

**BEYOND PERFORMANCE APPRAISAL: EXAMINING THE ROLE OF
SUPERVISOR BEHAVIOUR AND RECOGNITION IN CONTINUOUS FEEDBACK
SYSTEMS**

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Abstract:

The shift from traditional annual performance appraisals to continuous feedback systems has transformed how organizations manage employee performance and development. However, limited research exists on how employees perceive such systems, particularly in relation to fairness and supervisory behaviour. Grounded in Organizational Justice Theory and Social Exchange Theory, this study examines the determinants of employee satisfaction with continuous performance feedback. A quantitative research design was adopted using primary data collected from 402 working professionals across diverse sectors, including IT, banking, retail, and service industries. Data were analysed using reliability analysis, exploratory factor analysis, correlation, and multiple regression techniques.

The findings reveal that supervisor behaviour and praise have a significant positive impact on employee satisfaction, highlighting the importance of relational and recognition-based aspects of feedback. In contrast, criticism and comfort level were found to have no significant influence. The results suggest that employees value supportive, respectful, and engaging feedback interactions more than corrective or contextual elements. The study contributes to the literature by integrating fairness and relational perspectives into the understanding of continuous feedback systems, particularly in the context of emerging market workplaces. The findings offer practical implications for organizations seeking to design effective feedback mechanisms that enhance employee engagement and satisfaction.

Keywords: *Continuous feedback, supervisor behaviour, employee satisfaction, organizational justice, social exchange theory, performance management*

Introduction

Performance feedback plays a very important role in the life of any employee. Basically, it helps the employees to know about expectations from them in terms of their performance, if there is a need for any improvement and what is the road ahead for them to grow in the organisation. Normally, performance appraisal used to happen traditionally, once in a year. But with the changing trends and expectations of the modern workforce, this system has now been performed in the form a regular and continuous feedback. This helps the employees to make corrections on regular basis, wherever needed (Erdogan, 2022; Thurston & McNall, 2010).

Continuous feedback, unlike annual appraisals are conducted on continuous basis and involves

allows employees to get timely feedback and guidance which helps them to correct their mistakes. This also helps them to stay aligned with the goals of the organisation. Research also shows that continuous feedback can contribute to improving employee engagement and employee development (Singh, 2018; Giamos et al, 2023).

The key factor in the process of feedback is the way an employee responds to it which greatly depends upon their perception of fairness. Researches in this area highlight that employees are more likely to accept and respond to the feedback when they believe that the process of the same is fair and transparent. This could be explained with the help of the concept called organisational justice which consists of procedural, interactional and distributive fairness (Flint, 1999; Palaiologos & Papazekos, 2011; Taneja et al, 2024). Opposite to this is when the employees feel that the appraisal system is unfair, which could lead to dissatisfaction, low motivation and negative attitude towards the organization (Narcisse & Harcourt, 2008; Getnet et al, 2014).

One more important factor is also the way of giving feedback. Feedback if focused on improvement, can lead to increase in the confidence and performance of employees. On the other hand, if it is very negative and is delivered poorly, it can lead to stress among the employees and might also reduce their motivation. At the same time, one more thing to be highlighted here is employees who feel that their supervisor is supportive and credible, they tend to value that feedback (Chory & Westerman, 2009; Jawar, 2006).

Although, a lot of research is conducted in this area, some gaps still exist. Primarily, there is a limited understanding of the long-term impact of continuous feedback and basically how it is perceived by the employees. Therefore, it is important to study the perception of the employees in designing the feedback systems which are not only effective but are also fair and accepted by them. This research aims to study the perception of employees about performance feedback focusing on the role of fairness and support by the supervisor.

Review of Literature

One of the important functions of Human Resource Management is the role of Performance feedback. This is one function which is connected to improving the performance of the employees, their development and thus the development of the overall organisation. However, traditional appraisal systems are now considered as being less effective due to changes taking place at the workplace. The reason being these to be annual so not continuous, thus limiting the employees to improve their performance as and when required. This could also reduce employee engagement as they fail to support continuous development (Maganti, 2025; Naramski & Trzeciak, 2024).

In addition, performance appraisals conducted annually can also lead to varying and biased evaluations especially with a diverse workforce where perceptions may vary a lot. This could also lead to reduced teamwork and collaboration, if these focus mainly on an individual (Verma & Mishra, 2024).

In order to eliminate these problems, a lot of organisations today are using continuous feedback systems. The system involves regular communication between the employees and their managers related to performance, giving them real time guidance, better alignment of goals

and improved engagement. This supports the ongoing development of the employees rather than just focusing on their past performance (Jasson & Kangas, 2024; Giamos et al, 2023).

Another important aspect to feedback is its psychological impact. The way in which the feedback is given determines the psychological and behavioural response of the employees. The manner in which the feedback is given determines the psychological. If the feedback is Constructive – specific, focused and considerate and avoids internal blame, it enhances the self-efficacy and encourages collaboration (Baron, 1988). Whereas, Destructive feedback often triggers anger, tension and resistance (Baron, 1988). The most effective feedback is the one which focuses on the future actions rather than limiting to the past, as future focused discussions reduce self-protective attributes and leads to an increase in the motivation of the recipient to improve (Gnepp et al, 2020)

It is also important to consider the design and the method of feedback delivery. Qualitative feedback which includes comments in detail helps in long term development and quantitative feedback such as ratings helps in short term improvement (Giamos et al, 2023). Some more factors such as personality traits, cultural background and leadership style also influence employee perceptions about feedback. Moreover, a fair and a transparent system builds trust and increases employee engagement. (Jawahar, 2006; Vajda, 2019; Micacchi et al, 2023)

Hypotheses:

Supervisor Behaviour and Employee Satisfaction

According to Organizational Justice Theory, the manner in which feedback is delivered influences employees' perceptions of interactional fairness. Supportive, respectful, and transparent supervisor behaviour enhances fairness perceptions, which in turn positively influence employee attitudes. Additionally, Social Exchange Theory suggests that positive supervisor interactions create reciprocal attitudes, leading to higher satisfaction.

H1: Supervisor behaviour has a significant positive impact on employee satisfaction with continuous performance feedback.

Praise and Employee Satisfaction

Recognition in the form of praise serves as a positive reinforcement mechanism and signals appreciation of employee contributions. From a Social Exchange perspective, praise represents a valuable relational resource that strengthens the employee–supervisor relationship and encourages positive reciprocation. It also enhances perceived fairness by acknowledging effort and performance.

H2: Praise has a significant positive impact on employee satisfaction with continuous performance feedback.

Criticism and Employee Satisfaction

While constructive criticism is intended to improve performance, its effectiveness depends on how it is perceived by employees. As per Organizational Justice Theory, poorly delivered criticism may reduce perceptions of fairness and lead to negative emotional responses. Even

when constructive, criticism may not always contribute positively to satisfaction unless accompanied by supportive interaction.

H3: Criticism has a significant impact on employee satisfaction with continuous performance feedback.

Comfort Level and Employee Satisfaction

The context and medium in which feedback is delivered contribute to employees' comfort levels. However, Social Exchange Theory suggests that relational quality may outweigh contextual factors. Thus, while comfort may influence receptiveness, it may not significantly determine satisfaction compared to relational dynamics.

H4: Comfort level in feedback delivery has a significant impact on employee satisfaction with continuous performance feedback.

Supervisor Behaviour and Feedback Dimensions

Supervisor behaviour plays a central role in shaping how feedback is delivered, including both recognition and criticism. Supportive supervisors are more likely to provide balanced and constructive feedback, enhancing both praise and developmental input.

H5: Supervisor behaviour is positively associated with praise.

H6: Supervisor behaviour is positively associated with constructive criticism.

Research Gap

Despite the growing adoption of continuous performance feedback systems, existing literature has largely focused on their general effectiveness in improving employee performance and engagement. However, there remains a limited understanding of how specific dimensions of feedback—particularly supervisor behaviour, recognition (praise), and criticism—influence employee satisfaction within these systems.

Moreover, prior research has predominantly examined feedback processes from a structural or outcome-oriented perspective, with relatively less attention given to the relational and psychological aspects of feedback interactions. In particular, the role of fairness perceptions and interpersonal treatment, as explained by Organizational Justice Theory, has not been sufficiently integrated into empirical models of continuous feedback.

Additionally, while Social Exchange Theory suggests that supportive and recognition-based interactions strengthen employee attitudes, there is a lack of empirical evidence examining how such relational exchanges operate in the context of ongoing feedback mechanisms, especially in emerging market settings.

Therefore, this study addresses these gaps by examining the impact of supervisor behaviour, praise, criticism, and feedback context on employee satisfaction, while integrating fairness and

relational perspectives to provide a more comprehensive understanding of continuous performance feedback systems.

Research Objectives

The present study aims to examine employee perceptions of continuous performance feedback systems by focusing on both relational and evaluative dimensions of feedback. Specifically, the objectives are:

1. To analyse the impact of supervisor behaviour on employee satisfaction with continuous performance feedback.
2. To examine the influence of praise (recognition) on employee satisfaction.
3. To assess the effect of criticism (corrective feedback) on employee satisfaction.
4. To evaluate the role of comfort level in feedback delivery on employee satisfaction.
5. To understand how relational aspects of feedback, grounded in Organizational Justice and Social Exchange perspectives, shape employee satisfaction.

Research Methodology

Research Design

The study adopts a quantitative, cross-sectional research design to examine the determinants of employee satisfaction with ongoing performance feedback. The research is explanatory in nature, aiming to analyse the influence of supervisor behaviour, praise, criticism, and comfort level on employee satisfaction.

Data Collection and Sample

Primary data were collected using a structured questionnaire administered to working professionals across multiple sectors, including retail, IT, ITES, FMCG, banking, and service industries.

A non-probability convenience sampling technique was employed due to accessibility considerations and the exploratory nature of the study. After data screening and removal of incomplete responses, a total of 402 valid responses were retained for analysis.

The sample comprised respondents from diverse designations and demographic backgrounds, ensuring variability and representativeness across industries.

Instrument Development

The data collection instrument was a structured questionnaire developed based on existing literature on performance feedback and managerial behaviour.

The questionnaire consisted of the following sections:

- Demographic details (age, gender, sector, designation)
- Supervisor behaviour (communication, support, empathy, clarity, problem-solving)
- Praise (recognition, appreciation, reinforcement)
- Criticism (tone, constructiveness, delivery of negative feedback)
- Comfort level (feedback context and medium)
- Employee satisfaction (overall satisfaction with feedback process)

- Measurement of Variables

The study includes:

- Independent Variables: Supervisor behaviour, praise, criticism, and comfort level
- Dependent Variable: Employee satisfaction with ongoing performance feedback
- Composite scores were calculated by averaging responses across items for each construct.

Data Analysis Techniques

Data were analysed using SPSS, applying the following techniques:

- Reliability analysis (Cronbach's alpha)
- Exploratory Factor Analysis (PCA)
- Pearson correlation analysis
- Multiple regression analysis
- One-way ANOVA for sectoral comparison
- Reliability and Validity

All constructs demonstrated acceptable internal consistency, with Cronbach's alpha values exceeding the recommended threshold of 0.60.

Construct validity was established through factor analysis. The KMO value and Bartlett's Test confirmed sampling adequacy and suitability for factor extraction. Factor loadings and communalities further supported convergent validity.

Results and Discussion

Reliability and Construct Validity

The internal consistency of the constructs was assessed using Cronbach's alpha. The results indicate satisfactory reliability across all constructs. Supervisor behaviour demonstrated strong reliability ($\alpha = 0.841$), followed by praise ($\alpha = 0.727$) and criticism ($\alpha = 0.706$), the latter after removal of one poorly performing item to improve scale consistency. The construct measuring informal comfort level exhibited moderate reliability ($\alpha = 0.617$), which is acceptable for exploratory research contexts.

To further establish construct validity, Exploratory Factor Analysis (EFA) using Principal Component Analysis (PCA) was conducted. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.667, exceeding the minimum acceptable threshold of 0.60, indicating suitability for factor analysis. Bartlett's Test of Sphericity was statistically significant ($\chi^2 = 276.129$, $p < 0.001$), confirming that the correlation matrix was not an identity matrix.

The analysis extracted a single dominant factor with an eigenvalue greater than 1, explaining 65.92% of the total variance. Communality values ranged from 0.580 to 0.726, indicating that the observed variables were well represented by the underlying factor. Factor loadings were substantial, with supervisor behaviour (0.820), praise (0.852), and criticism (0.761) loading strongly on the latent construct. This suggests the convergence of these dimensions into a

unified construct representing effective supervisory feedback behaviour, thereby supporting construct validity.

Correlation Analysis

Pearson correlation analysis was conducted to examine the relationships among the study variables. The results reveal that supervisor behaviour ($r = 0.338$, $p < 0.001$) and praise ($r = 0.314$, $p < 0.001$) are moderately and positively associated with employee satisfaction with performance feedback. Criticism exhibited a weaker yet statistically significant relationship ($r = 0.199$, $p < 0.001$), while comfort level showed a very weak association ($r = 0.112$, $p < 0.05$).

Additionally, supervisor behaviour was strongly correlated with praise ($r = 0.573$, $p < 0.001$) and moderately correlated with constructive criticism ($r = 0.412$, $p < 0.001$). These findings indicate that supervisors who exhibit supportive and engaging behaviours are more likely to provide both recognition and developmental feedback.

Regression Analysis

Multiple regression analysis was performed to assess the impact of supervisor behaviour, praise, criticism, and comfort level on employee satisfaction with ongoing performance feedback.

Model Fit

The regression model was found to be statistically significant ($F = 15.573$, $p < 0.001$), indicating that the set of predictors reliably explains variation in employee satisfaction. The model yielded an R value of 0.369, suggesting a moderate relationship between the independent variables and the dependent variable. The coefficient of determination ($R^2 = 0.136$) indicates that 13.6% of the variance in employee satisfaction is explained by the predictors, with an adjusted R^2 of 0.127 confirming the model's explanatory robustness.

Regression Coefficients

The standardized regression coefficients indicate that:

Supervisor behaviour ($\beta = 0.230$, $p < 0.001$) has a significant positive impact on employee satisfaction.

Praise ($\beta = 0.171$, $p = 0.005$) also significantly enhances satisfaction.

Criticism ($\beta = 0.022$, $p = 0.692$) does not have a statistically significant effect.

Comfort level ($\beta = 0.004$, $p = 0.928$) is also not a significant predictor.

These results highlight that relational and recognition-based aspects of feedback are more influential than contextual or corrective dimensions.

Multicollinearity Diagnostics

Multicollinearity diagnostics confirm that the model is free from collinearity issues. Variance Inflation Factor (VIF) values range from 1.097 to 1.680, well below the threshold of 5, and tolerance values exceed 0.2. Additionally, condition indices fall within acceptable limits, indicating independence among predictors.

Hypotheses Testing

The proposed hypotheses were tested using regression and correlation analyses. The results indicate that supervisor behaviour has a significant positive influence on employee satisfaction

with performance feedback ($\beta = 0.230$, $p < 0.001$), thereby supporting H1. Similarly, praise was found to have a significant positive impact on satisfaction ($\beta = 0.171$, $p = 0.005$), providing support for H2. In contrast, criticism did not exhibit a significant effect on satisfaction ($\beta = 0.022$, $p = 0.692$), leading to the rejection of H3. Likewise, comfort level was found to be statistically insignificant ($\beta = 0.004$, $p = 0.928$), and therefore H4 is not supported.

Further, correlation analysis revealed that supervisor behaviour is strongly and positively associated with praise ($r = 0.573$, $p < 0.001$), supporting H5. Additionally, a moderate positive relationship was observed between supervisor behaviour and constructive criticism ($r = 0.412$, $p < 0.001$), thereby supporting H6. Overall, the findings suggest that while relational and recognition-based factors significantly contribute to employee satisfaction, corrective and contextual elements do not exert a meaningful influence.

Sector-wise Analysis (ANOVA)

A one-way ANOVA was conducted to examine whether employee satisfaction differs across sectors. The results indicate no statistically significant differences ($F = 2.010$, $p = 0.063$), suggesting that satisfaction levels are comparable across industries.

Post hoc analysis using Tukey's HSD test further confirmed the absence of significant pairwise differences among sectors ($p > 0.05$). The homogeneous subsets analysis also indicated that all sectors fall within a similar grouping, reinforcing the consistency of findings across industry contexts.

Discussion of Findings

The findings of this study provide strong empirical support for the importance of relational dynamics in performance feedback systems. Supervisor behaviour emerged as the most influential predictor of employee satisfaction, underscoring the role of supportive, communicative, and engaging managerial practices. This aligns with prior research emphasizing the centrality of leadership behaviour in shaping employee perceptions of feedback effectiveness.

Praise was also found to significantly enhance satisfaction, indicating that recognition and appreciation serve as critical motivational drivers in feedback processes. Employees appear to respond more positively to affirming feedback than to corrective inputs.

In contrast, constructive criticism did not significantly influence satisfaction, suggesting that employees may not perceive corrective feedback as a value-enhancing component of the feedback experience. Similarly, the insignificance of comfort level indicates that the context or medium of feedback delivery is less important than the quality of interaction and interpersonal engagement.

The absence of sectoral differences further suggests that the determinants of feedback effectiveness are universal rather than industry-specific, reinforcing the generalizability of the findings.

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