

THE TRAINING OF EMOTIONAL COMPETENCE IN FINANCIAL SERVICES ADVISORS

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EXECUTIVE SUMMARY:

Using four cohorts of volunteers from two American Express Financial Services East Coast market groups, 37 financial services advisors and five vice presidents and an administrative assistant participated in a year long pilot project designed to measure the effect of emotional competence/forgiveness training on sales and quality of life. The training for this project began with a one day workshop attended by the participants at each site. The morning session defined emotional competence, taught the importance of aligning thoughts, emotions and behaviors and helped participants examine areas of weakness. The afternoon session focused on techniques for forgiveness and the importance and training of reducing stress. Subsequent to this workshop an individual development plan (IDP) was created for each advisor which was implemented through four follow up conference calls over a year long period.

Results showed gross dealer concession (sales) increased for the first group of advisors an average of 18%. Results showed gross dealer concession increased for the second group of advisors an average of 24%. Results showed gross dealer concession increased for the third group of advisors an average of 24%. Results showed gross dealer concession increased for the fourth group of advisors an average of 46%. The average participant improvement in productivity was 25% which we compared to a corresponding 10% increase in sales for the rest of the advisors in each market group. In addition the stress levels of the 36 participants who completed the year long training decreased 29% over the year of the project while their reported positive emotional states increased 24% over the year of the project. Quality of life, anger and physical vitality measures also demonstrated statistically significant year to year positive change.

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BACKGROUND:

Thirty seven financial advisors, five vice presidents and an administrative assistant volunteered to be in one of four cohorts in year long pilot projects designed to measure the effect of emotional competence/forgiveness training on sales and quality of life. The project was conducted by two psychologists and initiated by a group vice president of American Express. Dr. Luskin has an appointment at the Stanford University Center on Conflict and Negotiation and is an Associate Professor at the Institute of Transpersonal Psychology. . He also serves as the Director of the Stanford Forgiveness Projects. Dr. Aberman helps train athletes at the University of Minnesota, has extensive experience supporting coaches and has worked as a business consultant in the training of emotional competence. Mr. DeLorenzo has been employed by American Express for over 30 years and is currently a group vice president.

METHOD:

The training for this project began with a one day workshop attended by 16 participants in the first cohort 12 in the second cohort 8 in the third cohort and 7 in the fourth cohort. The workshop defined emotional competence, taught the importance of aligning thoughts, emotions and behaviors and helped participants examine areas of weakness. The afternoon session focused on

techniques for stress management and the importance and training of interpersonal forgiveness. Dr. Luskin's book "Forgive for Good: A Proven Prescription for Health and Happiness".

Subsequent to this workshop an individual development plan (IDP) was created for each advisor. The IDP was developed after evaluating the pre-test measures (including the EQI) and in consultation with the each participant's Group Vice President. Each IDP contained two or three action items that were presented as specific behavioral suggestions. The items were designed to help the participant develop areas of emotional competence in which they tested as weak. This IDP was shared with each participant during an initial 20 minute conference call with the three project providers. The test results were reviewed and the rationale for the IDP was presented along with practice guidelines.

In addition, each participant was asked to select a "coach". The "coach" was someone who had ongoing access to the participant and who agreed to help the participant adhere to the IDP through bi-weekly meetings. Once the "coach" was selected they were provided brief training via conference call where the process was thoroughly reviewed. Every four months each participant was given a follow-up conference call to provide ongoing feedback and support. During each conference call the purpose of the program was reviewed as well as the individual's IDP. The participants share their success and failures in their target areas and report on how they are using the "coach". Finally each participant is offered personal coaching by the program providers.

MEASURES:

Each measure, except for the EQI, was administered prior to the beginning of the workshop aspect of the program and after a year in the program. The EQI was administered at pre-test only and was used in the development of the Individual Development Plan. The TOS-GDC was used to measure the sales of each of the financial service advisors and not the vice presidents.

- **Time of Sale Gross Dealer Concession (TOS-GDC)** - This is an American Express measure of advisor productivity. It measures the amount of money an advisor generates when they sell financial planning services or products.
- **Perceived Stress Scale** – This measures both perceived amount of stress as well as stress tolerance. Cohen, S., Kamarck, T., Mermelstein, R. (1983) A Global Measure of Perceived Stress. *Journal of Health and Social Behavior*, 24, 385-396.
- **Positive States Survey**- This measures ability to experience positive states such as productive rest, concentrated attention, non-sexual pleasure and intimacy. Horowitz, M.J., Adler, N., Kegeles, S. (1988). A scale for measuring the occurrence of positive states of mind: A preliminary report. *Psychosomatic Medicine*, 50, 477-483.
- **Trait Anger Inventory** - This measures participant's level of anger over time as opposed to a measure of their anger at any particular time: Spielberger, CD. (1999). *State Trait Anger Expression Inventory-2*. Lutz, Florida: Psychological Assessment Resources.
- **Short Form 36 Health Survey Question #9**- This is a measure of quality of life and includes items on mood, anxiety and optimism: Ware, JE. (2000). *SF-36 Health Survey Update*. SPINE, 25(24):3130-3139.

- **Physical Vitality**- This measure assesses the domains of appetite, energy level, sleep patterns, relaxation and body stiffness: Myers, AM., Marlott OW., Grey, E., Tudor-Locke, C. et al. (1999). Measuring Accumulated Health-related Benefits of Exercise Participation for Older Adults: The Vitality plus Scale. *The Journals of Gerontology*, 54(A) (9), M456-M466.
- **Emotional Quotient Inventory (EQI)** - This 133 item self report inventory provides scores in the domains of stress management, emotional self control, mood and interpersonal relationship: BarOn, R. (1997). *The BarOn Emotional Quotient Inventory (EQ-i): A Test of Emotional Intelligence*. Toronto, Canada: Multi-Health Systems.

RESULTS:

Two advisors dropped out of the project after the workshop and one field vice president resigned from the company. Follow up questionnaires were not returned by four participants. Results are reported for the participants who completed the year-long project and filled out all assessments. Gross sales are only reported for the financial service advisors and not for the vice presidents.

- For cohort one gross dealer concession increased for the advisors an average of 18% between September 1, 2001 and August 31, 2002. This is compared to an average increase of 11% for all of the advisors in the reference market group.
- For cohort two gross dealer concessions increased for the advisors an average of 24% between September 01, 2002 and August 31, 2003. This is compared to an average increase of 5% for all the advisors in the reference market group.
- For cohort three gross dealer concessions increased for the advisors an average of 24% between March 01, 2003 and February 28, 2004. This is compared to an average increase of 11% for all the advisors in the reference market group.
- For cohort four gross dealer concessions increased for the advisors an average of 46% between December 01, 2003 and November 30, 2004. This is compared to an average increase of 13% for all the advisors in the reference market group.
- Stress levels of the 36 participants decreased 29% over the year of the project. Using a two tailed paired t-test this change was significant at $p < .05$.
- Positive states reported by the 36 participants increased 24% over the year of the project. Using a two tailed paired t-test this change was significant at $p < .05$.
- Trait anger decreased 13% for the 36 participants over the year of the project. Using a two tailed paired t-test this change was significant at $p < .05$.
- Quality of life increased 10% for the 36 participants over the year of the project. Using a two tailed paired t-test this change was significant at $p < .05$.
- Physical vitality increased 9% for the 36 participants over the year of the project. Using a two tailed paired t-test this change was significant at $p < .05$.

CONCLUSION:

These pilot projects suggest that training in emotional competence/forgiveness in conjunction with follow-up support significantly improves well being and productivity in four samples of financial advisors. The populations from which these advisors were selected, two East Coast market groups of American Express Financial Services showed a year to year increase in sales of 11% 5% 11% and 13% respectively for an average increase in sales of 10%. These are good to adequate results for a financial services market group in difficult economic years. Remarkably, the advisors who participated in this project demonstrated a 60%-400% improvement in productivity over their peers which led to an average increase in sales of 25%. This was coupled with significant and marked decreases in stress and improvement in life satisfaction. The implications for this level of improvement on a company wide basis are profound and should be explored with further research/training.

The limitations of this project include the limited number and volunteer nature of the subjects as well as a lack of a matched sample of advisors. These omissions leave open the possibility that the results were due to the motivation of these advisors to improve themselves rather than from the power of this training. There is also no assurance that future groups will achieve similar gains in productivity or quality of life.