INTERACTION ESSENTIALS℠: WHAT THEY ARE AND WHY THEY MATTER

A MONOGRAPH BY

DDI'S CENTER FOR APPLIED BEHAVIORAL RESEARCH

DDI®

INTERACTION ESSENTIALS^{SM}: WHAT THEY ARE AND WHY THEY MATTER

Human beings are social creatures. In daily lives and our work, we are constantly interacting with others. Whether these interactions happen face-to-face, over the phone, or through e-mail or text, the way we treat others and how we communicate with them makes an impact—for better or worse. So what are the skills required to conduct effective interactions day-to-day? Through our 40+ years of assessing talent, conducting research, and creating development programs, we have found that there exists a core set of skills everyone needs to master in order to effectively build relationships and get work done. We call these skills the Interaction Essentials^{SM}.

We refer to them as the Interaction Essentials because they are the core behaviors that make leaders and associates effective. These skills help individuals meet both personal needs (to be respected and involved) and practical needs (through an effective communication structure). DDI believes so strongly in the use of the Interaction Essentials that we incorporate them as foundational elements of many of our learning and development programs. For example, the Interaction Essentials are incorporated into training and development programs such as

Interaction Management® and Business Impact Leadership®, and in Targeted Selection® for training interviewers. They are also incorporated into selection solutions, such as interview guides. These essentials have been woven into DDI's products and solutions, instituting a consistent development method across all levels of the organization.

PRINCIPLES TO HELP A PERSON MEET OTHERS' PERSONAL NEEDS

1. Maintain or enhance self-esteem.

2. Listen and respond with empathy.

3. Ask for help and encourage involvement.

4. Share thoughts, feelings, and rationale (to build trust).

5. Provide support without removing responsibility (to build ownership).

What They Are

The above principles were derived from decades of research demonstrating the positive value of the behaviors they embody. When these five principles are applied, they ensure that employees' personal needs are met and that they feel valued, respected, and understood. They also can have critical implications for the levels of engagement motivation, productivity,

and effectiveness with which work is carried out. The following presents the research underlying and supporting the significance of each.

Maintain or Enhance Self-Esteem

Self-esteem refers to one's self-evaluation, or appraisal of one's own worth. It is the second highest need on Maslow's hierarchy. And it can be impacted by all interactions with others. The concept of self-esteem rose to popularity in the late 1960s, pioneered by psychotherapist Nathaniel Branden and psychologist Stanley Coopersmith (who defined self-esteem as an attitude and expression of worthiness). To date, approximately 536 studies, 769 articles, and 80 books have been written on the impact of self-esteem on work performance.

Some of the reported outcomes of high self-esteem include high levels of career and job satisfaction, improved motivation and engagement, high-quality work, better personal and professional relationships, and more innovation at work. Individuals who maintain or enhance others' self-esteem tend to be seen as highly effective and enjoy better team communication and less tension in the workplace. They also are likely to lead employees with higher job satisfaction and performance, greater loyalty, and interpersonal trust.

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Listen and Respond with Empathy

The ability to empathize is an important skill to possess. The modern understanding of empathy—meaning "the identification with or vicarious experiencing of the feelings, thoughts, or attitudes of another"—was first used in the works of sociologist Max Weber and psychologist Wilhelm Dilthey. Empathetic people are more willing to use their time and resources to help people, to enable others to maintain a sense of competence and self-worth, and to avoid behaviors that would betray others' trust.

Within the last 10 years, approximately 550 articles and over 160 books have been written on using empathy in interpersonal interactions.

Leaders who demonstrate empathy with their employees are perceived to be better coaches, while employees who believe their leaders are empathetic tend to be more engaged in their work and less fatigued, depressed, and anxious.

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Ask for Help and Encourage Involvement

Individuals want to feel involved, to feel as though their opinions and thoughts matter. At work this translates into leaders and team members reaching out to one another for support. A high-involvement work environment began as a trend in the 1970s, but has since become the norm in highly effective organizations. In the last 10 years, over 915 articles and 19 books have been written on high-involvement work environments.

Leaders are seen as more effective when they create a participative work environment. Employees in such a high-involvement work environment perceive that they have more variety, autonomy, and impact along with a greater level of influence in their jobs. They also report a higher degree of job satisfaction, more trust in management, and increased self-confidence.

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Share Thoughts, Feelings, and Rationale (to build trust)

In the workplace, sharing thoughts, feelings, and the rationale behind decisions builds a more trusting environment. When leaders and team members open up, they encourage others (direct report, colleagues) to do the same. This open communication also fosters a positive team dynamic, making everyone more productive.

The concept behind this principle was pioneered in the 1970s by sales and marketing expert Neil Rackham in his pivotal research study on sales effectiveness in major multinational companies. Rackham's research focused on the impact of interaction skills training and the importance of motivation and emotions during work interactions. He demonstrated that, to build trust, leaders need to disclose their own thoughts and feelings. According to his research, trust in leadership is a critical requirement for employees to have, and their degree of trust affects overall organizational and work group effectiveness, employee satisfaction with leadership, and the overall level of innovation.

In the last 10 years, more than 100,000 articles and studies and 4,780 books have been written on building trust in the workplace.

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Provide Support without Removing Responsibility (to build ownership)

Providing support is a critical role of a manager or team member. The interconnectedness of today's workplace means it is difficult to do a job without anyone's help. However, when seeking help, it is important for the support to come without removing the ownership of the task. This is how individuals learn, grow and develop in their roles. The ability to provide support without removing responsibility is the driving force behind this sense of empowerment.

In the last 10 years, approximately 7,000 articles and 1,500 books have been written on empowerment in the workforce. This body of research demonstrates multiple individual and organizational benefits of empowering and encouraging employees to psychologically own their jobs.

Managers are seen as more effective when they perform supportive behaviors without taking over, delegate decision making, provide a culture of continuous improvement, and balance trust and feedback. They must also coach their team members to help them be more successful, without telling them what to do or removing their ownership or responsibility. Organizational benefits of increased empowerment include improved productivity, product quality, customer service, employee satisfaction, and team performance; gains in market share and customer satisfaction; and a reduction in production costs.

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## GUIDELINES FOR HOW TO MEET PEOPLE'S PRACTICAL NEEDS (*TASK SKILLS*)

What They Are

In addition to ensuring that personal needs are met, DDI developed guidelines over 40 years ago to provide structure and best practices for effective interactions to meet practical needs. In day-to-day interactions with coworkers, these guidelines help

provide structure to maximize the effectiveness of those conversations to influence others, solve a problem or make better decisions. These guidelines (Open, Clarify, Develop, Agree, and Close) focus on the practical side of interactions because relying solely on personal needs without meeting people's practical needs will still result in an ineffective interaction. By using these guidelines, leaders and team members can get work done through others more effectively and efficiently. In addition to the five guidelines, there are additional skills needed to ensure that each person understands what has been discussed and to keep the discussion moving forward. These process skills are: check for understanding and make procedural suggestions.

In today's hectic, performance-oriented workplace, the time spent interacting with others must be productive. Whether interacting with an individual or a group, in a formal or a spontaneous discussion, in person or over the phone, every interaction must accomplish its purpose efficiently. Each guideline represents an important, logical step in the discussion process. Together they provide a road map to guide effective discussions. When these guidelines are applied with the aforementioned skills (empathy, maintaining self-esteem, etc.), they ensure that employees' personal AND practical needs are met, and ultimately better, and more effective interactions.

The content of DDI's model is based on real behaviors exhibited in hundreds of thousands of interactions observed in assessment and training settings. This distinctive model provides a process that can be easily adapted to either personal or professional situations. The process can be used to resolve conflicts, discuss a major change, set expectations, delegate an important responsibility, or conduct any discussion in which you need to clarify the situation, develop ideas, and agree on actions.
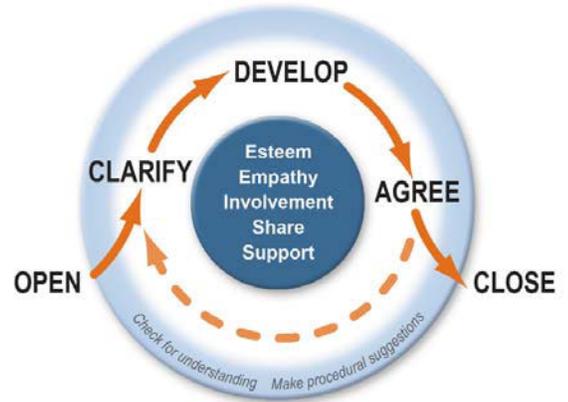
OPEN

> At the start of an interaction, let people know what you want to talk about and why it's important.

> If you begin the discussion, explain its purpose and importance.

> If another person begins the discussion, and doesn't explain the purpose and importance, you can:
  – Ask what they want to talk about and why.
  – State your understanding and ask if it's correct.

CLARIFY

> Before you begin discussing ideas or solutions, make sure everyone understands the details.

> Clarify facts, figures, or information that everyone involved in the discussion needs to know to move forward.

DEVELOP

> Cultivate ideas to achieve the main goal.

> Actively seek involvement from all participants.

> Share your own ideas—after listening to everyone else's.

> Where appropriate, use idea generation and evaluation techniques.

> Help people identify any help, support, or resources that might be needed.

AGREE

> Once you have a list of good ideas and alternatives, involve everyone in choosing the ideas to put into action.

> Specify what will be done, who will do it, and by when.

> Return to the CLARIFY step if you have another issue to talk about or proceed to the CLOSE step if there are no more issues. Repeat this process for each issue.

CLOSE

> To make sure everyone understands what's happening, go over the main points of the discussion and what people agreed to.

> Make a final check on everyone's confidence in their ability to follow up on the actions they agreed to.

Process Skill:

Check for Understanding

This is a way to confirm that everyone has the same understanding of what has been discussed during the session. The most effective way to check for understanding is to summarize the information in the form of a question and then request confirmation or correction. For example one might say "so what I heard you say is (fill in example), is this correct?"

Process Skill:

Make Procedural Suggestions

An effective interaction needs a way to keep the discussion process on track, by identifying problems in the process itself and resolving them quickly. A good example of using this technique is: "We seem to have several alternatives available. Let's narrow our options down to two." This action is about ensuring that goals in the interaction are achieved in a timely manner.

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WHY INTERACTION ESSENTIALS MATTER

Why are the Interaction Essentials so critical? Experience and research have shown that the reason most leaders in business fail is not because of a lack of business knowledge or technical skill, but because of interpersonal and communication shortcomings. The most cited reason that people leave their jobs is their relationships with their managers. Even CEOs, in part, fail due to a lack of essential interaction skills (e.g., Paul Ely (HP), Carly Fiorina (HP), John Havens (Citigroup), Stan O'Neal (Merrill Lynch), Bob Nardelli (Home Depot), and Al Dunlap (Scott Paper)). Therefore, there exists a greater need to develop these essential interaction skills.

According to DDI's data, including detailed assessment information on over 4,000 leaders, Interaction Essentials are a clear area for development. This research demonstrates that the Interaction Essentials are more likely to be rated a development need by a leader's managers and peers, compared to any other leadership skill such as coaching, decision-making, and driving change. Specifically, 44 percent of development needs reported by managers and peers are

Interaction Essentials in DDI's analysis of a cross-organizational database of 360-degree feedback research (2011).

The good news is that DDI's research also demonstrates that the Interaction Essentials can be trained or improved. And improvements in the Interaction Essentials correlate with improvements in higher-order leadership skills; for example, influence, managing others' performance, and resolving conflict. Data collected from 2,637 leaders and 4,120 of their managers, colleagues, and direct reports demonstrate a 33 to 59 percent improvement in the number of leaders frequently meeting others' personal needs after leadership training (see Figure 1). Specifically, when it comes to the behaviors related to meeting personal needs discussed earlier, only about 57 percent of leaders were doing that effectively before training. After training, that number rose to 76 percent according to leaders' managers, peers, and direct reports, and up to 89 percent according to leaders themselves—a significant improvement.

FIGURE 1. IMPROVEMENTS IN MEETING PERSONAL NEEDS AFTER TRAINING
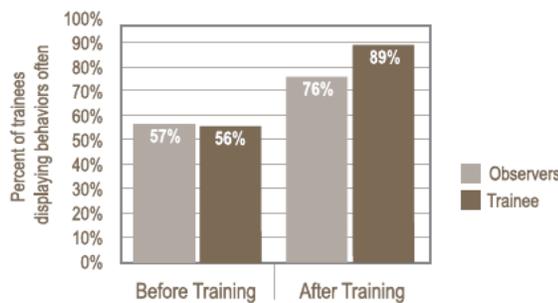
Because leaders who master the foundational interaction skills will be more skillful in navigating other leadership behaviors (e.g., coaching, managing performance, influencing others), it is no surprise that this type of training has a significant impact on other leadership behaviors and even organizational outcomes. In addition to improvements in communication, teamwork, efficiency, and quality of work, employees who rated engagement and productivity higher in their work groups were

significantly more likely to have leaders who effectively met the personal needs of others. In other words, employee engagement and productivity were affected by the extent to which leaders met the personal needs (see Figure 2 and 3) and the practical needs (see Figure 4 and 5) of others.

Figure 2 shows that when employees reported reduced engagement in their work environment, only 54 percent of them also reported that their leaders were meeting their personal needs. In contrast to employees who reported improved engagement, an overwhelming 89 percent reported their personal needs being met by their leader.

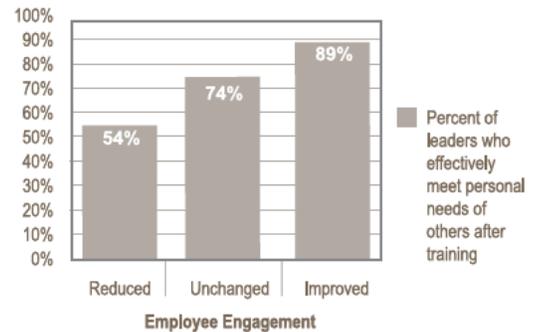**FIGURE 2. HOW MEETING PERSONAL NEEDS IS RELATED TO IMPROVED ENGAGEMENT**

Figure 3 shows a similar finding, such that for employees who reported reduced productivity in their work groups, only 60 percent of them reported that their leaders were meeting their personal needs. In contrast to employees that reported improved productivity, 86 percent of them reported their personal needs being met by their leader.

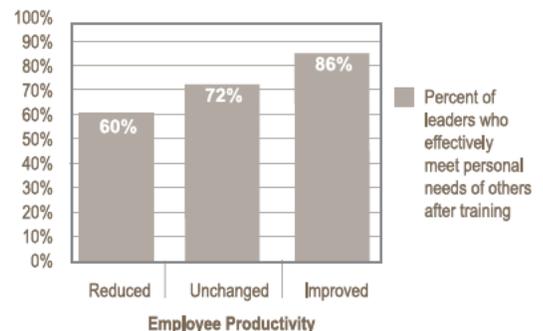**FIGURE 3. HOW MEETING PERSONAL NEEDS IS RELATED TO IMPROVED PRODUCTIVITY**

Figure 4 demonstrates the same trend for meeting practical needs. Specifically, when employees reported a leaders' ability to create and maintain a supportive work environment as low, only 2 percent of them reported that their leaders were effectively meeting their practical needs. In contrast to employees who reported their leaders' ability to maintain a supportive work environment as high, 87 percent of them reported their practical needs were being met by their leader.

FIGURE 4. HOW MEETING PRACTICAL NEEDS IS RELATED TO RELATED TO IMPROVED ENGAGEMENT

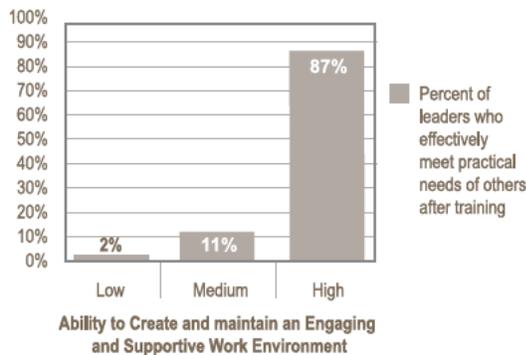Ability to Create and maintain an Engaging and Supportive Work Environment

Figure 5 displays the finding that when employees reported a specific leaders' ability to lead teams towards meeting productivity goals as low, only 2 percent of them reported that their leaders were effectively meeting their practical needs. In contrast to employees that reported their leaders' ability to lead teams towards meeting productivity goals as high, 83 percent of them reported their practical needs were being met by their leader.

FIGURE 5. HOW MEETING PRACTICAL NEEDS IS RELATED TO IMPROVED PRODUCTIVITY

Ability to Lead Teams towards Meeting Productivity Goals
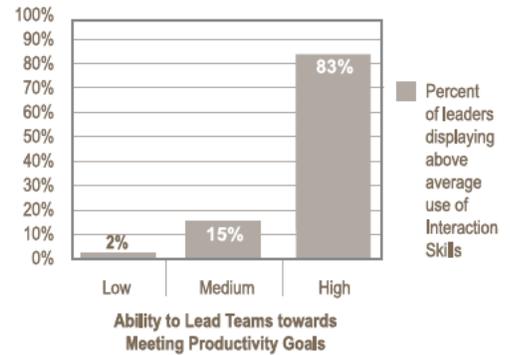
In summary, research supporting both the theory behind and the practice of using the Interaction Essentials is abundant and persuasive, and that is the reason that they are at the core of many of DDI's programs and solutions. Because the Interaction Essentials are the foundation upon which all effective interactions are based, they are critical skills for everyone to have in order to foster supportive and productive relationships. They are of particular importance to leaders because research demonstrates that without the fundamental interaction skills, leaders will not be equipped to handle their responsibilities of keeping their employees engaged, satisfied, motivated, and, of course, productive.

8

ABOUT DEVELOPMENT DIMENSIONS INTERNATIONAL:

For over 40 years, DDI has helped the most successful companies around the world close the gap between where their businesses need to go and the talent required to take them there.

Our areas of expertise span every level, from individual contributors to the executive suite:

- Success Profile Management
- Selection & Assessment
- Leadership & Workforce Development
- Succession Management
- Performance Management

DDI's comprehensive, yet practical approach to talent management starts by ensuring a close connection of our solutions to your business strategies, and ends only when we produce the results you require.

You'll find that DDI is an essential partner wherever you are on your journey to building extraordinary talent.

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