THE TRAINING OF EMOTIONAL COMPETENCE IN FINANCIAL SERVICES ADVISORS

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ABSTRACT

Using four cohorts of volunteers from two American Express Financial Services market groups, thirty-seven financial services advisors, five vice presidents, and an administrative assistant participated in a yearlong 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. Subsequent to this workshop an individual development plan (IDP) was created for each advisor which was implemented through 4 follow up conference calls over a year long period. Results showed gross dealer concession (sales) increased an average of 18%, 24%, 24%, and 46% for the four groups. The overall average improvement in productivity was 25%, which compared to a corresponding 10% increase in sales for the market group reference samples. In addition, the stress levels of the thirty-six participants who completed the yearlong training decreased 29% over the year of the project while their reported positive emotional states increased 24%. Quality of life, anger and physical vitality measures also demonstrated statistically significant positive change.

BACKGROUND AND METHOD

Thirty-seven financial advisors, five vice presidents and an administrative assistant volunteered to be in one of four cohorts in yearlong 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.

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, 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*, and a copy of Steven Covey’s book, *The Seven Habits of Highly Effective People* were provided to each participant.

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 shared their success and failures in their target areas and reported on how they were using the “coach”. Finally, each participant was 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** (Cohen, Kamarck, & Mermelstein, 1983) – This measures both perceived amount of stress as well as stress tolerance.

- **Positive States Survey** (Horowitz, Adler, & Kegeles, 1988) - This measures ability to experience positive states such as productive rest, concentrated attention, non-sexual pleasure and intimacy.

- **Trait Anger Inventory** (Spielberger, 1999) - This measures a participant’s level of anger over time as opposed to a measure of their anger at any particular time.

- **Short Form 36 Health Survey Question #9** (Ware, 2000) - This is a measure of quality of life and includes items on mood, anxiety and optimism.

- **Physical Vitality** (Myers, Marlott, Grey, Tudor-Locke, et al., 1999) - This measure assesses the domains of appetite, energy level, sleep patterns, relaxation and body stiffness.

- **Emotional Quotient Inventory (EQI)** (BarOn, 1997) - This 133 item self-report inventory provides scores in the domains of stress management, emotional self control, mood and interpersonal relationship.
RESULTS

Two advisors dropped out of the project after the workshop and one field vice president resigned from the company. Four participants did not return follow up questionnaires. Results are reported for the participants who completed the yearlong 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 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 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 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 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, 2 separate market groups 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 groups 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 participants showed good motivation to use the coaching offered by the program providers and weaker interest in using their “coach”. This specific aspect of the program needs to be strengthened. The individual development plans were reported to be very helpful as were the quarterly conference calls. Steven Covey’s book was not used by the participants and will not be used in future programs. The participants were offered the opportunity to contact the providers via email at any time and no one took advantage of this. Further encouragement might help in this regard. It would be interesting to retest participants with the EQI after a year’s participation in the program to ascertain if improvement occurred in the specific areas of emotional weakness. Financial concerns made this untenable for this project.

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.

REFERENCES


