



Research on the Two-path Influence of Employee Feedback Orientation on Feedback Seeking Strategy Under the Framework of Cost-value Based on Structural Equation Model

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Abstract

Based on the prospect theory, a dual-pathway model of employees' feedback orientation on their feedback-seeking strategies is constructed, and the theoretical hypothesis is empirically tested by structural equation model. The results show that the feedback orientation is significantly positively correlated with the inquiring and monitoring feedback-seeking strategies. In the path from feedback orientation to inquiring feedback-seeking strategy, cost perception plays a part of mediating role. In the path of feedback orientation and monitoring feedback-seeking strategy, value perception plays a part of mediating role. In addition, it is also found that there is no joint mediating effect between cost perception and value perception. This study expands the application field of prospect theory, further enriches the relevant theories of feedback-seeking strategy research, and provides some management enlightenment for the enterprise employees to effectively intervene the process of feedback-seeking.

Keywords-*feedback orientation; feedback-seeking; prospect theory; cost; value*

1. INTRODUCTION

The research shows that compared with foreign enterprises, the feedback seeking strategy of employees is more complex in the management practice of Chinese enterprises, which has both the characteristics of high frequency and the characteristics of diversity, so it is necessary to make an in-depth analysis of the reasons for the use of this strategy. In the past research on feedback seeking strategy, on the one hand, the research theory tends to be more related to the explanation of motivation, and whether there is a strong relationship between motivation and cost / value perception needs to be further explored. That is, although motivation theory explains the internal motivation of people actively seeking feedback information, how individuals with different motivations judge the value of information needs to be further answered. On the other hand, although in a few such studies abroad, some scholars have discussed the

mechanism of feedback seeking strategy by constructing cost perception and value perception path [1]. But these studies, which focus only on "inquiry" strategies, do not explain why Chinese corporate employees also use " monitoring " feedback to seek strategies. In order to answer these questions, this study is based on the actual situation of Chinese enterprises and on the basis of the existing research, introduces the prospect theory of behavioral economics to analyze the two angles of cost and value perception respectively, and reveals the deep reasons why employees with high feedback orientation adopt different feedback seeking strategies, which is helpful to help enterprise managers deeply understand the occurrence mechanism of employee feedback seeking strategies.

2. HYPOTHESIS

2.1 *Feedback Orientation and Feedback Seeking Strategy*

Feedback orientation refers to the overall acceptance of feedback by individuals, including how to accept, how to find and how to process feedback information, and so on [2]. The study found that feedback orientation, as a plastic personality trait, is favored by organizers [3]. The study of Dahling et al. (2012) confirmed that individuals with high feedback orientation may still adopt inquiry feedback seeking strategy because of the high level of processing feedback information, even if they face the risks of embarrassment and identity reduction caused by direct inquiry in order to improve the current work performance. However, it cannot be ignored that the social perception of employees in the context of Chinese organizations is more significant[4]. Although employees with high feedback orientation can give full play to the value of information and use feedback to improve work performance, employees with significant social perception will pay special attention to the evaluation of others in the process of seeking feedback. That is, when obtaining feedback information, individuals with high feedback orientation not only want to seek feedback directly to improve performance, but also want to protect their impressions in the eyes of others and use indirect access. Based on the above analysis, this study suggests that employees with high feedback orientation are less likely to use only one feedback search strategy, but may use a combination of "direct inquiry" and "secret observation" feedback search strategies. Therefore, the following assumptions are put forward:

H1: feedback orientation is positively correlated with inquiry feedback seeking strategy

H2: feedback orientation is positively correlated with monitoring feedback seeking strategy

2.2 *The Intermediary Role of Value Perception and Cost Perception*

Value perception refers to the values of feedback information to job performance or ability improvement, also known as the expected value of feedback (Expectancy Value) [5]. In this study, in order to improve job performance, employees with high feedback orientation may have a higher value perception of

feedback information, and then tend to choose supervisory feedback search strategy. According to the prospect theory, the higher return perception of a goal by behavioral decision makers will stimulate their preference for risk aversion. Studies have shown that individuals who generate value perception are less likely to engage in high-risk behaviors that undermine interpersonal relationships or violate organizational regulations, even if they find that a risky behavior is likely to change the status quo in order to reduce losses. As a result, even if employees with a high tendency to feedback have the skills to deal with complex feedback situations, they are able to limit the risks posed by "direct inquiry" to acceptable limits. However, as long as there is a certain failure rate and risk, they may tend to choose a more conservative monitoring feedback strategy to avoid risk. Based on the above analysis, this study proposes:

H3: value perception plays an intermediary role between feedback orientation and monitoring feedback seeking strategy.

Cost perception refers to the fact that an individual may bear the cost of undermining self-esteem and self-evaluation after receiving an evaluation from others. In this study, for the purpose of impression management, employees with high feedback orientation may have a higher cost perception of feedback information, and then tend to choose inquiry feedback search strategy. According to the prospect theory, the higher cost perception of a goal by behavioral decision makers will stimulate their preference for risk pursuit. In contrast to risk aversion, risk-seeking individuals are more sensitive to future gains rather than future losses, so they may choose riskier "direct inquiry" feedback strategies. Because employees with risk-seeking preferences have a strong desire for success, will take the initiative to seek risk, and have a high tolerance for the consequences of risky behavior. Therefore, when the employees with high feedback orientation feel the higher feedback information cost, in order to increase the future values and improve the possibility of success, they will tend to choose the "direct inquiry" strategy. Based on the above analysis, this study proposes:

H4: cost perception plays an intermediary role between feedback orientation and inquiry feedback seeking strategy.

In summary, the theoretical model of this study is shown in figure 1:

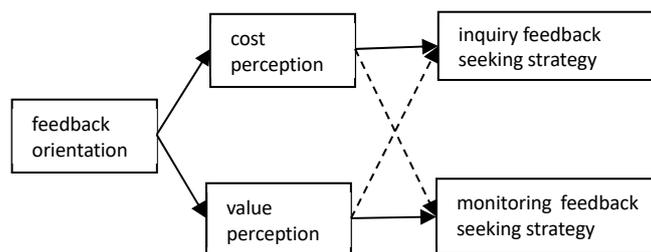


Figure 1. Theoretical research model

3. RESEARCH METHODS

3.1 Research Objects and Data Collection

This study uses the questionnaire survey method, the research object mainly comes from Guangxi, Jiangsu and Shandong and other regions of the enterprise staff, involving industries including manufacturing, IT and high-tech enterprises and so on. A total of 450 questionnaires were sent out. After excluding the invalid questionnaires with strong regularity and incomplete information, 402 valid questionnaires were retained, and the effective recovery rate of the questionnaires reached 89.3%. The statistical results show that 63.4% of males and 36.6% of females are male and 36.6% of them are female, 75.2% of them are undergraduate or above in terms of educational level, which indicates that the educational level of the subjects in this study is generally higher; from the point of view of length of service, the proportion is the largest in 1-3 years, accounting for 33.1%; in terms of job types, the proportion of grass-roots employees is the largest, accounting for 54.0%.

3.2 Measures

This research scale all uses the domestic and foreign mature scale, uses the 5-point Likert scale, 1 means "completely disagrees", 5 means "completely agrees".

Inquiry feedback seeking strategy(IFSB):Using a scale compiled by Vande Walle, etc. (2000) has 5 items, such as "I will take the initiative to ask my leaders / colleagues what they think of my job expectations", and Cronbach's α is 0.81.

Monitoring feedback seeking strategy(MFSB):Using a scale compiled by Ashford, etc.(1983) has 4 items, such as " How often do you ask your superiors what else needs to be improved.", and Cronbach's α is 0.77.

Feedback orientation(FO):Using a scale compiled by Linderbaum and Levy(2010) has 20 items, such as "Feedback to help me understand other people's impression of me", and Cronbach's α is 0.92.

Cost perception: Using a scale compiled by Fedor, etc.(1992) has 3 items, such as "It would be embarrassing for me to obtain performance information from leaders / colleagues", and Cronbach's α is 0.73.

Value perception: Using a scale compiled by Ashford, etc.(1983) has 5 items, such as "For me, it is important to receive feedback on my performance" , and Cronbach's α is 0.83.

Control variables: In the literature of feedback search strategy, the gender, age, educational background and working years of employees have an important impact on them, so this study takes the above factors as control variables.

3.3 Data Analysis and Results

3.3.1 Model Checking

The validity test of the measurement model includes reliability and validity analysis. The factor loads of the variables in this study are above 0.70 and the AVE is between 0.53 and 0.58. the results show that the convergence validity of the measurement model is good. The measurement model of this study also has good discriminant validity, as shown in table1. In addition, as can be seen from Table 1, the maximum correlation coefficient between independent variables is 0.41, and the VIF value is between 1.05 and 1.44, which is less than the recommended critical value of 5. Therefore, it can be considered that there is no serious common method deviation in this study.

TABLE 1 TEST RESULTS OF DISCRIMINANT VALIDITY OF MEASUREMENT MODEL

| Variable | Mean | SD | MFSB | IFSB | Cost | Value | FO |
|----------|------|------|--------|--------|--------|--------|------|
| MFSB | 3.49 | 0.86 | 0.73 | | | | |
| IFSB | 3.33 | 0.85 | 0.41** | 0.76 | | | |
| Cost | 2.83 | 0.90 | 0.19** | 0.37** | 0.73 | | |
| Value | 3.81 | 0.65 | 0.33** | 0.13** | 0.14* | 0.75 | |
| FO | 3.87 | 0.62 | 0.29** | 0.38** | 0.45** | 0.31** | 0.74 |

Note: * means $p < 0.05$, ** means $p < 0.01$

3.3.2 Structural Equation Model Mhecking

This study first constructed the direct effect research model 1 between feedback orientation and inquiry feedback seeking strategy and monitoring feedback seeking strategy. After considering the influence of control variables, the fitting effect of this model was tested. It can be seen from Figure 2 that the path coefficient between the employee’s feedback orientation and the inquiry-based feedback seeking strategy is $\beta=0.57$ ($p<0.01$), and the path coefficient between the employee’s feedback orientation and the inquiry-based feedback seeking strategy is $\beta=0.48$ ($p<0.01$). Therefore,

the feedback orientation of employees positively affects the inquiry-based feedback seeking strategy and the supervisory feedback-seeking strategy. That is, employees with higher feedback orientation are more likely to adopt the two feedback seeking strategies of inquiry and monitoring. The fitting effect of model 1 (as shown in table 2) ($\chi^2/df=5.11$, CFI=0.77, TLI=0.71, GFI=0.71, RMSEA=0.10) shows that the fitting of the overall model of main effects is general. This means that the influence path from feedback orientation to inquiry feedback seeking strategy or monitoring feedback seeking strategy is affected by other factors, which indirectly indicates the existence of mediation effect.

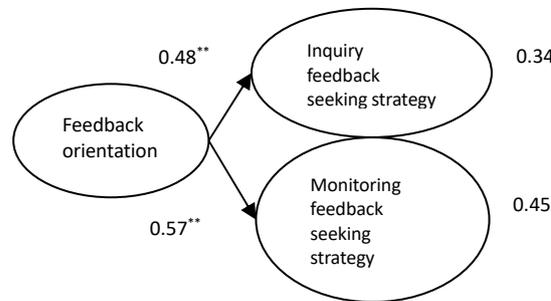


Figure 2. Model 1 standardized path coefficient diagram (** means $p<0.01$)

On the basis of Model 1, this study added two intermediary variables of cost perception and value perception, and established a dual intermediary model 2 after controlling age, gender, education and working years. Next, this research removes the direct effect path of the feedback orientation to the inquiry feedback seeking strategy and the monitoring feedback seeking strategy to confirm whether the direct effect exists, thereby constructing Model 3. The results in Table 2 show that the model 2 has $\chi^2=2314.21$, degrees of

freedom $df=784$, $\chi^2/df=2.95$, CFI=0.95, TLI=0.94, GFI=0.91, RMSEA=0.08. It can be seen that the fitting effect of model 2 is better than that of model 1. After removing the direct effect path, model 3's $\chi^2/df=2.90$, CFI=0.94, TLI=0.95, GFI=0.93, RMSEA=0.07, the model fitting effect has not changed much compared with the model 2 fitting effect. Based on the principle of model simplification, this study uses Model 3 to test the mediation effect, and presents the obtained standardized path coefficient results in Figure 3.

TABLE 2 RESULTS OF FITTING DEGREE ANALYSIS OF MODELS 1, 2 AND 3

| Model | $\chi^2 (-1^2)$ | Df | χ^2 / df | CFI | TLI | GFI | RMSEA |
|---------|-----------------|-----|---------------|------|------|------|-------|
| Model 1 | 1917.09 | 375 | 5.11 | 0.77 | 0.71 | 0.71 | 0.10 |
| Model 2 | 2314.21 | 784 | 2.95 | 0.95 | 0.94 | 0.91 | 0.08 |
| Model 3 | 2351.57 | 810 | 2.90 | 0.94 | 0.95 | 0.93 | 0.07 |

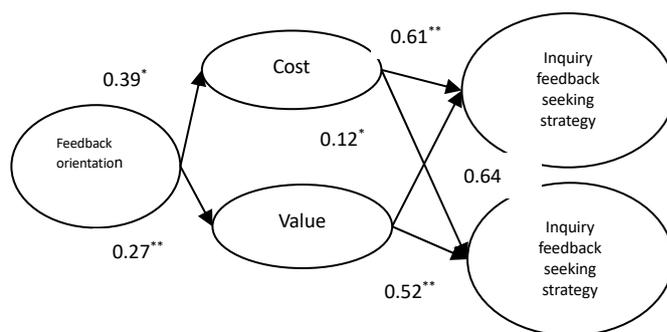


Figure 3. Model 3 standardized path coefficient diagram (*p<0.05; **p<0.01)

This study tested the mediation effect based on the Bootstrapping method proposed by Hayes. It can be seen from Table 3 that the total indirect effect of the feedback orientation to the monitored feedback seeking strategy is 0.20, which is significant within the 95% confidence interval, indicating that the total indirect effect of the feedback orientation to the monitored feedback seeking strategy is significant. The point estimates of cost perception and value perception are 0.06 and 0.14, respectively, but the mediating effect of value perception

is significant in the 95% confidence interval of Bootstrapping=5000, while the mediating effect of cost perception is not within the 95% confidence interval of Bootstrapping=5000. Significantly, therefore, the influence path from employee feedback orientation to monitoring feedback seeking strategy is mainly transmitted through profit perception, that is, Hypothesis 3 is supported by data. Similarly, Hypothesis 4 is also supported by data.

TABLE 3 SIGNIFICANT RESULTS OF BOOTSTRAPPING MEDIATING EFFECT

| Dependent variable | Effect | Point estimation | Bootstrapping | | | |
|--------------------|------------------------------------|------------------|-------------------------|------|-------------------------|------|
| | | | Corrected deviation | | Percentile | |
| | | | 95% confidence interval | | 95% confidence interval | |
| | | | Low | High | Low | High |
| IFSB | Indirect effect (Cost) | 0.24 | 0.29 | 0.45 | 0.30 | 0.45 |
| | Indirect effect (Value) | 0.18 | -0.19 | 0.36 | -0.18 | 0.35 |
| | Total indirect effect (Cost+Value) | 0.42 | 0.21 | 0.40 | 0.20 | 0.40 |
| MFSB | Indirect effect (Cost) | 0.06 | -0.16 | 0.21 | -0.17 | 0.21 |
| | Indirect effect (Value) | 0.14 | 0.21 | 0.33 | 0.21 | 0.34 |
| | Total indirect effect (Cost+Value) | 0.20 | 0.11 | 0.41 | 0.11 | 0.41 |

The above results show that although there are four paths between feedback orientation and feedback seeking strategy, there are only two intermediary paths, that is, the nothingness relationship in the theoretical model does not exist. According to the value of intermediary effect and total indirect effect, the form and intensity of

intermediary effect of each intermediary path are compared in this study, and the results are shown in Table 4. Cost perception (value perception) plays a partial intermediary role between feedback orientation and inquiry monitoring) feedback seeking strategy, and the intensity of action is 0.41 (0.23).

TABLE 4 INTERMEDIARY EFFECT OF TWO PATHS

| Variable relation | Path coefficient | Intermediate effect | Total indirect effect | Action intensity |
|---|------------------|---------------------|-----------------------|------------------|
| Feedback orientation to cost perception | 0.39 | | | |
| Cost-aware inquiry feedback search strategy | 0.61 | 0.24 | | 0.41 |
| Feedback orientation / value perception | 0.27 | | 0.59 | |
| Revenue-aware feedback search Strategy | 0.52 | 0.14 | | 0.23 |

4. CONCLUSIONS AND DISCUSSIONS

4.1 Conclusions

Planning and moving back describes the behavior strategy of Chinese people, which is reflected in all aspects of people's daily work and life, especially in the uncertain workplace environment, employees need to seek better behavior strategy in order to obtain better living conditions. Therefore, based on the prospect theory, this study verifies the relationship and internal mechanism between feedback orientation and different feedback seeking strategies. The results show that, first of all, there is a significant positive correlation between feedback orientation and inquiry and monitoring feedback search strategies. Secondly, compared with the value perception intermediary path, the cost perception path plays a greater role. Finally, in the two paths, when cost perception and value perception appear at the same time, there is no joint intermediary effect.

4.2 Implications

Implications for theory, First, this study explains the reasons why employees use different feedback seeking strategies in the context of Chinese organizations, and breaks through the existing perspective of employee feedback seeking strategies. Secondly, the internal mechanism of different value perception of feedback seeker between feedback orientation and feedback seeking strategy is revealed. Thirdly, the joint intermediary effect of feedback seeker value perception and cost perception is explored. First of all, Implications for practice and the results of this study indicate that build and promote feedback culture. Enterprise managers can pay attention to the inner changes of employees at all times by establishing flexible interaction mechanism, such as psychological counseling hotline. Managers should focus on enhancing value perception, such as setting up evaluation centers to provide employees with more information about performance, which is helpful to give full play to the subjective initiative of employees.

4.3 Limitations and Future Research

This study also has the following limitations: first, the measurement of the variables in the study comes from employee self-assessment. Although this study controls the variation of common methods from both procedural and statistical aspects, the future research still needs to use the combination of other evaluation and self-evaluation to further control the variation of common methods. Secondly, the cross-section data is difficult to explain the causality between variables, and feedback situational experiments can be added to confirm the causality logic in the future.

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