

Assessing the Role of Managerial Feedback in Changing Routines in Small and Medium Enterprises

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ABSTRACT

Purpose – In an ever-complexifying business context, organizations need to continuously adapt, adjust and change their routines in order to remain competitive. This paper explores the role played by managerial feedback on routine change within Small and Medium Enterprises (SMEs).

Design/methodology/approach – We draw from an in-depth qualitative study of six manufacturing SMEs located in three South-eastern European countries: Greece, Bulgaria and Serbia. The process of data collection, which spanned over a period of fifteen months, was centred around both interviews and observations

Findings – We argue that feedback is a powerful and constructive managerial practice that sets to initiate changes in routines through three different means: (i) making sense of the changes required (by channeling information), (ii) rationalizing the decision for changing the unproductive routines, and (iii) reviewing the process of change through the legitimization of situational routines. In addition to this, we found that managers perceive that routines need to change for four main reasons: inability to meet targets (e.g. performance); too cumbersome to deal with complex environments; inflexibility and failing to provide control; obsolete in terms of providing a sense of confidence.

Practical Implications – This research provides evidence that feedback is an important managerial means of changing routines in informal, less bureaucratic and less formalized workplaces such as SMEs. Managers might embrace deformed approaches to feedback when dealing with routines in SMEs. Working within a very sensitive structure where the majority of changes on routines need to be operationalized through their hands, managers and practitioners should deploy feedback in order to highlight the importance of routines as sources of guiding actions, activities, and operations occurring in SMEs that create better internal challenges and processes.

Originality/value – Our research suggests that routines are subject of change in dynamic and turbulent contexts. Perceiving routines as antithetical to change fails to capture the distinctive features of change such as its fluidity, open-endedness, and inseparability. Likewise, we claim that routines are socially constructed organizational phenomena that can be modulated in different ways in SMEs. There is a very limited body of literature that has examined organizational routines in SMEs in the three countries of our study, thus highlighting the importance of this research.

Keywords: Organizational Routines, Feedback, Managers, Change, SMEs

Introduction

One of the main challenges faced by organizations is the need to continuously adapt, not only their strategies, but also their operational processes and routines in order to survive in an increasingly complex, uncertain and volatile environment (Battistelli *et al.*, 2013). In that context, the demand for change is propelled by two main sources: the external segment of global economy and the internal initiative of organizations' management (Friedman, 2005). The latter is linked to the recognition of the most appropriate means through which change can be facilitated in organizations. While change can occur through many different channels, managers have often been presented as playing a key role in the process of organizational change (Balogun and Johnson, 2005), and various scholars consider managerial feedback as a key element in the initiation of change in routines within dynamic organizations (Hattie and Timperley, 2007; Soriano, 2008).

Routines constitute a complex and ambiguous yet central part of any change process in organisations. In this paper, we adopt a generic definition of routines as 'repetitive, recognizable patterns of interdependent actions carried out by multiple actors' (Feldman and Pentland, 2003: 95). This definition positions routines as dynamic organizational entities that are sources of both stability and change (Aroles and McLean, 2016; Becker and Knusden, 2005; Feldman, 2000; Feldman and Pentland, 2003; Howard-Grenville, 2005; Pentland and Feldman, 2005; Pentland *et al.*, 2012; Salvato and Rerup, 2017). Striking a balance between change and stability is pivotal for organizations in order to retain, or even obtain, a competitive advantage in a highly dynamic environment (Farjoun, 2010; Tsoukas and Chia, 2002). Managers are often presented as playing a key role in maintaining that delicate balance and as such, it is critical to understand the implications of managerial actions in the unfolding of routines (Dittrich *et al.*, 2016; Feldman and Pentland, 2003; Sele and Grand, 2016).

A large body of research portrays managerial feedback as one of the key drivers of change in organizations (Becker, 2004; Hattie and Timperley, 2007; Pousette *et al.*, 2003; Smither *et al.*, 2005; Van den Bossche *et al.*, 2010), with a part of this research focusing on the presumed role of managerial discourse in creating certain predispositions for change in routines (Akgun *et al.*, 2007; Soriano, 2008; Wischnevsky *et al.*, 2011). Despite a dense literature acknowledging the importance of managers in the shaping of organizational routines, there is still a lack of empirical research investigating more particularly the role of managerial feedback with respect to the process of changing organisational routines. Furthermore, a survey of the literature suggests that there is a dearth of research on the essential role played by feedback in understanding, learning, maintaining and changing routines in SMEs (Akgun *et al.*, 2007; Soriano, 2008; Van den Bossche *et al.*, 2010; Wischnevsky *et al.*, 2011).

This paper sets to contribute to this area of enquiry by exploring the relationship between managerial feedback and the process of changing routines in SMEs. Due to the size and structure, SMEs need to be particularly reactive to complex and changing environments (Tarek *et al.*, 2016). Besides, within SMEs, managers face distinctive challenges, such as relational intensity, survival risks, resource constraints and very often a high degree of procedural informality. In this context, the study of routines requires a special attention to the role of managers who seek to affect change via reflective practices for different purposes. As such, SMEs provide a very insightful setting for the study of the role played by managerial feedback in initiating changes in organizational routines. Following that line of inquiry, our paper is articulated around two main research questions: How can managerial feedback facilitate the process of change in routines in SMEs? How do managers assess and perceive the role of their feedback in relation to the process of change in routines in SMEs?

To investigate these questions, we draw from an in-depth qualitative study of six manufacturing SMEs located in three South-eastern European countries: Greece, Bulgaria and

Serbia. The process of data collection, which spanned over a period of fifteen months, was centred around both interviews and observations. The data were rigorously analysed through the production of different code orders. Our research shows that managers' attitude toward feedback is a key trigger in changing obsolete and dysfunctional routines within SMEs. More precisely, we argue that feedback is a powerful and constructive managerial practice that sets to initiate changes in routines through three different means: (i) making sense of the changes required (by channelling information), (ii) rationalizing the decision for changing the unproductive routines, and (iii) reviewing the process of change through the legitimization of situational routines. In addition to this, we found that managers perceive that routines need to change for four main reasons: inability to meet targets (e.g. performance); too cumbersome to deal with complex environments; inflexibility and failing to provide control; obsolete in terms of providing a sense of confidence.

This paper makes two contributions to the literature on organizational routines. Our research suggests that routines are subject of change in dynamic and turbulent situations (Feldman, 2000; Feldman and Pentland, 2003; Pentland and Feldman, 2005). Perceiving routines as antithetical to change fails to capture the distinctive features of change such as its fluidity, open-endedness, and inseparability. Likewise, we claim that routines are socially constructed organizational phenomena that can be modulated in different ways in SMEs. Managers therefore use feedback as a social practice and managerial mean to attempt to change complex routines (Pentland and Feldman, 2005) and our paper reflects on how managers perceive the role of their feedback in the process of changing organizational routines. We further suggest that managers should embrace 'deformalized approaches' to feedback when dealing with routines in SMEs. This enhances the odds for managers to initiate informal channels of communication since routines are socially practiced and shaped by a multitude of organizational members. Through its focus on SMEs operating in countries facing various

difficulties, our research contributes to the understanding of the ways in which the forces and pressures of globalisation operate at a local level (Dagdeviren *et al.*, 2017). Finally, it is worth emphasizing that there is a very limited body of literature that has examined organizational routines in SMEs in the three countries of our study, thus highlighting the importance of this research.

Routines, Change and Feedback

Organizational Routines and the process of change

From a ‘practitioner’ perspective, routines are seen as a systematic and repetitive set of activities that occur inside organizations (Feldman, 2000; Miner, 1991) as well as an important means of task implementation (Pentland and Rueter, 1994). The literature presents a mixed picture on the value of routines: while some present routines as sources of inertia (Becker, 2004; Hannan and Freeman, 1983; Nelson and Winter, 1982), rigidity (Gersick and Hackman, 1990; Weiss and Ilgen, 1986) as well as mindlessness, demotivation and competency traps (March, 1991), many others consider organizational routines to be dynamic capabilities (Crozier, 1964; Hummel, 1987) that drive organizational change (Feldman, 2000). Beyond these two contradictory views, there is a more balanced stance suggesting that organizational routines can be a source of both stability and change (D’Adderio, 2008; Farjoun, 2010; Feldman and Pentland, 2003; Miner, 1991; Pentland and Rueter, 1994).

Understanding the complex connections between organizational routines and the process of change is a critical issue in organizational theory (Becker *et al.*, 2005; Feldman *et al.*, 2016). While some routines may appear to repeat identically on a daily basis (Feldman and Pentland, 2003), there is a lot of work and mediation occurring behind the scenes to produce that image of identical repetition (Sele and Grand, 2016). Such a positioning has involved embracing practice-based approaches in order to explore the processual nature of routines (Howard-

Grenville, 2005; Pentland and Feldman, 2005; Pentland *et al.*, 2012) as well as the complexity connected to issues of agency (D'Adderio, 2008). In relation to the exploration of change in routines, Feldman and Pentland (2003) distinguish between the ostensive and the performative aspects of routines.

The ostensive refers to the routine in principle (e.g. structural aspects of the routine), while the performative refers to the routine in practice (e.g., actions performed by routine participants). In that sense, 'change occurs through selective retention of variations in performance of organizational routines' (Feldman and Pentland, 2003: 113) rather than as the result of automatic and low-skilled repetition. This reading of the ostensive-performative aspect of routines is unquestionably useful in moving the focus from a very notion of fixed structures and routines as rigid, inert, unchanging and rules-based to a micro-dynamic perspective of how routines change. It also reinstates the position of human agency in processes of organizational change (Caldwell and Dyer, 2020). As such, agents adapt and modify routines in reaction to performance feedback, or they might repair an existing routine to produce the demanded outcome, widen it to create the use of new possibilities, or strive and endeavour to achieve something difficult (Feldman, 2000). Moreover, Pentland *et al.*'s (2011) longitudinal research and analysis of an invoice-processing routine in four different organizations showed that the same observed routine generated various patterns of action, and such patterns of action might change over time, even without 'outside intervention'. This research accentuates the importance of reflective talk and internal managerial implication during the process of changing routines (Dittrich *et al.*, 2016). This further articulates the importance of routines as building blocks of organizations that can, over time, be replicated, reorganized, replaced and changed. In analyzing the process of routines as building blocks of organizations, and emphasizing the role of ostensive and performative routines, it is important to provide a new epistemological approach to routines based on an ontological assumption that the change of

routines is enacted via feedback and text dialectics (Cooren et al., 2011). Practicability, functionality and effectivity of routines are generated through multiple interactions and reflections. And elucidating how different organizational actors individually as well as collectively embody feedback processes of conversation in organizations, is an effort to explore routines as processes and practices that are subject to change.

Organizational routines and feedback

The notion of feedback has received a lot of attention in various literatures and is a critical concept in management theory and practice (Ashby and [O'Brien](#), 2007; Ramaprasad, 1983). Buchanan and Huczynski (2010: 141) define feedback as a process of giving and receiving information that is pertinent to the work or task being performed, in order to ensure that there is a common agreement of what 'good performance' looks like. Feedback can be understood as information used to modify a gap, where the 'gap' is defined as the difference between an *actual* value and a *reference* value (Ramaprasad, 1983). Therefore, while positive feedback can be seen as a self-reinforcing process, negative feedback denotes a self-correcting one (Serman, 2002). In other words, positive feedback is not always related to 'praise' in the same way that negative feedback is not always related to criticism. It is however important to highlight that feedback can be constructed and articulated in many different ways (for instance, the multiplicity of agencies testifies to the subjectivity of 'good performance'). From a managerial perspective, feedback provides information about work characteristics and attempts to steer performance in a given direction (Fedor *et al.*, 2001), and is seen as an integral part of the learning process in organisations (see Becker, 2004).

A dense body of literature has explored the impact of feedback on routines with a focus on individual and organizational performance (Akgun *et al.*, 2007; Becker, 2004; Hattie and Timperley, 2007; Pousette *et al.*, 2003; Soriano, 2008; Van den Bossche *et al.*, 2010). Feedback

has been praised for putting the spotlight on specific routines and practices that might need to be changed (for various reasons) and highlighting how this change might be facilitated and communicated (Ashby and O'Brien, 2007; Becker *et al.*, 2005) in the organization. Managers are presented as pivotal to the feedback process and in particular in the minimization of any adverse consequences (Klaner and Raisch, 2013) routines entail managerial attention through reflexive rehearsing. From a practical lens, feedback plays a substantial role in the process of changing dysfunctional routines by critically assessing the performative aspects of a routine and by elucidating the need to modernise practices that are compatible with dynamic environments in which SMEs operate. To have an impact, feedback needs to be understood as an engrained dynamic process (McCauley and Moxley, 1996); this links to our own perspective on feedback as an on-going, processual and performative form of action.

In recent years, feedback has been considered vital in providing the scope of information necessary towards improving various organizational processes (Klaner and Raisch, 2013; Van den Bossche *et al.*, 2010). The overarching argument is that feedback can alter the results of routines as individuals alter the way they do things when receiving sensible feedback on their routinized behaviours (Edmondson *et al.*, 2001; Sinkula, 2002). This is particularly true for SMEs that are recognized as informal workplaces where the idea of initiating change on routines is much less bureaucratic than in larger organisations (Altinay *et al.*, 2016). However, both time and care are needed to significantly change organizational routines (Raineri, 2010).

There is evidence that, through routines, organizations improve their learning processes regarding different daily tasks, and thus increase their knowledge, which is considered a vital source of change in routine (Feldman, 2000; Feldman and Pentland, 2003). Feedback is a critical part of this interaction, since it directly contributes to organizational learning (Greve, 2003) and is linked to performance (Petrick *et al.*, 2016). By providing employees with feedback related to their work performance, both their behaviour and attitude towards the job

and their technical skills may be positively improved (Becker, 2010; Kaymaz, 2011). However, changing routines is not easy, and unless careful attention to detail is given, adverse consequences are likely to arise (Klarner and Raisch, 2013).

As mentioned before, we understand feedback as socially constructed, meaning that its process and outcomes are formulated and reformulated continuously through agents' actions and reactions as well as through the context within which they occur. Routines are not abstract, cognitive, isolated and just individually performed, but comprehensive forms of action and activities that necessitate collective implementation in social environment such as SMEs. Therefore, feedback is understood as an on-going, dynamic and flexible process (Anseel and Lievens, 2007; Hattie and Timperley, 2007) between feedback provider (manager) and feedback receiver (employee) in the image of an active mutual interaction, affected by both sides' specificities (Mulder and Ellinger, 2013) and which creates a systematized working environment in which feedback is recognized as an indispensable practice in changing routines in various SMEs settings (Polites and Karahanna, 2013).

METHODOLOGY

Research Context

The empirical research was conducted in three South-eastern European countries: Greece, Bulgaria and Serbia. The economic context in these three countries can be characterized as in crisis (Ifanti *et al.*, 2013), but not necessarily for the same reasons. Since 2009, Greece has been affected by a critical debt crisis that heavily impacts its socio-economic life, with disastrous effects for many Greek companies especially for SMEs (Kouretas and Vlamis, 2010). A similar environment can be observed in the other two countries of our study. Restructuring and privatization processes have brought significant changes to organizational life, especially in SMEs (Estrin, 2009). The economic contexts are volatile and uncertain, but at the

same time dynamic with managers constructively engaging in ‘interpretive enactment’ to ‘manage successfully’ (Lampel *et al.*, 2000; Maitlis, 2005). A significant aspect of this interpretive enactment is feedback, which is a key process, especially when organizations substantially need to reform, transform and evolve in order to survive.

As noted in the introduction, manufacturing SMEs represent a very interesting area of study, since they consist in a flexible form of organizing forced to operate in an increasingly challenging and perplexing environment (Allmendinger and Hackman, 1996). In this paper, we focus more particularly on packaging routines (as they capture a significant proportion of the work conducted in manufacturing SMEs). Besides, there is a limited body of literature that has explored organizational routines in SMEs in the three countries of our study, namely Greece, Serbia and Bulgaria. The particularities under which SMEs operate (e.g. relational intensity, flexible hierarchy, survival risks, resource constraints, and often a higher degree of procedural informality) impart managers with a key role and place a greater emphasis on routines. Therefore, conducting research on routines in SMEs does not only deepen our understanding of the ways in which SMEs operate but also extend our knowledge on the relationship between managers and routine dynamics in different contexts.

Data collection

Our methodological approach to the study of the relationship between organizational routines and managerial feedback in Greece, Serbia and Bulgaria took the form of a qualitative research revolving around both interviews and observations. The process of data collection spanned over a period of fifteen months and amounted to hundreds of hours of interviews and observations, numerous pages of research notes and documentary evidence. The research was divided into three phases. The first phase, which took place in the early stages of the research, consisted in a series of 30 interviews with different managers working in SMEs in Greece,

Bulgaria and Serbia (See Table 1). This first phase was followed by a period of observation in three of these six SMEs (one in each country). The third and final phase involved re-interviewing the 30 managers interviewed during the first phase of the research. This second round of interviews was shaped by the insights gained during the second phase of the research and by our work on the data already assembled through the first set of interviews. We found this second round of interviews particularly useful in terms of narrowing down the focus of our research questions and refining our codes.

Insert table 1 here

Interviews – We arranged formal interviews with managers working in six manufacturing SMEs in Greece, Serbia and Bulgaria (two in each country). All the interviews were conducted in English and every interview lasted approximately ninety minutes (Table 2 below shows some of the questions asked during the interviews). These interviews were semi-structured. Overall, we conducted 60 interviews (split in two sets of 30 interviews). During the first set of interviews, we focused primarily on the role, tasks, duties and engagement of managers in terms of creating change, and their perception of the role of their feedback in changing routines. This also involved discussing their daily working activities with respect to how they delivered feedback to other people within the organization and how that affected the process of changing routines. Between the two sets of interviews, we observed managers’ practices in three of these six SMEs (detailed below). After the observation stage, we conducted another round of interviews with all managers. During this round of interviews, we focused more on the challenges faced by managers when attempting to introduce change in existing and established routinized practices and on the adjustments required for the new routines to operate.

Insert Table 2 here

Observations – Following the first round of interviews, we conducted two full weeks of observation in three of the six SMEs studied (six weeks in total): two weeks in Greece, two weeks in Bulgaria, two weeks in Serbia. This phase of observation involved following managers in their daily working activities, attending numerous formal and informal meetings (with senior management, colleagues and employees), discussing with various employees affected by changes in routines, taking part in discussions around post-change operation processes with respect to the introduction of new routines, participating in one HR recruitment and selection process. Our focus was connected to the themes derived from the first round of interviews and as such, we sought to extend and explore further these different themes. The phases of observation also provided the opportunity to unveil new themes that informed our second round of interviews. We were particularly interested in the unstructured, daily, informal managerial feedback related to different aspects of routines.

Data Analysis

To extricate the recurring themes and concepts that emerged during the research process, we rigorously analysed and coded the data collected from the interviews and observations following an inductive approach (Nag *et al.*, 2007). This involved going through our field notes, interview scripts and the various documents we collected throughout the research process in order to identify first-order codes and then to gather these under second-order codes. The ways in which we moved back and forth between our research assumptions, our transcriptions of interviews and meetings, our research questions and our conceptual framework highlight the iterative dimension of our research process.

The process of data analysis unfolded in three stages. Our interviews and observations yielded a large amount of qualitative and narrative data regarding the role of managerial feedback in the process of changing routines in SMEs. We began the process of analysis by producing a common database for all organizations in which, in line with Creswell (2014), we created a categorical and chronological analysis of the data from the interviews and notes assembled during the interviews. After the first round of interviews, we started producing first-order codes that reflected the issues, problems and concerns that emerged during the interviews. These first-order codes were still preliminary but nonetheless gave us precious indications as to the directions our research could follow. We then set to explore further these themes during our phases of observation.

Insert Table 3 here

In a second time, we categorically and chronologically reviewed the data collected during the phase of observations in order to create a strong linkage with the data derived from the first round of interviews. Moreover, we constantly reviewed our notes during this process in order to create connections between the taped interviews and the researchers' notes. During this phase of the research, we could explore further the key themes unveiled during the interviews but also see the emergence of new codes. We reviewed several times our different code constructs against our empirical data in order to ensure consistency in our analysis. This technique provided a persistent and robust framework for the analysis of the data collected.

Finally, following the phase of observation, we conducted another round of interviews with all managers in order to see how managers use feedback in changing routines, and searching for other possible issues that did not emerge in the first round of interviews. This second round of interviews gave us the opportunity to refine the codes we developed both from

the first set of interviews and the phase of observation. Throughout the research process, we focused on producing second-order codes in order to refine our research focus. These second-order codes have been re-developed numerous times in the light of the collection of new data and the re-analysis of the documents we gathered, the scripts we produced and our field notes. The second-order codes emerged from an iterative process that involved putting together our first-order codes, our various field notes and debates and concepts within different literatures. These literatures included research relating to the process of change in organizational routines, the role of talk and feedback in routines and the position of managers with respect to routines (D'Adderio, 2008; Dittrich *et al.*, 2016; Feldman, 2000; Feldman and Pentland, 2003; Pentland and Feldman, 2005; Sele and Grand, 2016). This process enabled us to form our second-order codes, which are the core research themes underlying this paper. Our first second-order code is concerned with the ways in which managers can convey meaning through feedback ('making sense') in the process of changing routines. Our second second-order code revolves around how managers rationalize the need for change through feedback. Finally, our third second-order code focuses on the process of reviewing change of routines through feedback.

EMPIRICAL FINDINGS

Our empirical findings are organized around our three second-order codes: making sense of the change, rationalizing change and the process of reviewing change. We analyse each one of the above dimensions through data from our interviews and observation.

Dimension 1: Managerial feedback as a way of making sense of the changes in routines in SMEs

The packaging of products is a significant element in the operations of manufacturing organizations. In this research, we noticed that almost all managers recognized the imperative

to practice routines, although not necessarily for the same reasons. We observed that when actors had to continuously repeat the same process of packaging, routines appeared engrained in their work processes, somewhat like an unquestioned ‘matter of fact’ (or black-boxed practice) that provided substantial guidance in canalizing managers’ efforts to organize operations in the workplace. While there was a belief that following rules enhances the possibility to create a workflow consistency to cope with the challenges and difficulties arising within SMEs, there were also doubts, occasionally, arising on the validity of a specific routine, thus highlighting the gap between the routine in theory (along with its expected outcomes) and the routine in practice (i.e. between the ostensive and the performative dimension of routines). This is the ambiguity that Tudor captured when he explained the packaging process, *‘Although we recognize that following the same process again and again is something that employees really dislike. That’s why I as a manager have requested to redesign the packaging system because as a manager I question them [routines] in terms of their application to my area but overall repetition creates consistency’* (September 2014, Serbia).

The above argument shows how managers seemed to keep a pragmatic stance towards routines, which gave the impression that routines are part of a natural and dynamic function. In turn, this further implies that a given routine can take some unintended directions (thus having a life of its own) or that a routine can lead to some positive outcomes even though managers might have initially doubted its appropriateness. In that sense, routines may be perceived as escaping the control of managers with the idea that, on certain occasions, these do not seem to emanate from the managerial level. This further highlights the plurality of agencies shaping organizational routines. Despite the constant process of change, routines gain legitimacy, as they allow for resources to be spared. Therefore, manufacturing organisations strongly rely on routines, which can occasionally complexify activities. For instance, for some, systematic orders (aligned on a routine) ‘complexified’ packaging activities: *‘As you might have seen in*

the last couple of weeks, packaging is a process that contains some complex steps like: taking the first packages from the assembly line which we then send to the main storage, then we proceed to the transportation unit and finally they will be dispatched. So, routines are related to the many functions of our SME organization, in order to minimize the total working time and related operation costs' (Valentina, October 2014, Bulgaria). In that sense, following and embracing the routine simply appear to 'make sense' to managers and employees alike.

The acknowledged usefulness of routines (in terms of getting things done) can paradoxically be problematic when these need to be changed. In other words, there might be some opposition to new efforts proposed inasmuch as they challenge and affect the conventional standardized behaviours that are overwhelmingly unified and embraced. This can be seen in Nichola's understanding of the process of changing the routines in place; *'Even when we have tried to update the processes of packaging this created tensions because operations needed to be redesigned within the assembly line as you might see people here are constantly focused. Look I am gonna say that in SMEs organizations sometimes the application of new rules creates multiple connotation and reaction since the repetition of the old ones have become standardized'* (Nicholas, July 2014, Bulgaria). Exploring further the role of managers in the process of making sense of changing routines led us to query how changes to routines might occur. Providing feedback on performance appeared as a critical weapon of change for managers because performance is based on actions, and actions in manufacturing organizations are structured by a code of rules and regulations. Therefore, as emphasized by many managers, feedback is a managerial instrument in targeting standardized actions in order to boost performance; *'Providing evidence on what we do right and what we do wrong is an important trigger of reconsidering the approach in this segment. Informal feedback allows employees to resonate on their actions, gives them more confidence on technical variations needed on packaging process'* (Katarina, October 2013, Serbia); *'In most cases feedback relates to do's*

and don'ts of my job and is the response given for something done and information on how to do it better' (Alexis, August 2013, Greece). Participants exemplify that routines are embedded in organizational processes. Yet, managers emphasize organizing as a means that provides substantial assistance on reviewing routines in the workplace, since current organizational complexities require practicing feedback in order to continuously preserve internal coherence and create both stability and consistency. There is a managerial belief that following the actual routines without redesigning or modifying the structure inhibits the possibility to create consistency, to cope with the challenges and difficulties within the working environment; *'more feedback is very critical, because it can help someone to understand continuously how to do things in this complex business environment'* (Danko, July 2013, Serbia).

The constructions above illustrate that managers hold a pragmatic view on organizational routines that appear as part of an emerging situational process. At the same time, the perception of routines as sequential process that is expected to produce positive results in critical stages of organizational development and transformation prevails. Feedback is not only recognized as a means of substantially maintaining consistency, but also at the same time perceived as a clear (hierarchical) means of directing employees' activities. Arguably, feedback is considered a critical aspect in the process of changing routines, embraced by managers to deliver information and reinforce their own understanding of particular routines. Therefore, managers seem to dedicate more time to the identification of the type of feedback that influences and provides positive results. The overarching argument is that specific and targeted feedback is more helpful to both employees and managers in order to understand the internal process required to set the right mechanisms to correct previous malfunctioning; *'We are witnessing in the last couple of years that plenty of routines can change as targeted feedback can enable performance objectives to be more clearly defined. If a certain process has proved ineffective, feedback can assist in changing this process'* (Janis, November 2014, Greece).

Managers seem to appreciate the importance of feedback when attempting to induce some changes in an existing routine. Clearly, how managers convey and make sense of the changes that need to take place with respect to that routine frames the ways in which they are going to articulate the feedback provided. They may build their feedback drawing from past events, i.e. using ideas and paths already explored or engaged creatively with issues as they arise. In that sense, how managers make sense of (that is how they perceive and understand) the routine will affect their ability to answer to the changes required but also to formulate answers to the problems identified within that context.

Dimension 2: Managerial feedback as means of rationalizing changes in routines within SMEs

The rationalization of changes in organizational routines by managers is associated with the ability to adjust and survive in a continuously changing, demanding and challenging business environment (D'Adderio, 2011). This ability is re-enforced by the use of constructive feedback. As noted, the purpose of feedback is to endorse the values of improvement and to move forward with respect to task performance. This idea around feedback construction seems to be shared by our research participants who emphasized their proactive role in observing and monitoring the rationalizing of new routines that would ensure a normal flow of processes. As noted by Nikola: *'Well, in our organization I rationalize the process of changing routines in your terms by taking two steps. First, as a manager or leader of a department when I see that the existing routine is not sufficiently providing the outcomes targeted, I provide with feedback members of the team due the ongoing process; secondly, after I provide with feedback I request for any valuable suggestion to incorporate in the next steps, and I do this continuously. Because routines are a source of ensuring that things will be done within organizations through an order basis. This enables us to monitor the routine through providing feedback that helps*

employees to master their job by practicing it every single day. This is an important psychological factor that determines the overall working process' (November 2013, Bulgaria).

The aforementioned 'psychological' concerns emerge as a critical issue that continuously follows managers in their efforts toward the rationalization of the new routine. What this implies is that feedback seems to be a social means not only in terms of (re)directing, (re)adjusting, (re)evolving, (re)developing human's behaviour, but also in proactively shaping cognitive thinking. The idea of accepting (or not) the new changing routine in packaging connects to one's own way of understanding the routine, thus highlighting the complex ways in which routines are formed, performed and constantly adapted through repetition. This became noticeable during some observations with one of the managers stating that *'through adapting the packaging routines, my organization create a 'smooth' working environment, and most importantly minimize any possible tensions among employees through setting new rules and procedures. I have seen that when feedback feeds forward by mentioning the advantages psychologically prepares people to accept new changes proposed in the existing routine in place'* (Atanas, December 2014, Bulgaria). So, when existing routines do not meet a target, managers frame it as due to the problematic, rigid and inert aspect of routines structure that fail to provide the demanded outcomes. This is considered a serious concern, knowing that routines are supposedly adapting to the environmental conditions created in the organizations. This idea emerged on numerous occasions; *'Without feedback the organizational structure cannot function smoothly. I experienced that when you constantly raise the issue of redesigning a particular process, by default you create the momentum, and this will not reflect on any consequences because you gave the aspirin to the patient before the headache collapsed'* (Christos, December 2014, Greece). The constellation of changing routines inside organizations therefore needs to be treated as constructive set of balancing the interrelation between the requirement of the business environment within internal needs of groups and

individuals. Accordingly, the theoretical approach and managers' prospect bring on stage the consciousness of prompting change as long as the particular routines are in place for a long time, not functional anymore, and old fashion due the new situation created. Therefore, the facilitation process likewise indicates specific management effort that influences certain behaviours as long as it is delivered in a timely fashion. Timely feedback appears as a recognizable, powerful and imperative mean in the process of negotiating changes around routines. In that sense, feedback becomes rationalized as an insightful and operational way of inducing changes in organizational routines, as highlighted by Elena *'Through feedback we seek to control the entire working process inside our organizations that allows us to create stability through adjusting to new routines. Because practicing feedback tends to cause two side effects, a) in one hand expresses feedback receiver positive intention on ad hoc basis, and b) most probably the receiver reflects upon feedback acceptance continuously as a synergy of the two-fold interaction'* (October 2014, Bulgaria).

In addition, our research indicates that through feedback, managers can promote autonomous forms of work that can facilitate the acceptance and endorsement of change in routines as a natural process (D'Adderio, 2011). Building on this, we can highlight managers' inclination to cultivate autonomy as a value in employees as a *'reminder', 'motivator', 'promoter', or 'enabler'* of the changes made. Furthermore, such autonomous or self-directed approach increases knowledge by emphasizing the cognitive skills alongside self-esteem as a prerequisite in sorting out various issues; *'Since we practice them continuously, we specialize in what we do, by increasing our self-confidence and capabilities, the speed of doing a particular task, and the ability to solve the emerging problems'* (Bojan, December 2013, Serbia). Rationalizing the process of change in routines through feedback is perceived as a means of extending the existing knowledge of the company and thereby adding significant value. In that sense, rationalizing the process of change in routines is constructively associated

with enhancing the stability of new routines and emphasizes the benefits of changing practices. Rationalizing is thus a key aspect in the acceptance and articulation of convincing forms of feedback.

Dimension 3: Managerial feedback as means of reviewing the change of routines in SMEs

In a recent study, Wilhelm and Bort (2013) argue that managers use popular management practices and concepts to review organizational dynamic processes. A critical aspect of reviewing involves the use of rational arguments. The basic analogy of pursuing indicative steps in the continuing caravan of changing routines is the inclination to set to canalize feedback in an attempt to readjust behaviours within the context of change. This connects to what Anna highlighted: *“The form and the content of providing feedback will determine whether it has positive or negative impact on monitoring the changing routines. I very often improvise different methods that successfully help us to eliminate some rigid repetitive operations. When I say rigid, I mean psychologically. On weekly basis I require a report that contains various evaluation points of the existing processes in place and the difficulty faced that help us to increase the reviewing component.”* (November 2014, Greece). The above manager emphasizes the importance of routines in impacting organizational outcomes. It implies a serious issue followed by some sort of criticism that if managers do not provide constant evaluation of established routines, the *status quo* of existing routines continue silently by providing inefficient outcomes. Managers respond to this by anticipating the under-investigated phenomenon that routines structurally change as long as managers dedicate systematically effort in evaluating the routines in place by increasing employees awareness and adjusting behaviors.

Managers create a corpus of knowledge through particular routines that necessitate to be adjusted to the new environment where the possibility for situational routines is growing. In

other words, this not only requires contextualizing routines in various emerging situations, but likewise contemplating the best possible solutions to readjust to the required standards. This sort of construction seems to be shared by our research participants that firmly indicated their proactive role in observing and monitoring the initial idea of endorsing new routines in order to maintain a normal flow of processes. This ensures that managers use feedback as a learning instrument that allows them to bound the organizational structure through the ability to adjust and stabilize routines in a continuously demanding, challenging and changing business environment (D'adderio, 2011).

In other words, feedback is an instrumental managerial practice to articulate the need to reach the desired outcomes. Reaching a specific outcome might be difficult and prompts managers to seek new methods to handle the new emerging routines. Our data indicate that managers reviewing changed routines use numerical and quantitative elements when giving feedback, as these tend to be more persuasive (Bort and Kieser, 2011). This has been highlighted on a number of occasions: *“I prefer to use figures and numerical results to ensure that employees understand what they need to do when new routines are set in place.”* (Marija, November 2013, Serbia). This participant highlights the fact that we do not discuss anymore the challenges and difficulties of routines to change or the consequences, resistance that emerge, but the effort and systematic approach that managers undertake that provides better outcomes in this constellation. In the same vein Kiril argues about it; *“With specific quantitative outcomes as targets, I have a specific and clear way to pass feedback on my employees’ following new routine and eliciting more valuable performance. This is usually done through monitoring the executed routines and outcomes produced.”* (Kiril, July 2014, Bulgaria). In that sense, numerical information seems to bring a sense of closure, thus allowing managers to make certain decisions on the reviewing process in a more authoritative manner. This process is credibly important with regards to managers’ engagement with feedback, as it

presents reviewing and changing as two strong components of their judgment when dealing with a complex situation within organizations.

The analysis indicates that managers' actions legitimate the use of rationalizing feedback in the change process by highlighting the appropriateness of the change-review domain. Individuals and organisations seek to justify their actions by gaining legitimacy (Czarniawska, 2009). In that sense, the legitimization process occurs when organisations apply specific rules and procedures to comply with external environmental forces. In addition, managers use, for instance, symbolic management to influence stakeholders (Wilhelm and Bort, 2013). As noted, managers gained legitimacy of the change process by justifying the appropriateness of the change. They did so in various ways; for instance, by emphasizing the feeling of security linked to feedback process in executing and changing routines: *'Certainly, feedback gives employees a sense of confidence when it comes to executing routines as long as routines are perceived to encompass business practices. Organizations establish routines because are useful to establish security and stability in organization activities, particularly post changum routine since they serve as a source of knowledge and can contribute to the organization in greater length by improving performance'* (Arber, August 2014, Greece). These integrated actions consequently contribute towards perceiving routines as socially constructed practices. Therefore, many respondents indicated that the legitimization process using feedback emphasizing the appropriateness of change enhances performance: *'The more feedback is given about a routine the more the possibility of that routine being altered to achieve the desired results. It is easier for employees to embody routines as they are adjusting them'* (Stojan, October 2013, Bulgaria).

Furthermore, our analysis of the ways in which changed routines are reviewed indicates that feedback contributes to developing adaptable routines. This has been noted by Atanas: *'They [routines] can be adaptable if enough flexibility is allowed. Feedback plays a critical role in ensuring this 'adaptability' of employee practices'* (October 2013, Bulgaria). We can

therefore posit that the reviewing aspect of routines is vital to continuously cover the creation of new routines. Particularly, in this volatile environment drives managers undoubtedly to establish the best templates in restructuring and reorganizing internal routines in order to maintain organizations functionality via change and stability. The fact is that routines reproduce themselves; *“One routine can create another routine or a routine can be cut into pieces and reformed to form a new routine or even removed”* (Juliana, December 2013, Greece). However, we need to remember that routines are dynamic, not static, flexible, not rigid, adaptable, and not inert in dynamic environments. In that sense, particular attention should be dedicated not only to what occurs during the process of change, but also to post-routines (i.e. routines once changed).

DISCUSSION

Changing routines in organizations involves dealing with many elements that are not necessarily in synchronization in order to produce some form of general harmony. There is a strong argument that routines are socially constructed organizational items and that they can be changed through complex social interactions. The present study supports the view that managerial feedback is a powerful and constructive practice that can induce changes in routines through three different means: ‘making sense’, rationalizing and reviewing. Our paper further argues that managers in SMEs follow a ‘methodological approach’ to justify the need to alter organizational routines.

The first dimension is ‘making sense’ that is giving meaningful feedback on the changes required for a routine. Feedback is a means of understanding routines as well as their purpose. From our empirical research, we found that, for managers, understanding the predicaments of a routine is a way of enhancing routine performance, thus illustrating the congruity of engaging management in following the functionality of routines as a precondition to foster change

(Feldman, 2000). This implies that when routines are perceived as ‘ineffective’, change becomes inevitable. In addition, this research demonstrates that feedback as a ‘making sense’ instrument becomes very important in developing widely shared ideas and meanings in relation to (re)functionalizing de-functionalized routines. Such a stance theorizes feedback as a critical instrument of managers and highlights how organizational routines change following an investigation of organizational knowledge and social processes (Brown *et al.*, 2008). Organizations attempt to order positively the internal flux of human action as a conducive process of generalizing and institutionalizing particular meanings and rules in change production (Tsoukas and Chia, 2002). This arguably forms the present ideological approach of managers towards change (Westphal and Zajac, 1998), i.e. recognizing feedback as an instrument that conveys meaning with respect to the process of change in routines. Managers illustrate that by using specific feedback both in relation to the existing routine and to the need for change. As such, feedback is recognized and enacted as one of the key factors substantially creating and articulating the rationale of the need for changing routines. This does not necessarily imply that the changes are actually required or that the managerial assessment of the routine is accurate but rather that feedback allows managers to enrol employees around shared objectives, values and goals.

The second dimension is rationalization. ‘Acknowledging’ the dysfunctionality of a routine is the initial step towards localizing the problem that subsequently demands additional efforts from managers (Balogun and Johnson, 2005). Contextualizing dysfunctional routines entails recognizing the importance of showing the cognitive factors that are indispensable in developing the case for rationalized change. While this opens room for different interpretations (e.g. regarding the actual dysfunctionality of the routine), our research highlights how managers use feedback in order to ‘constructively articulate’ the need to rationalize change in routines in a ‘self-directing’ manner. This managerial discourse presents *routines as pre-*

reflective and embodied aspects of human practice (Psychogios *et al.*, 2019; Miettinen and Virkkunen, 2005). Putting routines at the centre of organizational processes arguably impacts on the organizational structure. Through the rationalizing process, managers can evaluate the organisational structure as a result of enhanced employees' self-confidence. Organisational evaluation might lead to the development of more autonomous (again through feedback practice) working environments, where a culture of change can be cultivated. Whether or not this culture of change is beneficial to employees as well is a different matter altogether (see Stewart *et al.*, 2016). Rationalizing the change of routines not only continuously shapes organizational structure, but also as this research arguably suggests, strengthens the organizational identity of SMEs.

The third dimension is reviewing. Managers approach the review of changes occurring in routines by rationalizing feedback through a particular way of mobilizing language. More precisely, they do this by emphasising both the quantitative elements attached to routines as well as the formal aspects of employees' evaluation. Sometimes, pursuing this sort of approach is successful in enacting the review mechanism (particularly in evaluating the routine performance). This study shows that when managers evaluate the performance of routines, then a reiteration process takes place, in which the issue of creating contextual or situational routine comes to the front. While situational routines could easily be changed, they are mostly used to contain knowledge that is important for the development of the organization both in the short and the long term. This knowledge helps managers to improve their dynamic, which in turn results in better outcomes (Bort and Kieser, 2011). At the same time, routines are flexible to different situations and adaptable to various organizational processes. It is not unlikely that new routines emerge during the process of reviewing the performance of a specific routine. In this respect, feedback seems to play an instrumental role in all this internal and dynamic process of reviewing the change in routines and the outcomes that these changes may produce.

Furthermore, managers review the change process of routines by legitimizing the new emerging routines through positive feedback. In that sense, they gain legitimacy by connecting the process of change to the importance of decision-making processes and practices.

CONCLUSION

Routines lie at the heart of many organizational phenomena such as change, stability, flexibility, learning, and knowledge-transfer (Pentland and Feldman, 2005). Our research has focused on feedback as one of the critical organisational features that may facilitate (or inhibit) change in routines in manufacturing SMEs. Through our research, we approached feedback as a day-to-day unstructured, natural process of giving and receiving information, comments and suggestions regarding a set of actions and behaviours. Through our interviews and observations, we did not seek to perform some form of comparative analysis, but rather to key further into the ways in which feedback is constructed as an influential practice in the process of change with respect to organizational routines in informal workplaces such as SMEs. The main contribution of this study lies in its exploration of the ways in which managers perceive the relation between the feedback they provide and the process of change with respect to routines through a ‘three-dimensional’ framework. In particular, managers seek to initiate a process of change by making sense of, rationalizing and reviewing the routines via the use of various forms and types of feedback. Through this process, managers are able to change and mainly recreate routines, which in turn, intend to be sustained in time.

The contribution of this study to the literature is two-fold. Firstly, this paper documents empirically the ways in which organizational routines can be changed and as such, aligns itself on previous research (Dittrich *et al.*, 2016; Feldman, 2000; Feldman and Pentland, 2003; Salvato and Rerup, 2017; Sele and Grand, 2016). Our research suggests that routines are subject

of change in dynamic and turbulent contexts (Feldman 2000; Feldman and Pentland, 2003; Pentland and Feldman, 2005) as long as they are seen as social constructed items placed at the core of organizational processes (Battilana *et al.*, 2009). This process recognizes the importance of social instruments such as feedback that foster the general use of cognitive resources (such as knowledge, learning, and creativity) in adequately evaluating the need for functional involvement in facilitating rigidity (Gersick and Hackman, 1990) as prerequisite for change. The change of routines therefore needs to be treated as a constructive set of balancing the interrelation between the requirement of the business environment and the internal needs of groups and individuals. Accordingly, the theoretical approach accentuates the consciousness of prompting change as long as a particular routine is not functional anymore due to new situation created. Secondly, this study contributes to the organizational routine literature by positioning routines as socially constructed organizational phenomena that can be modulated in different ways in SMEs. Routines continuously seem to provoke a social (actor) involvement in retransforming rigidity and inertia into means of the organizing processes. In so doing, organizational members proactively develop new models of change to cope with the uncertainties of the internationalization of competition, as well as increasing pressure to innovate through promoting socialization and communication practices among members. Therefore, managers use feedback as a social practice and mean to change complex/ineffective routines (Pentland and Feldman, 2005). This conceptualization creates the need not only to change routines, but to create a long-lasting effective routine in operationalizing processes (Klarner and Raisch, 2013; Wilhelm and Bort, 2013), particularly in crisis contexts when business environments are uncertain. The role of feedback and its impact in facilitating change of routines illustrates the articulation of the argument in justifying the request for practical change motivated by internal idiosyncratic purposes to modernize organizational routines (Felin *et al.*, 2012). This modernization emerges as a result of the role

and involvement of managers in facilitating this process of changing routines, which is widely acknowledged (Cooke and Yanow, 1993; Gold *et al.*, 2001).

This research provides evidence that feedback is an important managerial means of changing routines in informal, less bureaucratic and less formalized workplaces such as SMEs. We therefore suggest that managers might embrace deformalized approaches of feedback when dealing with routines in SMEs. As routines are socially practiced and shaped by organizational members, this enhances the odds for managers to initiate informal channels of communication. Putting the emphasis on the social dimension in the process of judgment illustrates one important aspect of routines, knowledge (Becker *et al.*, 2005; Feldman *et al.*, 2016). The knowledge foundation that routines contain serves as a prerequisite in integrating the social interaction that is supposed to affect the codified behaviour, because various tasks reveal the experience, challenge and difficulty faced when practicing routines (Felin *et al.*, 2012). It also helps during the change process, as it involves concrete instructions that can demystify the actions that need to be undertaken in altering the existing routines in place. We therefore suggest that routines evolve and differ from other activities in organizational processes and as such can affect the dynamism of organizational practices, as well as having the capability to maintain/change practices. Thus, working within a very sensitive structure where the majority of changes on routines need to be operationalized through their hands, managers and practitioners need to deploy feedback to ensure the importance of routines as sources of guiding actions, activities, and operations occurring in SMEs that create better internal challenges and processes.

While this paper has explored some of the key tenets of the role of managerial feedback in changing organizational routines in SMEs, we acknowledge the fact that further insight could be gained by exploring similar issues at a different level, that is at the level of managers or particular routines rather than at the organizational level. In that sense, deploying other

qualitative methodological approaches, such as ethnography, might provide additional and complimentary knowledge regarding the relationship between managerial feedback and changes in organizational routines. Finally, this paper opens up new avenues of research in the study of organizational routines in SMEs and calls for a greater focus on SMEs in South Eastern European countries.

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Table 1 Manufacturing SMEs and Managerial Sample

Manufacturing SMEs	Number of Employees	Country	Managers interviewed
Electronics	87	Greece	HR Manager; Sales Manager; Operation Manager; IT Manager; Marketing Manager
Construction	65	Greece	Administration Manager; Engineering Manager; Finance Manager; Operation Manager; Client Manager
Clothes Manufacturer	90	Bulgaria	Operation Manager; Quality Manager; Client Manager; Sales Manager; Marketing Manager
Construction	70	Bulgaria	Logistic Manager; Quality Manager; Design Manager; Engineering Manager; Finance Manager
Agriculture industry	98	Serbia	Sales Manager; Production Manager; HR Manager; Quality Manager; Finance Manager
Packaging and Labelling	85	Serbia	Production Manager; Operation Manager IT Manager; HR Manager; Sales Manager

Table 2 Sample List of Interview Questions

- How do you understand Feedback?
 - Do you provide often feedback in your organization regarding operation processes?
 - In your opinion, what is the role of feedback in organizational routines?
 - What is the relation between feedback and organizational routines?
 - In your experience how do you think feedback changes routines?
 - What is the role of informal feedback in changing routines?
 - Do you think that informal feedback can trigger change in routines (example behaviour, performance and practices)?
 - How managerial feedback increases the knowledge regarding unproductive routines?
 - What is the role of feedback in rationalizing the change of routines?
 - What/How managerial feedback helps in reviewing the changed routines?
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Table 3 Axial Coding and Open Coding Derived from Interviews and Observations

Second-order codes	First-order codes
1. Making sense of change through feedback	Usefulness of Feedback; Formal Feedback; Improvement; Inefficiency and dysfunctionality; How to do things; Informal Feedback; Feedback & Change
2. Rationalizing need for change through feedback	Understanding of Change; Change vs Stability; Impact of Feedback on Changing Routines; Targeted feedback; Monitoring, Smooth working environment; Adjustment
3. Reviewing change of routines	Formal & Informal Processes/Procedures; Legitimacy; Impact of Processes/Procedures on Performance; Embedded Routines & Performance; Adaptability