Workplace Performance: The Impact of Interpersonal Effectiveness

For more information, please call: 303-470-4900 or visit www.tracomcorp.com today.
We’re working harder than ever. But for companies to be competitive, their employees need to work smarter and communicate more effectively. Interpersonal Effectiveness Training (IET) can help improve productivity without increasing headcount.

OVERVIEW: THE LEADING INTERPERSONAL EFFECTIVENESS TRAINING (IET) PROGRAMS

An explanation of the three leading IET programs.

WHAT IET PROGRAM DO TRAINING PROFESSIONALS PREFER? WHAT ARE THE DIFFERENCES?

Research on preferences, and an explanation of program differences.

VERSATILITY

How versatile you are is a measure of how well you will perform.

PROGRAM IMPLEMENTATION

Ease and use of IET programs.

USING THE MULTI-RATER TOOL

When individual self perception is combined with others’ perceptions, a three-dimensional picture of an individual’s working style and relationships can be seen.

OTHER FACTORS TO CONSIDER

Delivery and Validity.

NO MATTER WHERE YOUR EMPLOYEES ARE, WE CAN HELP

The TRACOM Group contact information.

PARTICIPATE IN A TRACOM RESEARCH PROJECT

RESEARCH REFERENCES
Since the mid-1990s, American worker productivity has steadily risen to record levels. In 2004, a USA TODAY research report found that “the productivity gains made by the nation’s largest 100 companies were at a level not seen since just after World War II, as companies found ways to do more with less.”¹ It stated that “productivity growth rose even faster after the 2001 recession as U.S companies laid off workers and succeeded in getting more output from smaller work forces (USA TODAY).”²

But consensus among experts was that those gains could not be sustained, corroborated by recent statistics. In February, 2006, the U.S. Labor Department reported that “the efficiency of American workers rose in 2005 at the slowest pace since the recession year of 2001 (Associated Press).”³

The findings were a surprise to most economists who expected no change in fourth-quarter productivity (Bloomberg News).⁴ “The glory days of surging productivity that kept labor costs down look to be behind us,” said Joel Naroff, chief economist at Naroff Economic Advisors.

This data rightfully concerns organizations. Rising productivity helps corporations increase output without adding workers, boosting both profit margins and returns to investors. When productivity slows, it costs companies more to make each item or service they sell.

Much of the rise in productivity can be attributed to Americans working harder and longer than ever. In a recent Business Week cover story, research shows “more than 31% of college-educated male workers are regularly logging 50 or more hours a week at work, up from 22% in 1980.”⁵

In the coming years, worker retirements will place even more pressure on organizations. According to consultant RHR International Co., the country’s 500 biggest companies anticipate losing half their senior management in the next five to six years, with no replacements in sight.⁶

Nanette Byrnes, a writer for Business Week, explains, “As the 77 million U.S. baby boomers begin to retire, Generation X, now 24 to 40 years old, makes a paltry successor, with 46 million people. That demographic gulch has been dug deeper by the efficiency purges of the early 1990s, which wiped out middle management and taught laid-off workers that there was little reward for loyalty. At the same time, business has gotten tougher, and companies are counting on their people to be flexible enough to move at today’s accelerated pace, yet creative enough to excite consumers around the world — a tall order for a group that is already doing more than ever.”⁷

The glory days of surging productivity that kept labor costs down look to be behind us.
Joel Naroff, chief economist at Naroff Economic Advisors

The efficiency of American workers rose in 2005 at the slowest pace since the recession year of 2001
Associated Press
It is also clear that most companies are not ready for this seismic change in the workforce. “Employers still have a mindset of getting people out the door at the earliest age,” says Scott Morris of the Committee for Economic Development.

And even though seasoned employees, many of which are in management positions, are becoming crucial to achieving financial success for companies, there is a troubling gap in what workers expect and what employers think they want.

The Spherion 2005 Emerging Workforce Study showed major differences between employers and employees on critical workplace issues such as retention factors, training and development and work/life balance. More dramatic is that only 19% of employers are identified as having the mindset, policies, and best-of-breed HR practices in place to keep their top talent. Retention of an organization’s best talent is now turning into a critical element of human resource departments around the globe.

For the executive suite, leading others is becoming even more of a challenge, especially when studies show that four out of 10 newly promoted managers and executives fail within the first 18 months of their new position. One reason for this failure is the inability to understand not just how to lead people, but also how to determine the type of leadership needed. Daniel Goleman, author of the bestseller Working with Emotional Intelligence said, “successful managers must learn how to recognize the emotional intelligence of their staff and be able to adjust their own style to ensure a smooth working relationship.”

Research by the Cutter Consortium, leading consultants in business and IT, shows that a lack of interpersonal skills is the main cause of leadership failure. Interpersonal skills include the leader’s ability to build strong relationships internally and externally, and to motivate others. The most effective leaders modify their behavior and management style to reflect the needs of the situation and the people with whom they are working.

The TRACOM Group’s recent Managerial Success Study found that Managers with high-level interpersonal skills or versatility show significantly higher performance than their low-level interpersonal skill counterparts.

Leading others is becoming even more of a challenge, especially when studies show that four out of 10 newly promoted managers and executives fail within the first 18 months of their new position.

Manchester, Inc.

To receive a FREE SOCIAL STYLE Profile, please call: 303-470-4900 TODAY.
TRACOM’s research shows they are:

- 27% better at establishing effective relationships with direct reports
- 20% better at effective communication
- 22% greater ability to effectively manage conflict
- 22% greater ability to positively impact the commitment of his/her direct reports to the organization

And for those companies that don’t address these leadership issues, it can be a costly mistake. A recent Mellon research study documented that 64 percent of employees will leave their current positions to follow a good manager who understands how to lead and how to mentor. While it’s expensive to hire good employees, it is even more expensive to lose talented ones. The Hay Group estimates that “replacing employees costs the equivalent of 1.5 times the salary of the exiting employee (not including) the costs of lost sales, lower productivity, and customer defections.”

Adding to the list of difficulties facing organizations is that in today’s global marketplace, companies without “lightning-fast reflexes and the ability to communicate and collaborate across the globe” will not succeed — only those with the most creative ideas translated to products and services will, and that “means getting people across different divisions and different companies to work together” (Business Week).

It has been documented that those with superior interaction skills significantly contribute to an organization’s success.

The January 2006 cover story of The Economist states, “The more [effectively] workers interact with each other, the more likely they are to solve the problems of complexity that are a feature of modern organizations. ‘The value of interactions is rising’, says the Boston Consulting Group’s Yves Morieux, ‘because their generative function [meaning their ability to generate new ideas] has become the solution to increasingly challenging organizational problems.’ The idea is not that they emerge at the end of the day with something that makes their competitors say ‘wow’. It is that they come out with something that makes their competitors’ customers say ‘wow’.

Sixty-four percent of employees will leave their current positions to follow a good manager who understands how to lead and how to mentor.

Mellon research study

Replacing employees costs the equivalent of 1.5 times the salary of the exiting employee (not including) the costs of lost sales, lower productivity, and customer defections.

The Hay Group
It’s not just about leading or collaborating but working together in the most productive way possible. Investing in worker training and best management practices can be linked to improved financial performance and companies who are taking the time and resources to address training needs are reaping the benefits. Organizations with a high focus on learning demonstrate an average of 27 percent greater productivity than their competitors, as well as 40 percent higher revenue growth and 50 percent greater net income growth, according to a recent study by Accenture Learning.

The challenges of successful interpersonal relationships are not just for leaders alone, and it isn’t a new problem. As early as the 1950s, university researchers found that the individual’s ability to create productive interpersonal working relationships correlated to their professional success. From those early academic research roots, Interpersonal Effectiveness Training (IET) was pioneered nearly 50 years ago by TRACOM, as a way to give employees the skills to create the types of interactions directly associated with positive working relationships. Since interpersonal communications form the backbone of corporate productivity, it’s critical that all employees, from those in leadership roles and down the line, have these skills.

Those executives responsible for developing, acquiring or implementing corporate training programs understand the importance of these skills. In 2005, Leflein Associates Inc. surveyed 100 training executives to examine the value and impact of Interpersonal Effectiveness Training (IET) programs. Most of those surveyed worked with the leading IET programs – Social Style, Myers-Briggs (MBTI) and DiSC – and believe interpersonal effectiveness training works. Equally important is the fact that 95% believe IET skills are critically important for building and maintaining co-worker relationships, effective communications, managing conflict, and retaining valued employees.

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Accenture Learning
The most commonly used models are the Myers-Briggs Type Indicator (MBTI), the DiSC Profile, and the Social Style Model. While dozens of other models exist – including many blatant copycats of the leaders – these three models are the most popular and respected on the market.

According to the MBTI® manual, MBTI “is based on Carl Jung’s ideas about perception and judgment, and the attitudes in which these are used in different types of people. The aim of the MBTI® instrument is to identify from self, self-report of easily recognized reactions, the basic preferences of people in regard to perception and judgment, so that the effects of each preference, singly and in combination, can be established by research and put into practical use.”

DiSC “addresses behavioral responses based on the individual’s emotional reaction to a particular environment. This model is not designed to support inferences about what an individual is like at the core of his or her personality or to predict how she or he will behave in the future… This instrument helps individuals recognize the environmental cues to which they are reacting and the strategies they are using to adjust to their environment.”

The TRACOM Group’s Social Style Model™ is a tool for understanding a person’s behaviors and their individual preferences when interacting with others. It objectively evaluates behavior – as opposed to intent or internal thought – to determine a person’s Social Style from one of four Styles titled Driving, Amiable, Expressive and Analytical. Each Style, not considered good or bad, has positives and negatives associated with it when working with others. Further, the Social Style Model measures Versatility, a person’s ability to work effectively with others. Social Style is primarily focused on behaviors that are external to the person and their affect on relationships.

88 percent of training professionals who use Social Style believe it works effectively, compared to 61 percent of those who use DiSC-based products and 73 percent of MBTI users.

Leflein Research

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Intra-personal (MBTI and DiSC) measures help a person understand how they typically react to information and events. Inter-personal (Social Style) profiles help a person understand how they react to others and how others react to them. Both intra-personal and inter-personal processes are distinct in the value they bring to the training and development process.

The publishers of both DiSC and MBTI note that self-awareness is a primary goal of those instruments. The Social Style Profile does build self-awareness, but goes further to provide external feedback and specific actions to improve business success. The key benefit of Social Style is understanding the concept Versatility or how one works effectively with others.

Social Style specifically concentrates on a person’s interactions with others and not just on internal beliefs or intentions. It gives specific guidance as to how to identify a person’s preferences and take steps to work effectively with her or him.

In the Leflein research study referenced earlier, 88 percent of training professionals who use Social Style believe it works effectively, compared to 61 percent of those who use DiSC-based products and 73 percent of MBTI users.

**PERCEIVED EFFECTIVENESS OF POPULAR IET MODELS**

<table>
<thead>
<tr>
<th>Model</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Social Style Users</td>
<td>88%</td>
</tr>
<tr>
<td>Myers-Briggs Users</td>
<td>73%</td>
</tr>
<tr>
<td>DiSC Users</td>
<td>64%</td>
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**The key benefit of Social Style is understanding the concept of Versatility or how one works effectively with others.**

Tracom Group
While Social Style is the foundation for interaction, Versatility, a unique measurement of TRACOM, is the key to making it work. Versatility is the ability to adjust behaviors in situations in order to maximize productivity. Versatility is not changing who you are; it’s being willing to focus on the needs of others more than your own in order to make things work. By understanding and adjusting behaviors, employees can overcome barriers in communication, reduce conflict and improve productivity.

While a person’s Social Style is relatively static over time, the TRACOM Group believes Versatility is dynamic and is much more within a person’s control. Research has proven that individuals with high Versatility increase their ability to develop productive relationships.

The TRACOM Managerial Success Study connected high levels of interpersonal skills with high performance on 47 factors of managerial performance, with significant differences between managers with low and high Versatility on every performance measure.

It unequivocally linked higher Versatility to higher effectiveness, proving that managers with higher Versatility are more effective than managers with lower Versatility. Most telling, they found that those with higher Versatility had correspondingly higher pay.

TRACOM believes that while Social Style cannot predict successful job performance, measuring Versatility does. TRACOM’s programs provide tools to operationalize the concepts of Social Style in a way that MBTI and DISC cannot.

Most IET programs are established to improve workplace performance. The specific Social Style of an individual doesn’t predict success. But the TRACOM Versatility score does. How versatile you are is a measure of how well you will perform.

The TRACOM Group’s training in Versatility offers what the other programs do not. TRACOM’s training can improve Versatility by helping individuals “know themselves, control themselves, know others and do something for others,” with in-depth follow-up and ongoing assessments to measure progress. No other program offers a similar return on investment.

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Social Style, MBTI and DiSC all have been effectively used in various learning and development programs for decades. Millions of individuals have benefited from these instruments and models. The programs are very different in terms of program implementation. MBTI has 16 Types. DiSC has 15 Classic Patterns as well as additional rarer DiSC Profile Patterns. There are four Social Styles to remember (Amiable, Analytical, Expressive, and Driving). The simplicity of the Social Style program can contribute to the successful application and retention of the concepts by program participants.

Further, the concept of Versatility provides a specific and measurable way to increase interpersonal effectiveness. It teaches people to identify the preferences of others and take steps to improve the outcome of individual relationships.

Organizations or individuals looking to improve self-awareness would likely benefit from MBTI or DiSC. Organizations or individuals looking to improve interpersonal effectiveness and the relationships between people will benefit most from Social Style and Versatility programs.

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Tracom Group
360°s are a type of multi-rater profile that attempts to capture information about a person from all angles. In the workplace this typically includes a person’s superior(s), colleagues and direct reports.

Ninety-five percent of training professionals found it more valuable to have both self-rating and feedback from others as opposed to self-rating alone.

Leflein Associates, Inc.

THE VALUE OF MULTI-RATER PROFILES

Social Style, MBTI and DiSC all use profiles in teaching their models. MBTI and DiSC self-perception profiles collect responses from the program participant only. Social Style programs typically are taught using a multi-rater profile, although self-perception-only profiles are an option.

Using a self-perception instrument provides information that looks exclusively inside the person at his or her own feelings, intentions and beliefs. These profiles can be completed quickly either online or using a paper format.

Self-perception profiles are typically convenient and inexpensive ways to introduce IET concepts. But in many cases, the multi-rater instrument adds considerable value to the insight gained.

With multi-rater profiles the colleagues of the participating employee complete a survey about the participant in addition to the participant’s own self-perception profile. By gathering multi-rater feedback Social Style identifies how behaviors actually impact others. When individual self-perception is combined with others’ perceptions, a much-more accurate picture of an individual’s working style and relationships is achieved.

TRACOM’s research has established that in over 50 percent of the time, most of us view our individual Social Style very differently than others view us. While this may be fodder for a comedy routine, the ramifications for organizations are far from amusing.

The challenge in understanding is not unique to those using the Social Style multi-rater instrument. While MBTI and DiSC tools measure subjective insight into what a person thinks about him or herself, those perceptions can change over a short period of time. Research conducted by Howes and Carskadon showed that a large portion of their participants retested much differently from their initial MBTI assessments, receiving very different type profiles.

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[Figure: The Hay Group Self-Perception Gap]

Gaps Between Self-Score and Scores from Others (p<0.01)

Accuracy

+30

+20

Less Accurate
A key element of Social Style is Versatility, a measure of how effectively a person works with others. TRACOM’s research shows that people with low Versatility (as seen by others) have an artificially high view of their Versatility. This translates to the fact that those who could potentially benefit the most from Versatility training believe they need it the least.

Examples of blind spots that can be addressed through the use of multi-rater profiles include:

- 72% of people with “very low” Versatility saw themselves as having higher Versatility, with well over 40% placing themselves substantially higher.
- Only one-fourth of people with “very low” Versatility scores from others actually rated themselves as “very low”.

There is evidence that higher Versatility people grade themselves somewhat harsher than lower Versatility people. TRACOM attributes this to their understanding that there is always an opportunity for improvement.

Historically, research on 360° feedback has indicated that high scorers have a tendency to deflate their own ratings. Training professionals understand the significance of these instruments. In the Leflein study, an overwhelming percentage of those training executives surveyed found it more valuable to have both self-rating and feedback from others as opposed to self-rating alone (95% vs. 5%). Participants also recognize the benefits of the multi-rater profile with more than 80 percent of program participants said it “made me more aware of challenges and opportunities that I would not otherwise have considered.”

While increasing self-awareness is helpful in understanding oneself, building strong relationship skills requires an understanding of how one is seen externally by others. A multi-rater profile provides that insight. TRACOM has found when many of its participants see the disparity in their selfperception and others perception of them, it offers some of the best motivational learning opportunities for them.

When individual self-perception is combined with others’ perceptions, a full picture of a person’s working style and relationships can be seen.

In a recent study of Social Style Multi-rater participants, more than 80 percent said it made them more aware of challenges and opportunities that they would not have otherwise considered.

Leflein Associates, Inc.
IET training providers offer programs that range from introductory workshops for customer service staff through in-depth experience-based classroom training for managers. Before deciding on the training and programs to provide for employees, companies should think about who they’re training – typically, the higher the level of employee, the higher the level of training. Other factors to consider: the amount of time available to employees as well as the types of delivery mechanisms – classroom settings with trained facilitators vs. online training.

All three instruments are available in a variety of input formats and report delivery formats including paper, online web questionnaire, printed report or electronic report.

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While all three instruments have been tested for both validity and reliability, only TRACOM performs ongoing research on the impact of Versatility on workplace performance. TRACOM performs research on the reliability and validity of its instrument every six months, unlike any other program.

TRACOM performs research on the impact on workplace performance.

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Executives should consider what their company is doing to build an effective workforce with strong interpersonal skills. With over 50 years of experience, the TRACOM Group can help your company improve workplace performance through training interpersonal effectiveness, building teamwork, develop leaders and enhancing communications. As the business landscape has evolved, we’ve refined the model and created new measurement instruments to meet changing needs. Our research and experiences in behavioral effectiveness lead to the development of additional models for Team Development and Sales Effectiveness.

We provide custom consulting to help solve organizations most pressing workplace performance issues. We can also create highly customized surveys and assessments using proprietary modeling tools and the industry’s most flexible data gathering and analysis platform. Our products and services are available in multiple languages for international use. We also work with a domestic network of consultants and training professionals through our Associate Program.

NO MATTER WHERE YOUR EMPLOYEES ARE, WE CAN HELP

TRACOM Group provides custom consulting to help solve organizations most pressing workplace performance issues.

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As organizations continually look for operational efficiencies and competitive advantages, it’s important to consider the performance potential that exists within their own people. The TRACOM Group offers a variety of services to help maximize performance.

TRACOM is committed to ongoing research which documents the connection between interpersonal skills and job performance. These studies provide valuable data about companies in a variety of industries and their employees.

Contact us to learn more.

To enhance your company’s performance, contact us to discuss your objectives.

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303-470-4900
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