

THE TRAINING OF EMOTIONAL COMPETENCE IN FINANCIAL SERVICES ADVISORS

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EXECUTIVE SUMMARY:

Using volunteers from four Ameriprise Financial Services, Inc, market groups, (formerly American Express Financial Services), 120 participants completed one of eight pilot projects designed to measure the effect of emotional competence/forgiveness training on sales and quality of life. The training for this project, which was called Maximizing Your Talent (MYT), 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 guided practice in reducing stress. Subsequent to this workshop an individual development plan (IDP) was created for each advisor which was shared and implemented through five follow up conference calls over either a six month or year long period.

Incorporating results across the different groups the average MYT participant showed an increase in productivity of 24% which was contrasted with a 10% increase in sales earned by the other advisors in each market group. In addition the stress levels of the 120 participants who completed the training decreased 26% over the length of the project while their reported positive emotional states increased 19% over the course of each group's participation in MYT. Quality of life, anger and physical vitality measures also demonstrated statistically significant positive change over the course of each group's participation in MYT.

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BACKGROUND:

One hundred and nineteen financial service advisors, fourteen company executives and six administrative assistants volunteered to be in one of eight cohorts in 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 is a Senior Advisor in Health Promotion at Stanford University as well as 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 was employed by American Express for over 30 years and retired as a group vice president.

METHOD:

The training for this project began with a one day workshop attended by between 8 and 25 participants per site. 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" was given to all participants.

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 training via conference call where the process was thoroughly reviewed. Four more times during the training period each participant was given follow-up conference calls to provide ongoing feedback and support. During each call the purpose of the program was reviewed as well as the IDP. Participants are given coaching in adhering to the IDP and are asked to share their success and failures and report on how they are using the "coach". The first four cohorts received the workshop and phone calls over a year the fifth and sixth cohorts received the workshop and phone calls over a six month period.

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:

Five 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 thirteen participants. Results are reported for the 120 participants who completed the project and filled out all assessments. Gross sales are only reported for the financial service advisors and not for the vice presidents or administrative assistants.

- For cohort one gross dealer concession increased for the MYT participants an average of 18% between September 1, 2001 and August 31, 2002. This is contrasted with an average increase of 11% for the remainder of the advisors in their market group.
- For cohort two gross dealer concessions increased for the MYT participants an average of 24% between September 01, 2002 and August 31, 2003. This is contrasted with an average increase of 5% for all the advisors in their market group.
- For cohort three gross dealer concessions increased for the MYT participants an average of 24% between March 01, 2003 and February 28, 2004. This is contrasted with an average increase of 11% for the remainder of the advisors in their market group.
- For cohort four gross dealer concessions increased for the MYT participants an average of 46% between December 01, 2003 and November 30, 2004. This is contrasted with an average increase of 13% for the remainder of the advisors in their market group.
- For cohort five gross dealer concessions increased for the MYT participants an average of 24% between September 01, 2005 and March 31, 2005. This is contrasted with an average increase of 9% for the remainder of the advisors in their market group.
- For cohort six gross dealer concessions increased for the MYT participants an average of 14% between February 01, 2005 and July 30, 2006. This is contrasted with an average increase of 9% for the remainder of the advisors in their market group.
- For cohort seven gross dealer concessions increased for the MYT participants an average of 30% between November 1, 2006 and May 1, 2007. This is contrasted with an average increase of 13% for the remainder of the advisors in their market group.
- For cohort eight (April 2009 to October 2009) gross dealer concessions were not evaluated. Five of the participants were administrative and two advisors failed to complete the post tests. Sales data was not solicited from the remaining four participants.
- Stress levels of the MYT participants decreased 26% over the length of the project. Using a two tailed paired t-test this change was significant at $p < .05$.

- Positive states reported by the MYT participants increased 19% over the duration of the project. Using a two tailed paired t-test this change was significant at $p < .05$.
- Trait anger decreased 13% for the MYT participants over the length of the project. Using a two tailed paired t-test this change was significant at $p < .05$.
- Quality of life increased 12% for the MYT participants over the length of the project. Using a two tailed paired t-test this change was significant at $p < .05$.
- Physical vitality increased 10% for the MYT participants over the length of the project. Using a two tailed paired t-test this change was significant at $p < .05$.

CONCLUSION:

These eight pilot projects suggest that training in emotional competence/forgiveness in conjunction with follow-up support significantly improves well being and productivity in financial advisors. The populations from which the MYT participants were selected, three East Coast market groups of American Express Financial Services produced an average increase in sales of 10% during the time of the MYT projects. A sales increase of 10% is a good to adequate results for a financial services market group in normal to difficult economic years. Remarkably, the advisors who participated in this project demonstrated a 50%-400% improvement in productivity over their peers which led to an average increase in sales of 25%. This was coupled with a marked decrease in stress and a large 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.