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Are you sugarcoating your feedback without realizing it?

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Managers tend to inflate the feedback they give to their direct reports, particularly when giving bad news. And by presenting subpar performance more positively than they should, managers make it impossible for employees to learn, damaging their careers and, often, the company.

Previous research into this kind of feedback inflation has centered on the idea that managers deliberately sugarcoat tough messages for fear of retaliation, or to protect their employees from feeling bad about themselves. But our research shows that many managers deliver inflated feedback unintentionally, and in fact think they've been much more clear than is the case. These findings point to some simple ways to improve how managers impart criticism.

We believe that managers' assumption that their direct reports understand what they mean is due to a common cognitive bias called the *illusion of transparency*, in which people are so focused on their own intense feelings and intentions that they overestimate the extent to which their inner worlds come across to others. As a result their words may be too vague to convey their true intent. The illusion of transparency is one of the most common causes of misunderstandings when we communicate with others.

We conducted a series of studies to learn more about this phenomenon as it relates to performance feedback. First, to confirm our hypothesis that managers suffer from the illusion of transparency when delivering feedback, we surveyed 173 managers and 566 employees at a multinational nonprofit organization. We asked the employees to rate how well they thought they had performed in a recent performance appraisal, and managers what they thought the employees would say. As we expected, the employees perceived their feedback as being more positive than their managers thought they would. The effect was stronger as the feedback became more negative; people under emotional duress (such as those nervous about delivering bad news) have less mental capacity to consider how others perceive what they're saying.

We also wanted to understand what we could do to reduce this gap between managers' and employees' perceptions. We suspected that managers fall prey to the illusion of transparency because they aren't sufficiently motivated to consider how their employees will perceive their comments. While of course they want employees to understand what they're saying, they're bogged down by multiple demands, especially during the end-of-year period when appraisals usually take place. Stopping to think about whether their feedback is clear doesn't rise to the top of their mental to-do lists.

We ran a test to see if an intervention alerting managers to their illusions of transparency would prompt them to be more accurate. We recruited 117 MBA students as "managers" and paired them up with "employees" recruited from an online panel. We told all of the participants to imagine that they were going through an appraisal process. We gave the managers data about how well employees scored on various capabilities and then asked them to deliver reviews to the employees.

Before the review, we told one group of the managers that the evaluations would not be evident to the employees, and that the employees would be unlikely to see the evaluation the same way as the managers. We found that the managers who were given this warning delivered much more accurate feedback than the others — the gap between the perceptions of the evaluation disappeared.

In another study, we observed that managers no longer suffered from illusions of transparency when employees themselves prompted the managers: "Could you please communicate your feedback regarding my performance during the past year as accurately as possible?"

In a final study, we tested whether financial incentives could lead managers to give more accurate feedback. We told study participants they could earn a $10 bonus if their employee was able to accurately estimate their performance rating. As we predicted, managers communicated more accurately when their bonus was contingent on the accuracy of their feedback. Of course, one downside of this intervention is that monetary incentives can be costly to implement and removing them later could have adverse effects.

What to Do About It

While it can be helpful to become aware of unintentional behaviors, overcoming them is notoriously difficult. Our research points to several ways to combat the illusion of transparency.

First, increase the frequency of feedback. As a manager, you can augment your annual appraisals with continuous reminders, ongoing training, and structured weekly or monthly "pulse checks" to break the discomfort that may be preventing you from communicating more clearly. Research has found that giving feedback more frequently makes feedback more accurate. This repetition will also help reinforce your message.

Firms should also promote a culture that encourages employees to request more candid feedback from their managers prior to appraisals. Failing that, firms can institute a formal process obligating them to do so.

Ultimately, clarity and specificity of language are managers' best tools. Use clear language and avoid phrases that could obscure your meaning. One phrase to avoid, for example, is "a real possibility," which people interpret as conveying a likelihood of anywhere from 20%–80%. Also, ask your employee to paraphrase what you've told them to make sure they fully understand your message. Managers also need to actively encourage employees to tell them how they see their own performance. As a manager, ask open-ended questions like, "What am I not seeing here? What may I be overlooking?"

Employees themselves can dispel many incorrect assumptions by asking questions, or by requesting that managers use precise, explicit terms when delivering feedback. If your manager doesn't ask you to rearticulate what they've told you, try using statements that begin, "So if I'm understanding you correctly, you're saying…"

Employees want more accurate and candid negative feedback, so it's a win for all if managers can give it. But managers should be aware of potential implications for their employees' well-being and on retention if evaluations become too harsh. As a manager, consider your cultural environment when determining just how blunt to be. For example, in countries where communication is more direct (such as the United States, Australia, and the Netherlands), an employee may appreciate straight talk, while in countries with more indirect communication habits (say, China and Japan), you may want to be more subtle. In either case, being aware of the illusion of transparency can help you compensate for it and make sure your employees understand what they need to do from your appraisal.

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