Interviews Time-Second Interviews Time recorded (min)</b>	<b>Electronically Recorded</b>	<b>First Interviews Pages Transcribed/Second Interviews pages Transcribed</b>
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

<b>Serbia</b>	<b>First Interviews Time- Second Interviews Time recorded (min)</b>	<b>Electronically Recorded</b>	<b>First Interviews Pages Transcribed/Second Interviews pages Transcribed</b>
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

	<b>Countries</b>	<b>Hours recorded</b>	<b>Pages transcribed</b>	<b>Word Count</b>
<b>First/ Second Interviews</b>	Greece	20.6	148	49,280
	Bulgaria	21.1	147	47,360
	Serbia	21.6	151	48,320
<b>Overall</b>		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?

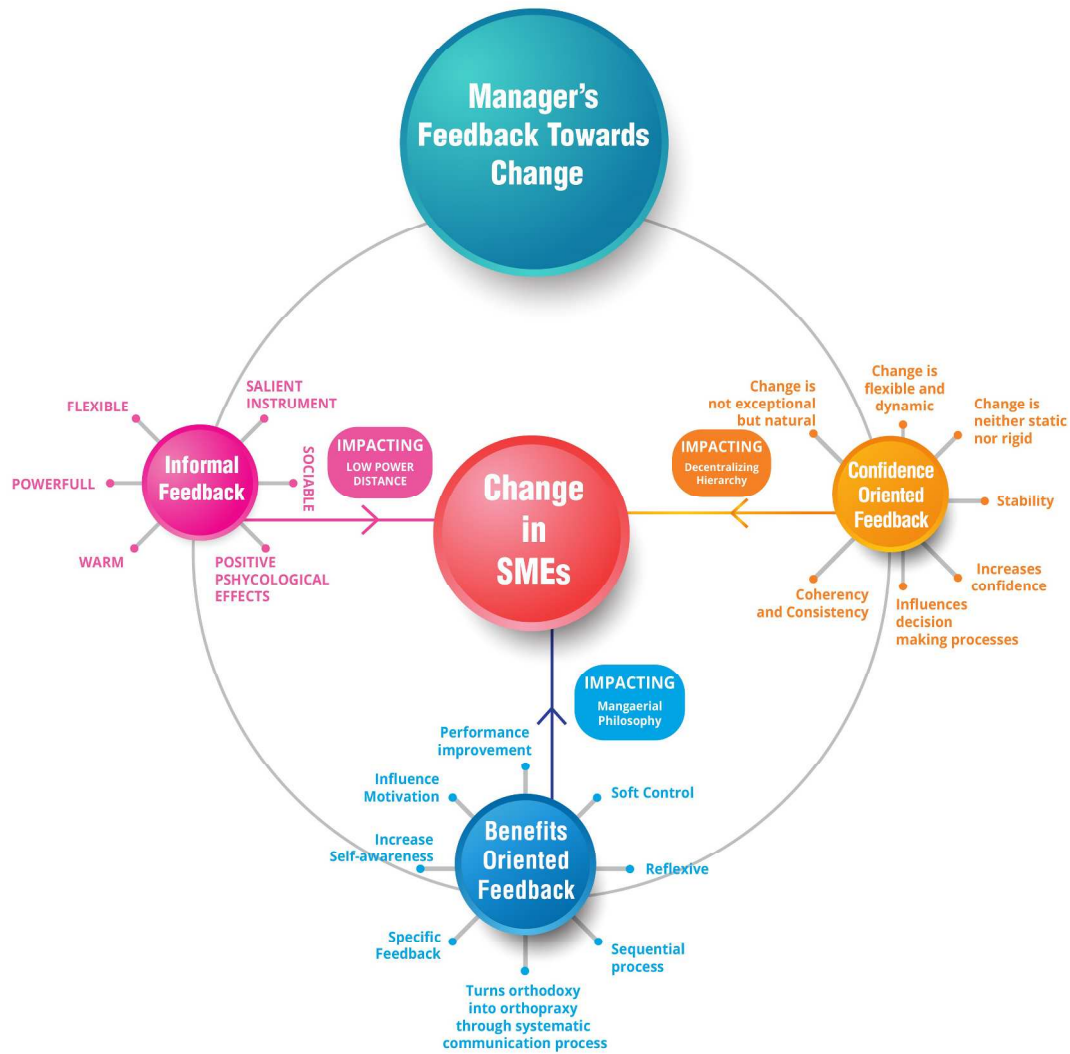
What is the interconnection between feedback and benefits in change process of SMEs?

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



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