

# THE TRAINING OF EMOTIONAL COMPETENCE IN FINANCIAL SERVICES ADVISORS

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## EXECUTIVE SUMMARY:

Using volunteers from three American Express Financial Services East Coast market groups, 74 financial services advisors, eight vice presidents and six administrative assistants completed one of seven 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 training of 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 yearlong period.

Results showed gross dealer concession (sales) increased as follows:

- For the first group of advisors an average of 18%,
- For the second group of advisors an average increase of 24%,
- For the third group an average of 24%,
- For the fourth group of advisors an average of 46%,
- For the fifth group an average of 25% for the sixth group an average increase of 14% and,
- For the seventh group 30%.

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 87 participants who completed the training decreased 23% over the length of the project while their reported positive emotional states increased 20% over the duration of the project. Quality of life, anger and physical vitality measures also demonstrated statistically significant beginning to end positive change.

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## BACKGROUND:

Eighty-nine financial service advisors, nine vice presidents and six administrative assistants volunteered to be in one of seven 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

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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.

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- **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:**

Four advisors dropped out of the project after the workshop and one field vice president resigned from the company. Eleven participants did not return follow up questionnaires. Results are reported for the 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.

- 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.
- Stress levels of the MYT participants decreased 23% 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 20% over the duration of the project. Using a two tailed paired t-test this change was significant at  $p < .05$ .

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- 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 10% for the MYT participants over the length of the project. Using a two tailed paired t-test this change was significant at  $p < .05$ .
- Physical vitality increased 9% 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 seven pilot projects suggest that training in emotional competence/forgiveness in conjunction with follow-up support significantly improves the 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.