

## TONE, WORDS, AND EMPATHY

Part II by David Driskill, Founding Partner, NQR and NQR Institute

**Words are also actions, and actions are a kind of words.** - Ralph Waldo Emerson

Part I of this article addressed the significance of how messages are communicated, focusing on verbal mannerisms. In this section, the focus moves to what is said. [Please see the September 2009 edition of the Quality Forum for Part I.]

### Words

The challenge facing any customer service representative (CSR) is to provide often-complex information in a way that is understandable to the caller, is precise enough to allow the caller to take appropriate action, and is generally likely to produce caller satisfaction. Research into customer service and communication behavior indicates that some words, word combina-

tions, phrases, and word pronunciation tend to support these outcomes better than others.

Any call to a financial services call center is a business interaction, in which good diction and pronunciation help communicate professionalism and competence.

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## COMPLIMENTARY LIMITED ACCESS TO NQR-NICSA BENCHMARKING WEBSITE

[www.nqrbenchmarking.com](http://www.nqrbenchmarking.com)

The new NQR-NICSA Benchmarking Website is a growing resource for the financial services industry. In an effort to offer wider participation in the Benchmarking Website, and to help the industry become

more familiar with its features and enhanced functionality, NQR is offering free access to a limited number of benchmarking questions.

### The following 12 questions have been chosen in key areas of research for free access:

- Total Number of Active/Open Accounts
- Total Assets Under Management
- Percentage of Services Outsourced to Other Vendors
- Total Manual Transaction Volume
- Total Automated Transaction Volume
- Total Telephone Transaction Volume
- Total NSCC/FundSERV Transaction Volume
- Average CSR Tenure
- Average Talk Time
- Number of Letters Written
- Number of E-mail Inquiries Received
- Total Internet Transaction Volume

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## TONE, WORDS, AND EMPATHY PART II

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In many ways, word choice is about selecting the formal over the informal – or the precise over the imprecise – without becoming cold or “robotic.” Much as a CSR should be expected to use complete words and sentences when speaking with a caller, they should also avoid idiom and jargon. Failure to do any of the preceding increases the risk that the caller will not understand what is being said.

In thinking about words, repetitive behaviors pose a special challenge for CSRs. In areas such as the greeting or the closing of a call, there is a tendency to say the same thing every time, and thus to rush through the words and become mechanical. Other sensitive scenarios that require particular attention to precision are giving and receiving numbers and setting time expectations.

Finally, in the context of words, we must look at the importance of word selection during problem recovery and other difficult situations. Even in the worst of times, problem calls are the minority of all calls received. At the same time, they are the most stressful for CSRs and are defining moments for the caller. Research, including that by NQR, shows that the ability to recover from problems is a strong predictor of overall client satisfaction, particularly among financial service professionals. Although strong technical skills are critical for successful resolution of difficult situations, the CSR’s repertoire also needs to include specific behavioral strategies. At a minimum, these strategies are aimed at not making the situation worse. At best, these strategies can turn the call around, so that the caller is moved from a state of dissatisfaction to satisfaction or even “delight.”

### **Empathy**

Human experience shows that the claim of understanding is far more common than the reality. In a call center environment, where misunderstanding can lead to problems ranging from the minor to the catastrophic, proof of understanding is necessary. The CSR can demonstrate that he or she is truly listening to the caller only by saying or doing something that demonstrates having heard what the caller said, thus promoting mutual understanding.

Developing, demonstrating, and mastering the skills of active listening and empathic reflecting are extremely difficult and require “deliberate practice.” All children learn the rudiments of interpersonal communication, but little time is spent systematically teaching communication skills. For many people, experience and sporadic training may be sufficient. For the call center committed to delivering superior service, however, more is needed. The superior call center embeds teaching, monitoring, practice, and feedback on communication skills – particularly listening and reflecting – in every aspect of its culture.

The key to effective reflecting is that it be genuine. People are remarkably adept at spotting and rejecting efforts tied to rigid techniques and false or manipulative behavior, so reflecting cannot be just one thing or one technique. At its core, reflecting relies on the principle that listening is not waiting to talk. Listening is a total focus on what another person is saying so that mutual understanding can be achieved. With practice, the CSR will achieve a level of mastery in which being able to reflect is almost always an option, but decisions are made on a case-by-case basis as to whether reflection would be useful or appropriate. As with any skill, the ability to reflect provides CSRs with a choice.

For additional information about NQRI, please contact David Driskill or Catherine Coyne at 617-426-0616. ■

# THE QUALITY FORUM

## COMPLIMENTARY LIMITED ACCESS TO NQR-NICSA BENCHMARKING WEBSITE

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**With access to these 12 questions, new users will be able to utilize the following functionality of the Website:**

- Enter data and view both current year results and historical trends.
- Create a Peer Group made up of 5 or more participating companies.
- Filter results by Assets Under Management, Number of Active Accounts, and Peer Group.
- Use the Social Networking function to conduct your own research with your peers, inviting them to participate in answering a particular question. The Social Networking function eliminates the need for you to send out multiple e-mails and removes the burden of organizing data and calculating results.

Opening limited access to all service providers will not only increase the Benchmarking Website's visibility in the industry, but will also benefit our full-subscription clients. The additional data for these questions will allow our full-subscription clients access to even more robust benchmarking and peer group research data. When others have an opportunity to experience what the Website has to offer, we expect full participation in

the overall Benchmarking Website to increase, thereby providing participants with more benchmarking data throughout the Website.

To register, please go to the following link: [www.nqr-benchmarking.com](http://www.nqr-benchmarking.com). On the registration page, you will have the choice of registering for just the free questions or of becoming a full subscriber to all sections of the Benchmarking Website.

**If you are interested in learning more about the NQR-NICSA Research and Benchmarking Website, or would like to schedule an informational Webinar, please contact Catherine Coyne at [ccoyme@nqrinc.com](mailto:ccoyme@nqrinc.com) or 617-426-0616.**

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## NEWS CLIPS

### DEPARTMENT OF LABOR UPDATES EFAST2 SITE

In late March, the Department of Labor updated its website for questions and answers dealing with EFAST2, the electronic filing system for the Series 5500 Forms. Please refer to [www.dol.gov/ebsa/faqs/faq-EFAST2.html](http://www.dol.gov/ebsa/faqs/faq-EFAST2.html).

In addition, on May 13, the Employee Benefits Security

Administration (EBSA) announced a new e-signature option for the electronic filing of the Series 5500 Forms. Service providers will be able to get their own signing credentials and submit the electronic Form 5500 as long as they can confirm that they have specific written authorization from the plan sponsor. ■

### DOL RELEASES REPORTS OF ADVISORY COMMITTEE ON EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The Department of Labor's Employee Benefits Security Administration (EBSA) has recently released the following

reports from the Advisory Council on Employee Welfare and Benefit Plans:

1. Approaches to Retirement Security: [www.dol.gov/ebsa/publications/2009ACreport1.html](http://www.dol.gov/ebsa/publications/2009ACreport1.html);
2. Promoting Retirement Literacy and Security by Streamlining Disclosures to Participants and Beneficiaries: [www.dol.gov/ebsa/publications/2009ACreport2.html](http://www.dol.gov/ebsa/publications/2009ACreport2.html);
3. Stable Value Funds and Retirement Security: [www.dol.gov/ebsa/publications/2009ACreport3.html](http://www.dol.gov/ebsa/publications/2009ACreport3.html). ■

### GUIDANCE REGARDING TARGET DATE FUNDS

Recently, the Department of Labor (DOL) and the Security and Exchange Commission (SEC) have tried to provide guidance for investors and retirement plan participants to help them understand Target Date Funds.

The most recent release is *Investor Bulletin: Target Date Retirement Plans* which attempts to explain how these investments work and what risks may exist.

This bulletin can be accessed at: [www.dol.gov/ebsa/pdf/TDFInvestorBulletin.pdf](http://www.dol.gov/ebsa/pdf/TDFInvestorBulletin.pdf). ■

### ERISA INDUSTRY COUNCIL ARGUES AGAINST LIFETIME INCOME ARRANGEMENTS

The Department of Labor had previously asked for comments from the public with regard to whether lifetime income products like annuities should be mandated within the framework of defined contribution retirement plans. In response, the ERISA Industry Council (ERIC) sent a letter

to the DOL arguing against the requirement of a lifetime income arrangement as a distribution option within defined contribution plans. ERIC particularly felt that such a requirement would burden these plans with great expense for little comparable benefit to participants. ■

### ASPPA COMMENTS ON PROPOSED INVESTMENT ADVICE RULE

The American Society of Pension Professionals and Actuaries (ASPPA) has sent a 5-page letter to the Department of Labor (DOL) commenting on the 2010 Investment Advice Proposed Rule. ASPPA has indicated that the letter also represents the opinion of its affiliated organizations, the Council of Independent 401(k) Recordkeepers (CIKR) and the National Association of

Independent Retirement Plan Advisors (NAIRPA).

The letter states that while ASPPA is generally in favor of the proposed rule, it does not support legislation that could result in government regulators assuming the role of investment advisors by determining what is "acceptable investment theory." ■

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## COMPLIANCE CALENDAR

Q3 2010

**July 29** Summary of Material Modifications (SMM), describing any plan changes, due to retirement plan participants for plans with December 31 plan year end (no later than 210 days after end of the plan year in which plan change is adopted).

**August 2** Due date for 2009 Series 5500 Forms to the IRS for plans with December 31 plan year end (7 months after plan year end; usually July 31, which falls on a Saturday in 2010).

**August 2** Form 5558, Application for Extension of Time to File Certain Employee Plan Returns (Form 5500 Extension,) due to the IRS (usually July 31, which falls on a Saturday in 2010).

**September 15** Deposit due date for 2009 required contributions to Money Purchase Plans and Target Benefit Plans with December 31 plan year end (within 8½ months of plan year end to satisfy minimum funding standards).

**September 15** Deposit due date for 2009 Employer Profit Sharing and Match Contributions to plans with December 31 plan year end (for plan sponsors that filed a corporate tax return extension).

**September 30** Summary Annual Report (SAR) due to retirement plan participants for plans with December 31 plan year end (within 9 months after plan year end or within 2 months after filing Series 5500 Forms). ■

## PERMITTED AGGREGATION OF REQUIRED MINIMUM DISTRIBUTIONS - 2010

	WITH	QUALIFIED PLAN	403(b)	Gov 457	SEP	TRADITIONAL IRA	SIMPLE IRA	ROTH IRA
<b>FROM</b> QUALIFIED PLAN		No	No	No	No	No	No	N/A
403(b)		No	Yes	No	No	No	No	N/A
GOVERNMENTAL 457		No	No	No	No	No	No	N/A
SEP		No	No	No	Yes	Yes	Yes	N/A
TRADITIONAL IRA		No	No	No	Yes	Yes	Yes	N/A
SIMPLE IRA		No	No	No	Yes	Yes	Yes	N/A
ROTH IRA		N/A	N/A	N/A	N/A	N/A	N/A	N/A



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