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DESIGNING A FEEDBACK CULTURE:

THE CASE OF PIPEDRIVE

Bachelor Thesis

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Tartu 2022

I have written this Bachelor Thesis independently. Any ideas or data taken from other authors or other sources have been fully referenced.

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Introduction

It is commonly known that feedback is an important part of modern company cultures. The term "feedback culture" has become widespread, but the phenomenon behind it is one that is not yet widely scientifically researched. An organization that maintains a feedback culture, fosters a workplace where feedback is continuous and welcomed, where employees feel at liberty to ask and receive it from their peers. A strong feedback culture is significant for improved performance, healthier, more beneficial communication, and even trust in and longevity of the organization. (Harter & Adkins, 2015; Yohn, 2019; Ernst, 2019; Kipnis & Green, 2021; Kurter, 2020) Furthermore, management consulting company Gallup has found that companies who promote an environment of feedback improve employee engagement, which leads to "improved productivity and profitability" (Musser, 2019, para. 1). Gallup data also shows that receiving feedback makes an employee four times more likely to be engaged in their work than their peers that do not (Mclain & Morgan, 2022). Changes in the current global workforce also play into the increasing importance of great workplace culture. Gen Z is reportedly the most feedback-keen yet, as 60 percent of Gen Z employees want feedback from their manager at least on a weekly basis or even daily (*Generation Z Research*, 2018). Since 2016, Millennials make up about 35% of the workforce (Fry, 2018), while according to Oxford Economics, Gen Z will represent almost a third of the global workforce by 2030. Their research adds that Gen Z is reported to be more agile and digitally competent, which means they will become an "engine of growth" for the IT industry. (*Gen Z's Role*, 2021) These newer generations are already making their mark in their workplaces, as IBM made considerable changes to their feedback systems by replacing traditional performance reviews with a more open and frequent feedback procedure, all to engage and cater to their Millennial employees (Gay, 2016).

Research so far focuses on the benefits of a successful feedback culture, but what is not as widely researched is what feedback systems and methods companies use and how much they include their employees in the process of designing them. The author will focus on employee-focused feedback systems, such as performance reviews, as well as employer-focused feedback methods (employee engagement, etc.) in this research, to give an overview of what has been used in the field so far and is useful to take into practice.

It has been researched how well feedback systems measure the performance of employees, but not their satisfaction with them. Employees are not often brought into the process of building a feedback system. The importance of this thesis lies in the value it brings to Pipedrive and its workplace culture. The author chose to research the feedback culture of

Pipedrive because the topic is not widely researched from the point of view of employees. As an agile technology company, researching Pipedrive provides an insight into recent practices that are not widely researched. This thesis will provide insight from the employees of Pipedrive on how they currently view the state of the feedback culture, as well as bring out suggestions from the employees that the employer can take into consideration. It will also open up possible future research on the topic of feedback culture in technology companies.

This thesis is written in collaboration with Pipedrive, as the author of this thesis is an employee of the company and the idea of the thesis came from Pipedrive's need to research this topic. The aim of this Bachelor thesis is to map out and analyse the current feedback culture of Pipedrive and provide suggestions for the company's practices.

In order to achieve the aim of this thesis, the following research tasks have been put into place:

- to define and analyse feedback culture and the role of feedback in organizations;

- to define and analyse both employee-focused and employer-focused feedback mechanisms, such as performance reviews and eNPS questionnaires, and their utility from both an organizational and the employees' point of view;

- to develop a method for empirical study and carry out the study in Pipedrive;

- to summarize the empirical study findings and make suggestions on how the current feedback culture should be improved.

This thesis begins by introducing different feedback systems and methods used in the field of Human Resources so far, it will then go on to describe mechanisms that could be implemented. The author of this thesis groups feedback methods into two – employee-focused feedback and employer-focused feedback and will go on to introduce both. It will then proceed to map out the current state of feedback culture in Pipedrive and finally, make suggestions on how the culture and systems in place should be improved.

Keywords: feedback culture; feedback; performance review; technology company; feedback system; workplace culture.

1. Theoretical overview of feedback culture

1.1. The concept of feedback culture and its role in organizations

This chapter begins to explain the role of feedback in organizations by describing the term feedback culture and its role in managing employee performance.

Cole (2015) has defined the term feedback in a workplace setting as a "constructive conversation about the progress toward a goal as well as the possible actions and options available to meet (and possibly exceed) the goal" (p. 10). Feedback can also be seen as a result of performance, an act of contributing information about someone's achievements (Hattie & Timperley, 2007). The role of feedback in an organization is best explained or conveyed by its feedback culture. London and Smither (2002) have defined a strong feedback culture as "one where individuals continuously receive, solicit, and use formal and informal feedback to improve their job performance" (p. 84). The author expands the definition of feedback culture in this thesis as the whole system of collecting and sharing feedback in an organization, including feedback mechanisms, methods, and usage, in addition to the overall significance it may have in an organization. Feedback system, a term that the author will be using, refers to the mechanisms and methods that make up the feedback culture and support it.

A strong feedback culture is important to ensure better communication, trust and performance between peers and teams (Yohn, 2019; Kurter, 2020). It has been found that a supportive feedback culture allows employees to feel more comfortable and productive in their daily work (Mamula et al., 2020). What is more, companies should shape their feedback culture by ensuring the quality and importance of feedback and support employees to participate in exchanging it (London & Smither, 2002). Feedback is an important part of managing employee performance, however, opinions differ on how feedback should be implemented regarding organizational performance management. Viswesvaran and Ones (2000) define job performance as "scalable actions, behaviour and outcomes that employees engage in or bring about that are linked with and contribute to organizational goals" (p. 216). Performance management is defined as "identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization" (Aguinis, 2013, p. 2, as cited in Brown et al., 2019). While performance management involves a set of activities implemented to better employee performance, performance reviews can be considered as the starting point for starting the activities, to set the focus of performance in alignment with the strategic goals of the company (DeNisi & Murphy, 2017). DeNisi and Pritchard (2006) have defined performance reviews as a "discrete, formal, organizationally sanctioned event, usually not occurring more frequently than once or twice a year, which has clearly stated performance dimensions and/or criteria that are used in the evaluation process" (p. 254). It used to be that an annual performance

review is the only time an employee receives feedback about their performance, however, this is no longer valid in recent times.

Feedback is not only employee-centric but should also be gathered about the employer itself. Many organizations survey their employees regarding their satisfaction with their employer, for strategic decision-making, driving changes in the organization, or just making their employees' opinions heard (Wiley, 2012). Ways in which an organization can gather feedback about their feedback culture is through surveying and measuring different employee attitudes, such as employee engagement and employee commitment.

The following chapter will be focusing on the different feedback mechanisms of organizations. A company's feedback culture consists of the feedback mechanisms that are used internally. The author of this thesis groups feedback mechanisms into two – employee-focused feedback and employer-focused feedback. Employer-focused feedback represents the act of an employee giving feedback about their employer and workplace/environment, whereas employee-focused feedback refers to the process of an employee receiving feedback from their employer, usually about their performance. The author of this thesis uses the terms "feedback mechanisms" and "feedback methods" interchangeably, as synonyms.

1.2. Feedback mechanisms in organizations

1.2.1. Employee-focused feedback

Employee-focused feedback has traditionally been carried out through performance reviews. Performance reviews, also known as performance appraisals, are key for organizations to understand their employees' performance. DeNisi and Pritchard (2006) have defined performance reviews as a "discrete, formal, organizationally sanctioned event, usually not occurring more frequently than once or twice a year, which has clearly stated performance dimensions and/or criteria that are used in the evaluation process" (p. 254). DeNisi and Murphy (2017) have later added to that definition, by saying performance reviews to be infrequent formal processes, with the goal of a manager to evaluate an employee's performance based on set dimensions. Based on these definitions, performance reviews can be considered both frequent as well as infrequent, depending on the company.

Performance reviews typically have two main functions. Although both of these functions are meant to increase productivity in employees, they differ in their goals. Firstly, performance reviews can be implemented for making developmental decisions (covering needs and issues) about employees, with the goal of improving performance. The second

function is administrative, they are used to evaluate or appraise employees. (McAfee & Champagne, 1993)

In recent years, more and more organizations are dismissing traditional annual performance reviews, such as Deloitte, PwC, Microsoft, and Adobe (Cappelli & Tavis, 2016). Cappelli and Tavis see three substantial reasons for these dismissals: increasing focus on employee development, and increasing focus on teamwork and agility. Technology companies such as Spotify, Netflix, and Google are also replacing these reviews with more frequent peer reviews that can be either anonymous or face-to-face, occasional or spontaneous, but most importantly, uncomplicated and supposedly more effective. In the example of Google, their employees can select a handful of their peers (among all levels of the company, including juniors as well as seniors), with whom they feel they have collaborated the most, to invite to give them feedback. That list is approved by the employee's manager, and the feedback is asked between peers anonymously (only managers can see the sources). The final amount of feedback is summarized and discussed between the employee and their manager and is taken into account for career development and salary decisions. Netflix conducts their reviews openly and face-to-face, simply having conversations regarding what their peers should continue or stop doing. However, this sort of feedback system can only work in a mature company culture where people are capable of being honest with anyone. (Di Fiore & Souza, 2021)

Performance reviews can be grouped based on frequency and the number of participants. Performance reviews of frequency can also be called continuous performance reviews and they focus on the happenings of that moment. These can be annual, mid-year, quarterly, or monthly. (Pernicek, 2021) Most organizations have annual performance reviews, also called performance appraisals, although literature suggests having them more often to have more accurate evaluations of employees that are not biased by recent events (Kinley, 2016).

360-degree feedback, self-assessment, peer-to-peer feedback, and upward feedback performance feedback all fall into the category of performance reviews based on the number of participants. 360-degree feedback, also referred to as multi-rater feedback, full-circle appraisal, or stakeholder appraisal, is the process of giving employees feedback from multiple directions or sources, to give better insight to employees regarding the effect of their behaviour on the organization (Garavan et al., 1997; McCarthy & Garavan, 2001). Important participants of the 360-degree feedback process include the employee, their peers, manager, and direct reports (Tornow, 1993). London and Beatty (1993), however, argue that customers

should also be considered as one of the sources of 360-degree feedback, because without it the feedback should be called 270 degrees, instead of 360. They consider customers to be of value for the company and its competitiveness, therefore they should be included in feedback processes. Kaplan (1993) argues that even family and friends of the employee should be included in the 360-degree process, saying that a comparison of the employees' two sides of life can give great insight into their personal development. Their argument, however, is not a popular one.

360-degree feedback can be useful for the organization itself, as well as for its' employees. From the company's perspective, 360-degree feedback can open the door for succession planning, development of employees and managers, reinforcing core values and employee empowerment, and be used for performance appraisals. For the employee, it can give insight into performance and potential. (Garavan et al., 1997) As mentioned beforehand, 360-degree feedback can be used for both evaluation and developmental purposes. Bernardin et al. (1993) and Romano (1994) both have found that 360-degree feedback is being used during performance appraisals, in addition, Bernardin et al. also found that subordinate appraisals toward managers are strongly favoured and considered to be critical. They also found concerns, the main one being that subordinates may lack capabilities in giving honest judgments, as well as that the process may not be implemented correctly enough for it to be effective. Regarding developmental objectives, Garavan et al. (1997) suggest that "situational factors may affect the motivation of employees to accurately report on assessment" (p. 137). For example, when assessing the development of peers, the results of assessments are made to seem more competent than when assessing for evaluation purposes (O'Reilly & Furth, 1994). Similarities were found by London and Beatty (1993) as well, their study revealed that subordinates would share their feedback differently depending on whether the assessment is for development or evaluation purposes. In summary, these results indicate that 360-degree feedback is better used for only employee development. Edwards and Ewen (1996) have gathered that for a 360-degree feedback system to be successful, it has to have certain objectives. According to them, it should be valuable for and motivate employees' development, support top-level decisions of current and future plans and create an environment of achievements. They also believe, that employees should take part in the design and implementation of the feedback system, the same is validated by London and Beatty (1993).

Not all companies use the 360-degree feedback to its fullest, but rather focus on the more limited use of it that does not include every participant, such feedback systems are also

known as upward feedback and peer-to-peer feedback (McCarthy & Garavan, 2001). In addition to those, self-assessment feedback can also be used.

Upward feedback, known also as upward appraisal or subordinate appraisal is the process where a subordinate assesses the performance of their manager, be it either in part of an annual performance review or spontaneously (Atwater et al., 2000). Some have argued that subordinates evaluate their managers' performance better than other stakeholders could (McCarthy & Garavan, 2001). McCarthy and Garavan (2001) also believe that "subordinate appraisals can provide more reliable ratings for certain performance dimensions such as leadership competence, improved employee performance as a result of receiving upward feedback and a more participatory organizational culture" (p. 18). Bernardin (1986) found multiple concerns regarding subordinates evaluating their managers, for example, subordinates might not feel comfortable telling the truth, managers might treat their subordinates differently to prevent bad ratings and subordinates may not be knowledgeable enough to assess fairly. Besides drawbacks, Bernardin (1986) also found many benefits of the process, saying that if it is effectively executed, it can be good for supporting good managerial behaviour, clearing the way for positive changes, and even have a beneficial effect on the confidence of employees.

Rowe (1995) defines peer appraisal as the process of co-workers evaluating each other's performance either directly or on a team basis. It has been found that peer evaluation can have an advantageous effect on communication, task focus, and activity, as well as have a beneficial impact on co-worker relationships (Druskat & Wolff, 1999). Di Fiore and Souza (2021) consider peer reviews "the future of performance evaluations" (p. 2), stating them as more effective and valuable to organizations. In their suggested model, employees gather feedback from the colleagues of their choice and their manager compiles it and takes it into consideration during official performance reviews. Mosley (2015) deems "real-time" (para. 10) peer reviews to be a good replacement for traditional performance reviews, ensuring that an effective peer review program focuses on reflecting the company's core values and mission, allows giving frequent and spontaneous feedback, and includes employees thoroughly. The limitations of peer-to-peer feedback can be that peers might assess each other more negatively, in fear of being assessed harshly themselves. Employees might also give more critical feedback to their peers if they cannot be sure when is the next time they can give feedback. (Bamberger, 2007) Peer reviews may be more supported in a strong feedback-oriented environment, which circles back to the importance of an organization

having a strong feedback culture. If employees are encouraged to give honest and respectful feedback and are surrounded by it, they may be more inclined to do it.

The last common workplace feedback method researched in this thesis is self-assessment. Self-assessment can be described as the process of an employee rating their own work performance (McCarthy & Garavan, 2001). It can be used for different purposes, including assessment of current work performance or need for the development of skills and knowledge, and reflection on previous accomplishments (Thornton, 1980). It is thought that self-assessments are the most accurate of performance evaluations, the reason being that the self-assessor is most knowledgeable of their own achievements and capabilities (Klimoski & London, 1974), Rowe (1995) even considers them essential, considering it forces evaluators to reflect on the past as well. Self-assessments should be used alongside other feedback mechanisms, as Thornton (1980) suggests that self-ratings can leave important details of development unnoticed, such as training needs.

Table 1

Comparison of methods of employee-focused feedback

	360 degree feedback	Upward feedback	Peer-to-peer feedback	Self-assessment
Frequency	Annual, mid-yearly, quarterly (part of performance review) or spontaneous	Annual or spontaneous	Annual, spontaneous or constant	Annual or constant
Participants	Subordinates, peers, manager, customer	Manager and subordinate	Peers or team	Employee
Topics	Development or performance, salary	Performance of manager	Performance or cooperation	Development or performance
Method	Face-to-face; anonymous; survey	Face-to-face; survey	Face-to-face; anonymous; survey	Survey
Advantages	Best overview of an employees' development and performance	Subordinates can give managers best insight into their management style	Can have a positive impact on relationships and performance; peers may have the best overview on each other's performance	Self-reflection can bring out unnoticed achievements and capabilities
Limitations	Has to have objectives; employees should take part in the design	Subordinates might not give honest feedback; managerial behaviour has to be good	Peers opinions' of each other might be subjective	On their own, self-assessments might not reveal all necessary details

Source: author's compilation; Tornow, 1993; Garavan et al., 1997; Edwards & Ewen, 1996; London & Beatty, 1993; O'Reilly & Furth, 1994; Atwater et al., 2000; McCarthy & Garavan,

2001; Bernardin, 1986; Druskat & Wolff, 1999; Di Fiore & Souza, 2021; Mosley, 2015; Bamberger, 2007; Thornton, 1980; Klimoski & London, 1974

Table 1 above illustrates all forms of employee-focused feedback covered in this section of this thesis. This author compares performance reviews based on the frequency of the event, participants, topics discussed, and methods for executing them. Each feedback method has its advantages and limitations, based on that, companies should consider what is their goal and choose the method that works for them best.

Employee-focused feedback is mainly executed in organizations with performance reviews, which can be traditionally performed on their own, or by methods such as 360-degree feedback, upward feedback, peer-to-peer feedback, and self-assessment. All these methods can be used on their own or in support of each other.

1.2.2. Employer-focused feedback

The author of this thesis defines the term employer-focused feedback as the process of an employee giving positive and/or constructive feedback to their employer about their workplace, be it directly or through a survey, to improve their working conditions or the organization as a whole. In the author's opinion, gathering feedback from employees promotes a stronger feedback culture. In addition to getting feedback about their work performance, having the opportunity to give feedback cultivates equality between the employer and the employee, resulting in a two-way street of giving feedback.

One of the ways of giving feedback is through the Employee Net Promoter Score (also known as eNPS). It is a method for measuring employee loyalty, based on how likely employees would recommend their employer to an acquaintance or friend. eNPS originated from the NPS, short for Net Promoter System, developed by the management company Bain & Co, one of the company's partners Fred Reichheld, and the software company Satmetrix. It is a measurement metric that uses a simple survey asking the question along the lines of: "What is the likelihood that you would recommend your employer to a friend?". The responses are then divided into three categories: promoters, passives, and detractors. The final metric is then calculated by dividing the percentage of detractors from the percentage of promoters. It is recommended to survey employees frequently, for example, once every 2-6 months. (*The Employee Net*, n.d.) The eNPS is beneficial in the way that it is easy to use and distribute to employees, it has a higher participation rate because of its' short length and it is simple to calculate. There are also drawbacks to the eNPS, its' main problem being that it

only focuses on the bigger picture and lacks reasons or solutions. (*ENPS – One Simple*, n.d.) The eNPS, therefore, can be used to figure out the overall situation in the organization, but other feedback methods should be used to figure out the background or reason for problems.

Besides the eNPS, there are other, more dynamic ways of measuring employees' opinions. The attitude of employees towards their employer or workplace can be measured by many different psychological constructs, such as employee engagement, employee commitment, and job satisfaction. Measuring those constructs can also be called temperature or pulse checking.

Employee engagement was first defined by Kahn (1990) as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances" (p. 694). Kahn considered three conditions for employee engagement: psychological meaning; safety; availability. Employee engagement has also been defined as "passion for work" (Truss et al., 2006, p. 4) or "as a positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption" (Schaufeli & Bakker, 2004, p. 295). Strong employee engagement is a result of high psychological well-being and positive behaviour (Robertson & Cooper, 2010). Robertson and Cooper also found strong employee engagement to improve organizational effectiveness. In 2016, Gallup found only 13% of employees worldwide to be engaged in the organizations they are working for, the problem being that many employers merely measure employee engagement, rather than take measures to improve it and take action (Mann & Harter, 2016). There is a limited amount of research concerning the way employee engagement should be measured in an organization, however, Gallup ('Gallup's Q12 Employee', n.d.) suggests a questionnaire, covering topics of basic needs, individual contribution, teamwork, and growth (see Appendix A).

Another employee attitude, employee commitment or organizational commitment, as defined by Meyer and Allen (1991) is a "psychological state that binds the individual to the organization (i.e. makes turnover less likely" (p. 14). They state, however, that commitment is a multidimensional construct that cannot be distinctly described. What is more, they identify that the consequence of organizational commitment is a downtrend in employee turnover.

Employee surveys are widely used for measuring employee attitude, satisfaction, and company performance, the reason for their popularity is that they are simple to administer and compile and their results are easily visualized. In recent years, platforms designed specifically for organizations to make employee surveying easier have become popular.

However, despite the clear advantages, organizations often choose to not use such services, which can be because management finds planning easier than taking measures for development (Brown, 2021). Goretzki (2021) found that employee satisfaction measurement systems impact employees in a way that presents their expectations and makes them feel heard in the organization, but is only positive if actual measures are taken by the management after having given feedback. They also observed that purely measuring by asking employees for feedback does not lead to increased satisfaction.

Surveys can be utilized in different manners, newer HR blogs recommend sending out pulse surveys monthly ('How to Really', n.d.). Another recommendation is for companies to have an online suggestion box, where employees can leave anonymous feedback whenever they feel the need (Polovin, 2021).

Employee-focused feedback can be carried out with the simple eNPS survey, or with longer employee attitude surveys, such as employee engagement or commitment surveys. Employee attitude systems should only be executed if action is also taken based on the feedback gotten.

A feedback culture includes both employee-focused and employer-focused feedback mechanisms. These two mechanisms should be used and designed in companies based on their needs and specifics. There is a wide variety of different feedback methods to be used, which is why using the right methods can be challenging for companies. For employee-focused feedback, used methods should provide insight into both performance and development related topics, literature also recommends that employees be included in designing the process. For employer-focused feedback, chosen surveys and methods should provide valuable information for management, but most importantly, the feedback gathered should be taken into consideration and employees should have visibility on the actions taken based on it. Although both mechanisms are important, they do differ in actions taken after the process. Employee-focused feedback revolves around the employee on a personal level, the feedback about them is used for making decisions around their future in the company (their growth and development plans, salary decisions, etc.). Employer-focused feedback gives insight mainly to executive level management, the information will be used to make decisions around the future of the company itself. Employer-focused feedback can bring focus to improvement points and the satisfaction of employees, which in return helps prevent employee turnover.

The theoretical overview has so far focused on the concept of feedback culture and different feedback mechanisms, to map out best practices. The empirical part of this thesis

will continue to investigate the feedback culture of a technology company, to then go on and analyse if current practices should be changed according to the theory.

2. Empirical investigation of the feedback culture of Pipedrive

2.1. Overview of Pipedrive and research methodology

Pipedrive is a cloud-based software as a service (SaaS) company that develops a sales customer relationship management (CRM) tool. Pipedrive was founded in 2010 in Estonia as a start-up, and today it has grown into an international organization with over 100,000 customers. In 2020, Pipedrive reached a valuation of $1 billion and achieved the "unicorn" status, after a majority investment from Vista Equity Partners, who now own the company. (Pipedrive Inc., n.d.)

Pipedrive is organized by 10 departments. The Engineering department makes up around half of all employees, while Product Management, Support, and General and Administrative (G&A) all are next and somewhat equal by size. Customer-facing teams make up around 1/3 of the company, while Product Management is around 15%. The rest of the structure is comprised of other business roles. As Pipedrive is a software development company, the size of the Engineering department makes sense. Pipedrive uses a hierarchical structure. For simplification purposes, the author divides the organizational hierarchy of Pipedrive into four managerial levels, executive, top-level, middle-level, and the subordinate level, as shown in Figure 1 below. The executive level consists of the Chief Executive Officer (CEO) and other executives, the top level of Global Heads, Vice Presidents, Directors, and Head of Departments, and the middle level of Managers and Team Leads. Pipedrive's 944 employees are located in over 10 cities (10 offices in addition to remote workers), with over half of employees (470) working in Tallinn and about a quarter (222) in Lisbon. Some departments are also location-based, with product development (Engineering and Product Management) based mainly in Estonia, Lisbon, and Prague, Finance based in Tallinn, Dublin, and New York and Marketing based only in London and Berlin.
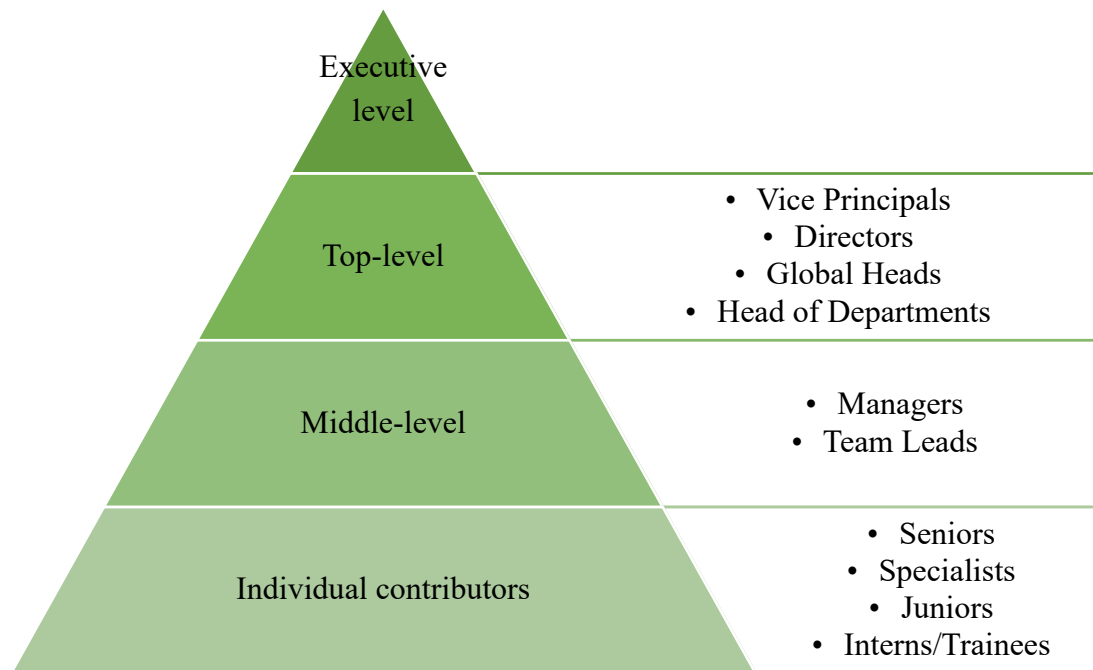
Figure 1. Organizational hierarchy of Pipedrive

Source: author's communication, compiled by the author

To fulfil the purpose of this thesis, the author conducted research among the company's employees. The research process is described in Table 2 below.

Table 2.

Research plan of the thesis

Research plan	Purpose	Time period
Observational study as an employee of Pipedrive	Observe and experience Pipedrive's feedback culture	From May 2021 until April 2022
Interview with the Global Head of People & Culture of Pipedrive	Map out the current state and past of Pipedrive's feedback culture	February of 2022
Focus group interviews with employees of Pipedrive	Interview employees to grasp their opinion and view on Pipedrive's feedback culture	March and April of 2022
Analysis of results	Analyse results of research and summarize findings	

Source: author's compilation

The first part of the research process was an observational study as an employee of Pipedrive. At the time of writing this thesis, the author has been working in the P&C (short for People & Culture, commonly also called Human Resources) department of Pipedrive for almost a year. To remain objective for this research, the author feels that it is fair to include their experience as an employee as an observational study. It is important to point out that as an employee of P&C, the author may have a different view or different information privileges to the process of feedback mechanisms in Pipedrive than employees from other departments. The observational study as an employee of Pipedrive aimed to observe and experience the company's feedback culture. For this observation, the author has mapped out the feedback system of Pipedrive by experiencing it first-hand as an employee or by reading documentation. Furthermore, the author has participated in the daily feedback culture, one annual performance review, one midyear review, and one company-wide eNPS survey. This participation contributes to the mapping of the feedback mechanisms, while at the same time helping the author to better understand the feedback culture as an employee.

The second part of the research process was to interview the Global Head of People & Culture (P&C) of Pipedrive, who is the main cultivator of Pipedrive's feedback culture. The interview was half-structured, conducted in Estonian and virtually via a Zoom video call, in February 2022 and lasted for one hour. This interview aimed to map out the past and current state of the feedback culture. This was achieved by asking questions about the choices of feedback mechanisms used and what has been working for the organization, as well as what needs improving. The interview plan for this interview is shown in Appendix B. The results of the interview contributed to the interview questions and focus of the focus group interviews, as the author found the input of the Global Head of P&C relevant to the research of this thesis.

The third part of the research process was conducting focus group interviews with the employees of Pipedrive. This method of collecting information was chosen by the author because focus group interviews provide an opportunity to get more honest insight and opinions about the feedback culture than a survey would. The participants were chosen by using convenience and purposive sampling, to ensure diversity in the groups. Diversity was ensured by four descriptives: tenure, gender, working location, and rank (position in the company). There were four groups, consisting of three to five employees per group. The size of the focus groups was chosen to ensure that every participant can contribute to the conversation and also based on how many people were available to be interviewed. The participants were invited by the author, either in written form in internal communication

channels or orally during meetings. The invites included information about the research and thesis, the goal of the focus group interviews and some keywords about the topic. The description of the focus groups is seen in Table 3 below. Two of the focus groups chosen are based on the sizes of departments (as seen in Figure 1). Interviewing the biggest departments in size, Engineering and Product Department, gave an overview of the state of the current feedback culture, as well as give insight into how feedback mechanisms may differ between the departments. For group 4, the author finds interviewing employees of People & Culture important, as they carry the biggest responsibility for cultivating and managing the feedback culture of Pipedrive. Interviewing top and middle-level managers was relevant to get an insight into upward feedback mechanisms, they represent group 1.

Table 3.

Focus groups and their descriptions

Focus groups	Description	Tenure	Location	Gender composition
Group 1	Recruitment Team Lead	3 years & 4 months	Tallinn	2 female, 1 male
	Head of Engineering	6 years & 3 months	Tartu	
	Group Product Manager	6 years & 2 months	Tallinn	
Group 2	Engineering Manager	3 years & 6 months	Tallinn	3 male
	Junior Developer	10 months	Prague	
	Senior Frontend Developer	4 years & 4 months	Tallinn	
Group 3	Senior Product Manager	4 years & 2 months	Tallinn	3 female, 1 male
	Product Manager	4 years & 6 months	Tallinn	
	Senior Product Manager	1 year & 2 months	Lisbon	
	Junior Product Designer	8 months	Prague	
Group 4	Learning & Development Lead	10 months	Tallinn	4 female
	People Ops Specialist	2 years & 6 months	Tallinn	
	Senior Tech Recruiter	1 year & 2 months	Prague	
	Senior People Partner	3 years	Lisbon	

Source: author's compilation

The interviews were conducted virtually, during March 2022, via Zoom video calls. The length of the interviews was up to an hour and a half, however, group 4 required a follow-up session of 30 minutes. As employees from different locations and of different nationalities were included, the interviews were conducted in English. Overall, 14 people took part, including 9 female and 5 male participants. Location-wise, there were 8 participants from the Tallinn office, 3 from Prague, 2 from Lisbon, and 1 from Tartu. In total, 23 people were invited to participate, 3 people did not respond, 2 declined and 4 had to

cancel last minute because of other responsibilities. The focus group interviews were half-structured and the research questions were focused on the employees' experience with Pipedrive's feedback culture. The main focus and specifics of the interview process were designed after interviewing the Global Head of P&C and based on the theory covered in the first chapter of this thesis.

The focus group interviews started by introducing the goal of the interview and the author's thesis, as well as the structure of the discussion. The discussion started with introductions of the participants and then moved on to the research questions, which can be found in Appendix C. The moderator (the author of this thesis) started every theme with a theoretical or contextual explanation of it. Firstly, focus groups were asked about the overall feedback culture of Pipedrive, which will be later analysed as theme 2. The questions then moved on to theme 3, which focused on the performance review process of the company. Then followed questions about peer reviews, self-assessments, and upward feedback (for Group 1), which reflected themes 4, 5, and 6. Groups 2, 3, and 4 were also asked about department-specific feedback processes. Finally, the moderator asked questions about employer-focused feedback processes in Pipedrive, as theme 8.

All of the interviews conducted were audio-recorded, as per permission of the interviewees, and were afterwards transcribed for analysis.

Table 4.

Details of the interviews

Interviews	Date	Length	Language
Interview with Global Head of P&C	21.02.2022	1h 8min	Estonian
Interview with group 1	18.03.2022	1h 26min	English
Interview with group 2	25.03.2022	1h 18min	English
Interview with group 3	31.03.2022	1h 23min	English
Interview with group 4	28.03.2022	1h 23min	English
Follow-up with group 4	06.04.2022	22min	English

Source: author's compilation

Table 4 represents the details of the interviews conducted for the research process. The total recording length resulted in 7 hours of material, which in turn resulted in 30 pages of transcript. The results of the focus group interviews were analysed by organizing the data

and identifying and interpreting themes using coding. Using the audio recordings, transcription and notes, the author manually identified keywords within the discussions (for example positive, neutral and negative attitudes). The data was then organised by themes, the author drew conclusions that related to the theoretical part of this thesis and noted down direct opinions and suggestions.

2.2. Findings of the research process and its analysis

The following subchapter aims to present and analyse the findings of the research process, starting with the analysis of the observational study, followed by the interviews with the Global Head of P&C and focus groups.

The observational study resulted in information and background about Pipedrive's feedback culture, the findings have been presented throughout this chapter. In addition to documentation, the author has concluded their own opinions on the topic. Regarding daily feedback culture, the author feels that it is a strong part of work-life, it is often mentioned by employees that they either would like to receive or give someone feedback. The author has felt that talking about feedback is a common occurrence, it happens constantly and spontaneously, without it being a huge event.

The interview with the Global Head of People & Culture of Pipedrive revealed how the feedback culture has currently been built and how the leader views it herself.

"I think our feedback culture is something we have to work on constantly. As we're growing all the time, I think our culture will never be perfect or "ready", it is a continuous learning process. I think right now it's good, but it could always be even better." (GH of P&C)

According to the interviewee, the current feedback system is still a work in progress and is constantly updated and tweaked. As a result of the company's rapid growth in the past few years, the feedback culture has also been changing to accommodate new employees and company needs. The biggest findings from this interview resulted in confirming the feedback mechanisms used in Pipedrive.

Table 5 below describes the feedback system in Pipedrive. It is based on the author's observations and research interviews with the Global Head of P&C and focus groups. The author has mapped the feedback methods, how they are implemented in the company and the goal of these methods from the company's point of view.

Table 5.

The feedback system in Pipedrive

Feedback methods	Description	Goal

Performance reviews	1. Annual
	  • Peer-to-peer feedback
	  • Self-assessment
	  • Manager assessment
	  • 1:1 with manager
	2. Mid-year
	  • Peer-to-peer feedback
	  • 1:1 with manager
	3. Quarterly
	  • 1:1 with manager
	  • Aligning OKRs
		1. Evaluating the performance and growth of the employee; merit and bonus system decisions
		2. Checking in, re-assessing performance and growth plans
		3. Checking in, setting and reflecting on OKRs

1:1 conversations	Weekly or biweekly 1:1s with the manager	Supporting the employee, exchanging feedback
Spontaneous feedback	• Project-based feedback • Casual feedback • Recognitions • Team meetings	Further supporting the cultivation and growth of a strong feedback culture
Indirect company-provided supporting factors	• Feedback training • Coaching	Supporting employees in participating in the feedback culture
Employer-focused feedback	eNPS survey • biannually company-wide • quarterly or more for the engineering department 1:1 conversations • 1:1 with manager • 1:1 People Partner Informal methods • Company Q&A sessions • Participation in events and social media • Internal discussions • Glassdoor	Checking the temperature of the organization, assessing trends Supporting the employee, measuring satisfaction Measuring overall attitude and engagement of employees in regards to changes or events

Source: author's communication, compiled by the author

Performance reviews take place in three different formats: annually, midyear, and quarterly. The annual performance review is considered the full format of this review, as it consists of peer-to-peer feedback, self-assessment, manager assessment, and a 1:1 with the manager. These annual reviews take place at the end of the year, usually aimed to be

completed within the last quarter of the year, and they are completed in an external tool called Paycor. Peer-to-peer feedback can be requested on Paycor (see Appendix D), employees choose at least five peers to send the requests to and they are by default anonymous. Employees can choose the format, meaning the template of the questionnaire themselves, to adjust it to their specific needs. The results of the peer feedback are later visible to the employee, as well as to their manager. After collecting peer feedback, all employees are expected to fill out a self-assessment. The questionnaire has a set list of questions, reflecting on the past year, the employee's satisfaction with leadership, as well as their growth and learning efforts. The questions are mainly retrospective, with a few future-forward topics as well. The employee is expected to fill out the self-assessment on their own and as the next step, their manager goes through their answers and gives their own opinion or view on each of them. This allows the employee and their manager to identify their level of alignment. The performance review is finalized with a 1:1 conversation between the employee and the manager, to discuss all the components of the review together (see Appendix E for the user interface of the process on Paycor). Figure 2 below illustrates the process of an annual performance review.
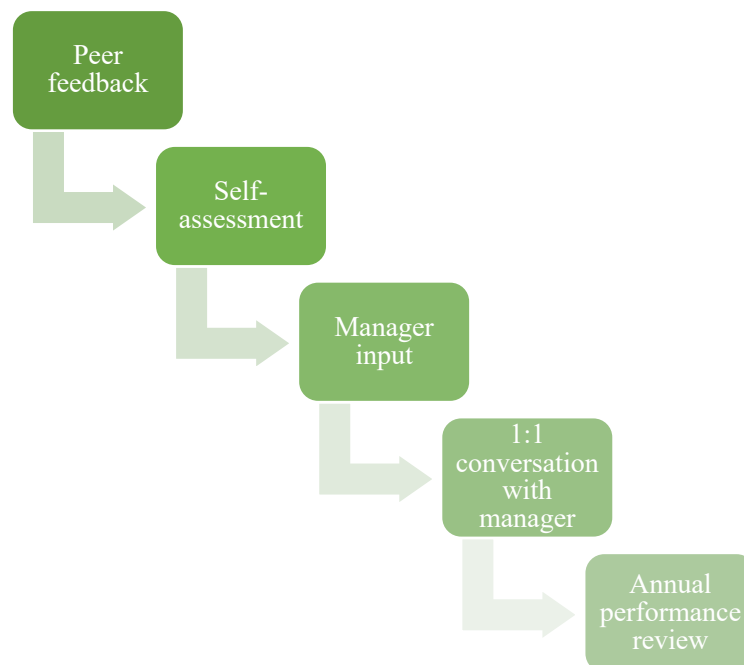
Figure 2. Process of annual performance reviews in Pipedrive

Source: author's communication, compiled by the author

Based on the results of the review, the manager will also decide on the employee's possible salary changes and bonuses. The midyear review is a shortened version of the annual one, consisting of only peer-to-peer feedback and a 1:1 with the manager, to define points of improvement and goals for the rest of the year. Quarterly reviews are currently not mandatory and are simply suggested for managers to complete with their subordinates, to set and close OKRs (Objectives and Key Results), and plan for the following quarter. Quarterly check-ins are suggested to ensure that plans are aligned and the employees feel supported.

Another method that Pipedrive has implemented to support feedback culture is continuous, weekly, or biweekly, meetings between managers and employees. The goal of these conversations is to exchange feedback about both sides' performance, as well as to keep in touch and support each other.

Pipedrive has also suggested and built other spontaneous feedback methods, which are a daily part of employees' work lives but should still be mentioned as they as well support the overall feedback culture. These methods include asking for feedback after completing projects (also known as missions in Pipedrive), giving feedback to peers casually and face to face without formalities, as well as feedback-focused team meetings. Another way that pipedrivers (Pipedrive employees) exchange feedback is through recognitions. Recognition is given through Paycor between peers in the format of publicly praising someone based on Pipedrive's core company values (see appendix E). These recognitions can be given at any time to anyone and are usually positive and include a short description of why this person is recognized. The recognitions are also visible on public screens in offices.

Other supporting factors that the company provides are feedback training and coaching. These factors should also be considered under the whole feedback system, as they support employees with participating in the feedback culture, therefore cultivating the culture as well. Feedback training is part of a bigger learning and development plan that Pipedrive has implemented. Called "Feedback Fundamentals", the training is free for all employees to join, happens monthly, and is led by in-house coaches. The training teaches employees the meaning behind feedback and helps them understand how the feedback culture can contribute to their personal goals. For both giving and receiving feedback, the coaches share techniques and tips on how to execute it. The in-house coaches are also available for coaching sessions for all employees and their goal is to support employees with topics such as personal growth, communication skills, and well-being.

Employer-focused feedback is mainly gathered in Pipedrive through biannual eNPS surveys. In 2021, Pipedrive conducted a lightweight version of the eNPS in April and a more

detailed version of the eNPS in September. The lightweight version consisted of two questions – one being the traditional eNPS question, "How likely would you recommend working at Pipedrive to a friend or a previous colleague?". The other question was an open-ended one, asking what employees would recommend improving Pipedrive as a company. In addition to the traditional question, the fuller version of the survey consisted of 21 statements that employees could answer on a scale, and two more open-ended questions, focusing on possible improvements. Whether the results of the survey are shared among employees, is for each department to decide. Usually, the company publishes a short overview of the found score and details for all, but further planned actions are not communicated to employees.

Some other ways that Pipedrive collects feedback from their employees are through managers and People Partners. People Partners (a role similar to HR Business Partner) are responsible for supporting employees with topics they cannot turn to other people with. It has also become usual that people turn to People Partners when they have feedback about the company or management. Other informal methods that Pipedrive can collect feedback about the overall "health" of the organization is during company Q&A sessions, by looking at participation levels in company events, activity on social media, or in internal communication channels and discussions. Another source considered is the reviews left on a popular employer rating site, Glassdoor (Glassdoor, n.d.).

Overall, the feedback system of the company consists of different methods, all of which have clear goals as well. In addition to the employee-focused and employer-focused feedback mechanisms, Pipedrive has developed other factors that support the feedback culture. The focus groups were interviewed based on the mapped out feedback system.

The first part of the discussion focused on the overall feedback culture of Pipedrive and aimed to investigate their personal experience with and attitude about it. The questions explored experiences with spontaneous feedback and possible improvement points, as well as changes that the feedback culture had endured over the time the interviewees had worked there. Table 6 below represents the keywords and points that appeared during discussions.

Table 6.

Insights about the overall feedback culture of Pipedrive

Focus group	Keywords	Improvement points
Group 1	Quite good, but could be better; people overall are open to feedback; lots of experience with spontaneous feedback	More clear and constructive feedback; better introduction to people from different cultures
Group 2	Very good feedback culture; lots of formats to give feedback; spontaneous feedback happens daily	More constructive and timely feedback, better training around that
Group 3	Very good and continuous feedback culture; spontaneous feedback is encouraged; teams share feedback differently	More face-to-face and constructive feedback; follow-ups after getting feedback
Group 4	Strong feedback culture; feedback is promoted heavily; some teams/locations are not as open to spontaneous feedback as others; not as much experience with asking for feedback spontaneously	Better resources and training around feedback; leaders should set a better example

Source: author's compilation based on focus group interviews

All groups had an overall positive attitude towards the feedback culture, all mentioned that they have either experienced or seen spontaneous feedback be exchanged. Many mentioned that feedback is promoted heavily by upper management, although it was also mentioned that some teams or offices do not have as strong of a feedback culture as others. Location-wise it seemed that smaller and newer offices (like London and Berlin) are not as exemplary, of all teams only People & Culture members admitted that feedback is not that prioritized among them.

"Overall, I think Pipedrive tends to hire people with higher emotional intelligence, which makes it easier for us to maintain our feedback culture." (Group 4)

Regarding improvements, all groups mentioned that giving constructive feedback is a struggle for people, a popular idea was also revising trainings (such as the internal feedback training) and company-provided resources around feedback and making them a more prominent part of new employees' onboarding.

The next part of the discussion investigated people's experience with performance reviews. The groups were asked about their feelings and attitude toward the reviews and their usefulness. Table 7 below gives insight into interview findings.

Table 7.

Insights about performance reviews

Focus group	Keywords	Improvement points
Group 1	Lots of stress; not looking forward to them; only good for summarizing the year	The full review should be done more frequently for it to be useful; timing is not the best
Group 2	Positive experience; good and useful process; looking forward to it usually	Should happen more often; need more time to complete it
Group 3	Neutral feelings; not looking forward to it but they are important; good to remember achievements; useful to some extent	Should be rolled out in a wider time-span
Group 4	Positive feelings; like the process; do not like getting surprises; is too retrospective and does not contribute to growth	Would be more impactful if more frequent, quarterly; should be more forward-looking; should be customized for different roles

Source: author's compilation, based on focus group interviews

Interviewed groups had very different opinions on the performance review process. For group 1, managers, it came up that it is not a pleasant experience, as it is stressful, overwhelming, and time-consuming. This makes sense since they have to complete the process with up to 20 direct reports during a limited time period, as well as experience it as employees themselves. Group 2 had only positive remarks about the process, as well as group 4, although some did mention how they do not appreciate how retrospective it is. Group 3 felt that it was useful only to some extent, only if they get new information from it. Among improvements, people mentioned the need for more frequent review processes and for it to be more forward-looking.

"The annual review is very focused on the past year, meanwhile we don't have a formal way of discussing long-term career goals." (Group 4)

"It is good to summarize and reflect, but frequent 1:1s and spontaneous feedback is more useful for our growth and performance." (Group 1)

"Right now the review is more focused on whether I'm going to get a promotion and bonus or not, to have it actually contribute to development it should happen more often" (Group 1)

Based on the interviews, people feel the need for more frequent reviews and check-ins. Although quarterly reviews are recommended, out of 9 interviewed people only 1 mentioned that they have the quarterly conversations as well. Based on the experience of

those people, they feel that the reviews are more focused on their salary and compensation, rather than their development.

The next part of the discussion focused on peer-to-peer feedback. When focus groups were asked, "Do you feel comfortable asking for feedback from your peers?", most people replied that they do feel comfortable and have no problem asking for feedback from their peers. Some of group 4, however, mentioned that they do not always feel confident asking for it and also giving it to others. When talking about the process that takes place in Paycor, interviewees said they like the fact that they can choose who gives them feedback. Many people however mentioned that they would prefer it to be non-anonymous, so they would have the option to follow up with the person who gave them feedback. 3 people said that they usually include their name in the form, even though it does not ask for it.

"I feel we lack context if you don't know who gave you the feedback, but also sometimes it's nice to keep it anonymous because it makes you feel safer." (Group 4)

Regarding peer feedback's contributions to their performance and development, groups 1, 2, and 3 said that the feedback only helps them if the feedback is constructive. Group 4 said that even purely positive feedback helps them, as it makes them feel more confident in their work.

When discussing self-assessments, most people agreed that they are of great value to their performance and development. Some interviewees from groups 3 and 4 believe that the self-assessments are only valuable with the manager's input, as it provides the opportunity for both parties to see what they are aligned on and what not.

"I like it, it's helped me and I like my manager's validation to see what my future plans should be. One year we discovered that I could improve my leadership skills, then we agreed on actions that contributed to it the next year." (Group 2)

Although most of the participants said they like the process of reflecting, 3 people admitted to not enjoying the process, simply because it's difficult for them to remember everything that happened in the past year.

Group 1 was then asked about their experience with feedback as managers. All managers agreed that most of the feedback from their subordinates comes from regular 1:1 and team meetings, as they constantly provide their team with ways to give them feedback on what they could improve. All mentioned how they try to cultivate their own feedback culture inside the team. One manager admitted that he mostly gets feedback right after he has done something, be it either good or bad, in his case instantaneous feedback is the most frequent. He has also had instances where he has acted out character, reflected on it a bit later, and then

went back and asked his reports how they felt about it and whether he should apologize. Another manager said she also considers external factors when assessing her performance as a manager, such as how many people are leaving and what is the overall happiness and productiveness of the team. All participants agreed that the feedback they get from their subordinates is the most beneficial of all to their performance.

Groups 2, 3, and 4 were asked about additional feedback methods that are currently in use in their department specifically. While group 4 said they do not have extra ways of exchanging feedback in their department, People & Culture, both groups 2 and 3 did list some ways. Group 2, participants from the Engineering department, talked about code reviews, mission feedback, and retrospective meetings called "retros". When talking about code reviews, a process where engineers cannot submit a piece of work before it has been approved by another peer, all three participants agreed that it is the most useful feedback they get during work.

"We have agreed that during code review we don't ask the question "Why?", as to not come off as accusatory and make the process more comfortable." (Group 2)

As code review is always constructive, engineers believe that it helps them grow the most. Group 3, participants from the Product Management department, listed methods such as "critique Thursdays", mission feedback, "friendly design review" (meetings for designers to discuss each others' work on a voluntary basis), and retrospective meetings. All those methods focus on either a piece of work people have submitted or on teamwork during a project.

Finally, the discussion reached the final topic, employer-focused feedback. The participants were asked about the biannual eNPS survey and other ways they give feedback about their employer. As seen in Table 8 below, all groups, except for group 2, feel that the eNPS survey is not useful and does not serve as a good way to gather feedback from employees. Although people agreed it is a way of checking the overall temperature of the organization, many felt that it lacks context and the results are not taken into account by the management. All focus groups felt that there is also a need for more frequent pulse surveys, as the organization is frequently going through changes.

Table 8.

Insights about employer-focused feedback

Focus group	Keywords	Improvement points
Group 1	Do not find eNPS useful, it is good for simply measuring temperature; criticism has not been heard	Prefer giving feedback directly to management; temperature checking should happen more often
Group 2	Positive feelings around eNPS; appreciate how short and simple the survey is	eNPS should happen quarterly
Group 3	eNPS is not a good way to measure temperature; does not give enough context; no ownership over results	Management needs to talk about eNPS more; there should be another survey more frequently
Group 4	The results of eNPS are not talked about enough; not a good way to gather feedback; not agile enough	eNPS should be more focused and longer; quarterly pulse surveys

Source: author's compilation

When asked about alternative ways of currently giving feedback, all groups mentioned that they prefer giving feedback directly. Participants also mentioned all the methods listed in Table 5 as ways of giving feedback about their employer. Group 1 felt strongly that there are currently enough ways to give feedback to Pipedrive, even saying that sometimes there has been too much feedback going around. The participants were also asked about possible suggestions for giving feedback. Group 1 had an idea to have a newsletter about feedback that has been acted upon by management, group 4 mentioned they would like to give feedback to executive-level management after big announcements and more direct ways to give feedback to them regularly, for example during virtual coffee breaks.

Throughout the focus group interview, there are conclusions to be drawn based on different characteristics. Group 1 overall had a different view on the feedback mechanisms, as their experience as managers is different from being individual contributors. Group 2, engineers, seemed to be the most positive regarding all feedback mechanisms, it was also clear that they prioritise simplicity, but also constructive feedback about their technical skills. Group 3, employees from Product Management, felt overall neutral concerning the feedback system. Based on the interview, the author did feel, however, that this department has the most experience with daily, spontaneous feedback. Group 4, People & Culture employees, had a more critical outlook on the topic. This can be due to the fact that some of the interviewees are closely involved with the process of carrying out those feedback methods,

therefore they have more opinions that derive from their knowledge and experience as HR specialists. Participants with longer tenure were more critical of the feedback culture and systems, at the same time many of them also mentioned that the culture has improved over time.

Based on the research process results and focus group interviews, the author will continue to make possible suggestions to Pipedrive for changes to the current feedback culture.

The author believes that based on the theoretical definition and research findings, Pipedrive's feedback culture is good. As per London and Smither's (2002) definition, Pipedrive has a strong feedback culture, which is apparent in the way the employees exchange feedback continuously. Feedback is of high priority to all levels of the organization, although feedback culture is promoted top-down, the employees have taken it seriously and as an important part of their daily work. Employees have a good overall understanding of the importance of feedback on their performance. People seek out feedback to improve their collaboration skills and reach their goals. In the author's personal experience as an employee of the company the environment of being interested in feedback has grown their own interest in it as well, this may be true for other employees as well.

To even further solidify the culture as the company grows, and as all interviewed focus groups brought out, the author suggests promoting more constructive feedback to its employees. As many participants also suggested, providing even more trainings and resources on the topic should be done, to make employees more comfortable and knowledgable about it. One possible suggestion is to include the current feedback training as a mandatory part of onboarding for all newcomers.

Secondly and on the topic of performance reviews, McAfee and Champagne (1993) said that performance reviews should contribute to both developmental and administrative decisions, Kinley (2016) also found that performance reviews should happen more frequently than on an annual basis, for it to give more accurate results. Based on that and the focus group findings, the author suggests initiating quarterly performance reviews (or check-ins) for the whole company. This process is currently only suggested to managers, but as focus group interviews revealed, this is taking place rather rarely. Performance reviews could also be improved by designing them to be more forward-looking, focused on the development and fit for specific role types. As mentioned in the theoretical part of this thesis, Edwards and Ewen (1995) and London and Beatty (1993) agreed that employees should be included in designing the process of performance reviews to make them most useful. This could be done

by launching a company-wide survey. Compared to other technology companies mentioned by Di Fiore and Souza (2021), Pipedrive has also implemented a similar peer-to-peer feedback mechanism, however for Pipedrive it is a part of annual and bi-annual performance reviews, whereas e.g. Spotify, it replaces performance reviews altogether.

A few people mentioned that they prefer face-to-face feedback to other forms of feedback. They felt that this allows the feedback to be more specific, as it allows a discussion between the two participants more organically. The author feels that although written feedback does seem to take precedent in Pipedrive's feedback culture, it does not eliminate or hinder oral feedback. Based on focus group findings, it seems that oral feedback is more often exchanged among peers who have collaborated the most. The author believes that this does not need improving, as any feedback is beneficial and for some people, frequent written feedback may lead to preferring oral one eventually.

Regarding employer-focused feedback, the author suggests implementing quarterly pulse surveys to measure the temperature of the organization. Taking into consideration the focus group interview participants' opinions, executive-level management should be more involved with the current eNPS process, by being more transparent in the actions taken after the surveys. As Goretzki (2021) found, people appreciate surveys only if they see that their feedback is being heard, furthermore, only collecting employee feedback does not lead to higher satisfaction.

Conclusion

A strong feedback culture lays the foundation for a productive and positive workplace environment. Nowadays, the phenomenon is more common among modern technology companies and leads to more productive employees, therefore better company performance. However, designing a functioning and beneficial feedback culture may prove to be difficult for companies, due to the variety of feedback mechanisms available. Finding a combination of methods that suit the employees and support the goals that a company may wish to achieve can be a trial and error process. In this thesis, the author researched feedback methods and mechanisms and went on to investigate the design of the feedback culture of a technology company called Pipedrive.

The theoretical part of this thesis aimed to define and explain both employee-focused and employer-focused feedback mechanisms, including performance reviews and employee attitude surveys, which all make up the feedback culture of an organization.

Performance reviews differ based on the frequency of the event, participants, topics discussed during, methods for executing them, and the advantages and limitations they may have. The performance review methods presented and discussed in this thesis are 360-degree feedback, upward feedback, peer-to-peer feedback, and self-assessment. It has been found that 360-degree feedback provides the best overview of employees' performance, while other feedback systems limit their findings to only certain topics, which is why all these feedback mechanisms should be used together. Employees' input and effort are also important for the design of these performance reviews.

Surveys such as the eNPS, employee engagement, employee commitment, and job satisfaction all focus on employees' attitudes towards their organization. It is important to include these surveys in a feedback culture of an organization, to provide employees with the chance to express positive feelings or drawbacks about their employer. Taking action after these surveys is the most important, especially focusing on the pain points the surveys might have discovered, as this can improve employee turnover rates and make employees feel heard in the organization.

The empirical part of this thesis focused on Pipedrive as an organization and its feedback culture. The author presented an overview of Pipedrive, covering its brief history and current structure. The research process involved an observational study and interviews with Pipedrive's employees, to get insight and input on the current state of Pipedrive's feedback culture, as well as discover possible areas of improvement. The interviews revealed an overall positive attitude towards the feedback culture and feedback mechanisms in place. Even though all interviewees brought out points of improvement regarding the quality and process of both employee-focused and employer-focused feedback, most interviewees agreed that the feedback culture contributes to their performance and development and affects them and their work in a positive manner.

Finally, the author gave suggestions based on the theoretical part of this thesis and the discussions with focus group interview participants. The main suggestion was to continue supporting and cultivating the feedback culture while implementing quarterly performance reviews, including employees in discussions over the feedback methods and carrying out frequent temperature surveys, with those results being acted on by the management.

Based on this thesis, further research could be conducted on this topic. The author thinks it necessary to continue researching and analysing other technology companies and their feedback cultures. Furthermore, even deeper research could be done on the psychological factors that play into designing a feedback culture. Finally, the effects of a

strong feedback culture could be analysed in the context of employee and company performance.

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Appendices
APPENDIX A
Example of an employee engagement survey

1. I know what is expected of me at work.
2. I have the materials and equipment I need to do my work right.
3. At work, I have the opportunity to do what I do best every day.
4. In the last seven days, I have received recognition or praise for doing good work.
5. My supervisor, or someone at work, seems to care about me as a person.
6. There is someone at work who encourages my development.
7. At work, my opinions seem to count.
8. The mission or purpose of my company makes me feel my job is important.
9. My associates or fellow employees are committed to doing quality work.
10. I have a best friend at work.
11. In the last six months, someone at work has talked to me about my progress.
12. This last year, I have had opportunities at work to learn and grow.

Source: *Gallup's Q12 Employee Engagement Survey*

APPENDIX B

Interview plan for interview with Global Head of People & Culture

Questions
How is feedback currently managed in Pipedrive?
How has the current feedback culture been built and what is supporting it?
How has feedback been managed in Pipedrive in the past?
What has the current selection of feedback methods based on?
What is working for Pipedrive currently, what has worked before and what is no longer working?
What are some pain points that currently need solving?
How have you designed the current performance review system?
How do feedback methods differ in different departments?
What do you think about the state of the feedback culture currently?

Source: author's compilation

APPENDIX C

Research questions for focus group interviews

| Themes	Research questions	Application in theory part
Introduction	What is your title, where are you based and how long have you been working at Pipedrive?	
Theme 1	What do you think of Pipedrive's feedback culture?	Feedback culture
Theme 1	What is your experience with asking and receiving spontaneous feedback in Pipedrive?	Feedback culture
Theme 1	Where do you think could Pipedrive's feedback culture improve?	Feedback culture
Theme 1	How has Pipedrive's feedback culture changed over time?	Feedback culture
Theme 2	How do you feel about annual performance reviews – is it something you look forward to?	Performance reviews
Theme 2	Do you feel that the performance reviews actually contribute to your performance, goals and development?	Performance reviews
Theme 2	How would you change our performance review process?	Performance reviews
Theme 3	Do you feel comfortable asking feedback from your peers?	Peer-to-peer feedback
Theme 3	How do you feel about our process for asking feedback from peers?	Peer-to-peer feedback
Theme 3	Do you feel that peer feedback actually contributes to your performance, goals and development?	Peer-to-peer feedback
Theme 4	Do you feel that self-assessments actually contributes to your performance, goals and development?	Self-assessment
Theme 5 For group 1	How do you get feedback from your direct reports?	Upward feedback
Theme 5 For group 1	Do you feel that feedback from your direct reports actually contributes to your performance, goals and development?	Upward feedback
Theme 1	What other feedback processes do you have in your department specifically?	Feedback culture
Theme 6	What is your experience with the biannual eNPS survey?	Employer-focused feedback

| Theme 6 | Do you feel that it's a good way to give feedback about Pipedrive? | Employer-focused feedback |
| Theme 6 | What are some other ways you currently give feedback about Pipedrive as an employer? | Employer-focused feedback |
| Theme 6 | Do you have any other suggestions on how Pipedrive could ask feedback from its employees? | Employer-focused feedback |

Source: author's compilation

APPENDIX D

User interface for requesting peer feedback in Paycor
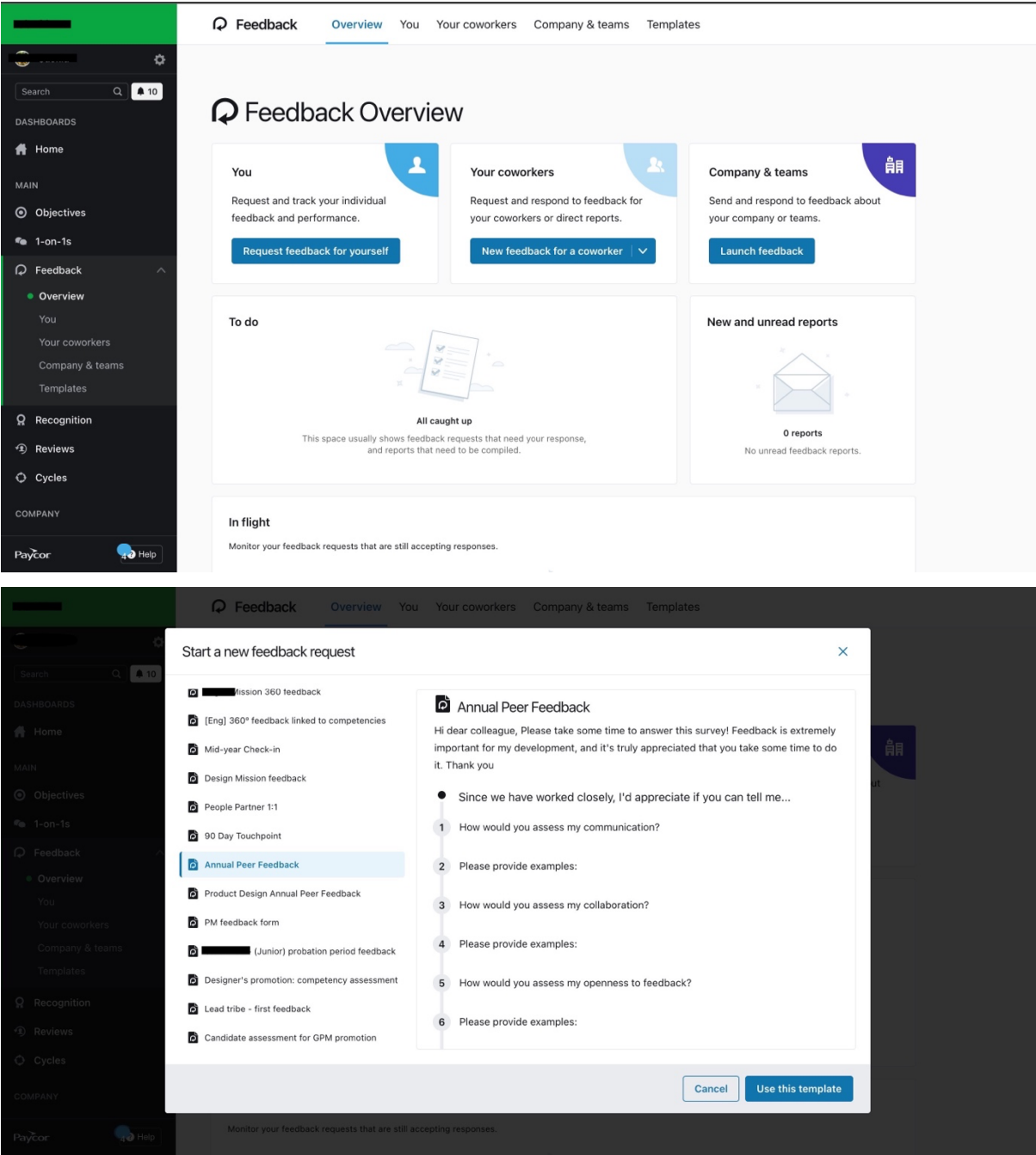
Source: author's personal communication

APPENDIX E

User interface for recognitions in Paycor
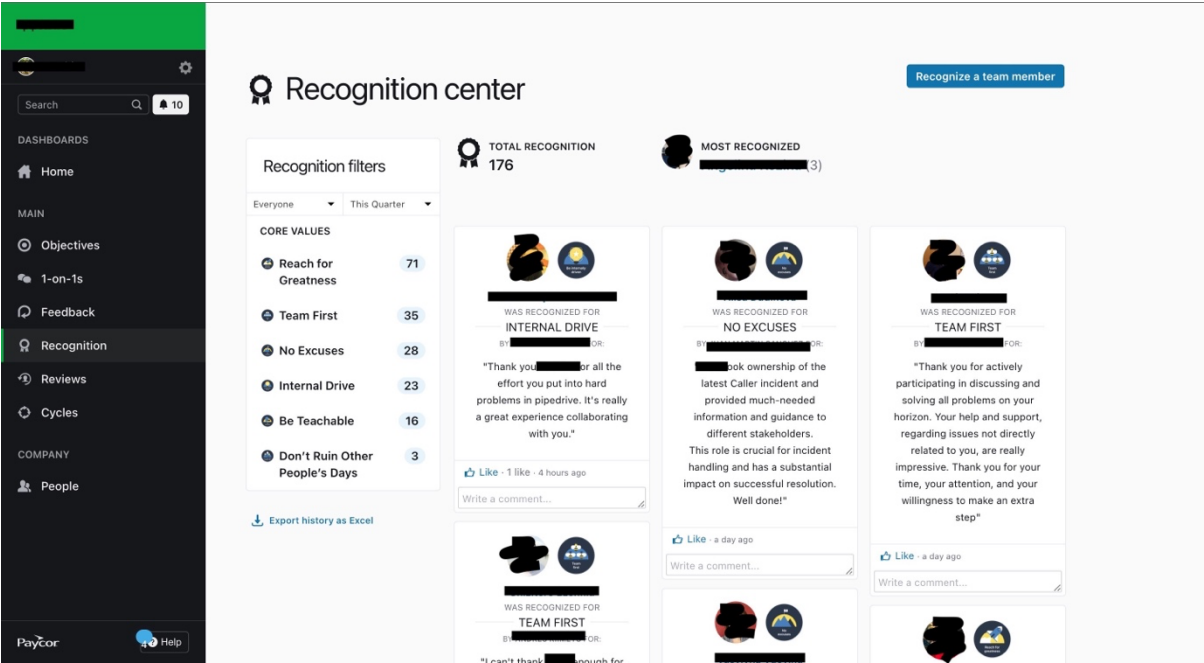
Source: author's personal communication

Resümee

TAGASISIDEKULTUURI DISAINIMINE ETTEVÕTTE PIPEDRIVE NÄITEL

Tagasiside on oluline osa tänapäevastest töökultuuridest. Nimelt on viimastel aastatel levinud tehnoloogiaettevõtete seas nähtus nimega tagasisidekultuur. Tagasisidekultuur esineb ettevõttes, kus tagasisidet väärtustatakse kõrgelt, kolleegid vahetavad tagasisidet pidevalt ning vabalt. Hästitoimiv tagasisidekultuur loob aluse edukamaks suhtlemiseks ning paremateks töötulemusteks. Käesoleva bakalaureusetöö eesmärk on kaardistada ja analüüsida tehnoloogiaettevõtte Pipedrive tagasisidekultuuri.

Autor lahterdab tagasiside meetodid kaheks – töötajapõhine tagasiside ning tööandjapõhine tagasiside. Töötajapõhine tagasiside esindab tagasiside meetodeid, mis keskenduvad töötajale, tema tööle ning tulemustele. Töötajapõhised tagasisided on näiteks arenguvestlus, 360-kraadi tagasiside, kolleegide vaheline tagasiside, juhile suunatud tagasiside ning eneserefleksioon. Tööandjapõhine tagasiside esindab tagasisidet, mida töötaja annab tööandjale oma töökeskkonna ja rahulolu kohta. Tööandjapõhised tagasisided on näiteks erinevad organisatsiooni töökeskkonda mõõtvad küsimustikud, töötaja rahulolu küsimustikud ning eNPS küsimustik. Olemasoleva kirjanduse põhjal analüüsiti antud meetodeid ning parimaid meetmeid nende rakendamiseks. Empiirilise uurimuse raames viis autor läbi osalusvaatluse Pipedrive töötajana, intervjuud globaalse personalijuhi ning nelja fookusgrupiga.

Empiirilise uurimuse tulemusena kaardistas autor Pipedrive tagasisidekultuuri süsteemi. Osalusvaatluse käigus toimus nii kaardistamine kui ka oma kogemuse välja selgitamine. Intervjuu globaalse personalijuhiga kinnitas kaardistatut ning andis sisendit ja suuna fookusgrupi intervjuudeks. Fookusgruppe küsitleti Pipedrive-is esinevate tagasisidekultuuri, töötajapõhiste ja tööandjapõhiste tagasiside meetodite kohta intervjueeritavate enda isikliku kogemuse vaates. Fookusgruppide intervjuudest selgusid nii hinnangud kui soovitused tagasisidekultuuri tugevdamiseks.

Intervjuudest selgus, et vastavalt kirjanduse ülevaates leitule on Pipedrive tagasisidekultuur tugev. Teoreetilise ning empiirilise uurimuste põhjal sai autor ettevõtte tagasisidekultuuri edendamiseks ettevõtte juhtkonnale ettepanekuid teha. Nende ettepanekute seas oli nii konstruktiivsema tagasiside kinnistamine, sagedasemad arenguvestluste ja rahuloluküsimustike läbiviimised.

Antud töö panustas organisatsioonide töökultuuride ja tagasiside uurimisse. Edasised uuringud võiksid keskenduda teiste tehnoloogiaettevõtete tagasisidekultuuri kaardistamisele.

Lisaks võiks uurida tagasisidekultuuri mõjutavaid psühholoogilisi tegureid ning ka tagasisidekultuuri mõju töötajate ja ka organisatsiooni töö tulemuslikkusele.

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