

# Effective Relationships: The Key to Business Success

## A TRACOM Managerial Success Study – Executive Summary

### Overview

Companies have used Social Style and Versatility to improve organizational and individual performance for nearly 50 years. A new research study further proves the connection between Versatility and job performance. This study of managers documented that managers with high Versatility received ratings at least 20 percent greater than managers with low Versatility in areas such as “leader effectiveness,” teamwork,” “conflict management” and “ overall performance.”

A person’s level of Versatility indicates his or her ability to interact effectively and gain the approval and support of coworkers. Versatility is closely related to the concept of social or emotional intelligence. Numerous independent studies have shown that emotional intelligence is related to workplace effectiveness and comparable to personality in predicting performance.

### Study Methodology

In May 2005, TRACOM gathered and analyzed data on 127 managers within a large North American publishing company. The participants represented a variety of job functions and locations and all managed at least one direct report. Job performance was measured by having each manager’s superior and direct reports complete an online managerial effectiveness questionnaire rating the manager on 47 competencies such as “ability to effectively manage conflict,” “ability to influence,” “initiative” and “commitment.” A total of 691 performance questionnaires were completed. Versatility was determined using TRACOM’s Social Style Profile-Enhanced, an online multi-rater assessment.

### Study Results

The job performance data was analyzed to see if relationships existed with the Versatility scores. A variety of statistical techniques identified very strong connections between Versatility and many of the performance measures. Versatility had a correlation of .47 with the “ability to work well within a team” and .44 with the “ability to effectively coach others.” Correlation measures the likelihood that two variables are related with higher numbers showing greater connection. As a point of comparison, the correlation of SAT scores with subsequent college GPA is .20 and the correlation of “antihistamine use and reduced runny nose and sneezing” is .11. Tables One and Two show correlations from the study along with other comparison data. The correlation of Versatility and “overall performance” was .40, proving Versatility’s importance statistically and practically.

The second key finding of the research was a measurable difference between managers with high Versatility and low Versatility on the various performance measures. Highly Versatile managers received 27 percent higher scores on “effectiveness as a team leader” than low Versatility managers. Their ability to “provide constructive performance reviews” was rated 22 percent higher. “Personal initiative” and “promotability” were rated 19 percent higher for high Versatility managers. Table Three shows the differences between Low and High Versatility performance.

## TRACOM Research Studies

The third key finding was that managers with increasing Versatility correlated with increasing compensation. Highly Versatile managers received 29 percent more in total compensation than low Versatility managers. The average annual difference between the groups was \$30,000, showing that organizations place higher value on those managers with higher Versatility. Compensation was not significantly related to job tenure.

### **Summary**

This research study is additional evidence that emotional intelligence skills are a powerful indicator of workplace effectiveness. As Versatility increases, so goes performance. Further, there are significant and noticeable differences in performance between managers with low Versatility and those with high Versatility. This study adds to the proof that Versatility does in fact make for better performing managers.

### **Opportunities for Additional Studies**

TRACOM is committed to the ongoing completion of additional studies that research the connection between Versatility and job performance. We regularly work with organizations to study performance in different industries, functional roles and employee populations. These studies provide valuable data and performance metrics to the partner organization and are often conducted at no incremental charge. Because the criterion data are customized to the specific organization and audience, they generate insights regarding business impact and return on learning initiatives. Contact Casey Mulqueen, TRACOM's Director of Research at 303-470-4936 for more information.

### **About The TRACOM Group**

The TRACOM Group helps individuals and organizations improve workplace performance by building interpersonal skills, improving teamwork, developing leaders and enhancing communications. TRACOM offers measurement-based learning models, courses, surveys, assessment tools and consulting services, which have been used successfully for nearly 50 years. Much of TRACOM's work is based on Social Style, a model for effective work and personal relationship created by industrial psychologist Dr. David W. Merrill and Roger H. Reid, M.A. TRACOM's Sales Effectiveness Division helps companies achieve sustainable double-digit revenue and profit growth. A division of Reed Business Information, TRACOM is based in Highlands Ranch, Colo., a suburb of Denver.

Visit [www.tracomcorp.com](http://www.tracomcorp.com) or call 303-470-4928 or more information.

**Table One: Job Performance Correlations with Versatility**

Performance Measure	Correlation with Versatility
Ability to establish effective relationships with direct reports	.51
Ability to work well within a team	.47
Effectiveness as a team leader	.47
Ability to effectively coach others	.44
Ability to establish effective relationship with supervisor	.43
Ability to positively impact the commitment of his/her direct reports to the organization	.42
Ability to influence or persuade others	.41
Ability to effectively manage conflict	.40
Overall performance	.40
Ability to establish effective relationships with customers/clients	.39
Overall contribution to department or organization	.35
Ability to manage change initiatives	.34
Ability to adjust to multiple demands and priorities	.33
Commitment to the success of the organization	.33
Potential to be promoted to the next level	.32
Following through on commitments	.28
Decisiveness/making timely decisions	.28
Willingness to put forth effort	.28
Understanding of customers' business and needs	.27
Knowledge of products and services	.25
Ability to work under pressure	.25
Attention to detail	.24

Note: all correlations significant at  $p < .01$ .

**Table Two: Various Correlations for Comparison**

Relationship between	Correlation
Height and weight among Americans	.44
SAT scores and subsequent college GPA	.20
General intelligence tests and job effectiveness	.25
Personality tests and job performance	.16
Aspirin use and risk of death by heart attack	.02
Antihistamine use and reduce runny nose and sneezing	.11
Nearness to equator and temperature	.60

**Table Three: Performance Increase Based on Versatility**

<b>Performance Measure</b>	<b>% Increase from Low to High Versatility</b>
Ability to establish effective relationships with direct reports	27%
Effectiveness as a team leader	27%
Ability to effectively coach others	25%
Ability to establish effective relationships with peers	24%
Ability to work well within a team	23%
Ability to positively impact the commitment of his/her direct reports to the organization	22%
Overall performance	20%
Potential to be promoted to the next level	19%
Ability to establish effective relationship with supervisor	18%
Ability to establish effective relationships with customers/clients	17%
Ability to adjust to multiple demands and priorities	17%
Overall contribution to department or organization	17%
Ability to manage change initiatives	16%
Ability to offer constructive suggestions	15%
Personal discipline/focus	15%
Willingness to put forth effort	15%
Commitment to the success of the organization	15%
Meeting work requirements	14%
Ability to stay informed about important topics	14%
Ability to work under pressure	11%
Attention to detail	9%