

Human-Centric Investing Podcast

Episode 52 – Dr. Kevin Elko—The Adaptation Factor: Why It Can Cause Your Team to Win or Lose (Part 1)

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Featured Guest: Dr. Kevin Elko, Performance Coach

Intro: This is the Human-centric Investing Podcast with John Diehl, where we look at the world of investing through the eyes of our clients. Over to you, John.

John Diehl: Hello, financial professionals. And welcome to episode 52 of the Human-centric Investing Podcast. I'm John Diehl, Senior Vice President of the Applied Insights team at Hartford Funds and it's my pleasure today to be joined by Dr. Kevin Elko. Dr. Kevin Elko is a performance coach or some would say a head coach, if you will, dealing with human psychology and the stories that we tell ourselves. And Kevin, welcome to the podcast.

Dr. Kevin Elko: Thanks for having me, John. I appreciate you having me, love working with you guys. Been now with the Hartford for a good period of time and every day's a good day with you guys. So, thank you.

John Diehl: It's great Kevin. And I always leave our conversations uplifted and with lots of things to think about. And so to kick things off Kevin, really the topic of today's podcast is really about leadership, right? There isn't one of us who has not had both our professional and personal lives turned upside down over the last 10, 11 months. But Kevin, you say that for financial advisors, leadership today is maybe more important than ever. Tell us a little bit about what your thoughts are around that.

Dr. Kevin Elko: John, I've been with Alabama for a while now, and this year was a different year for everybody. And our coach, coach Saban, came out and started the year and he led us and he set the culture. And watch what he said, he said that our team this year, they will be able to change, adapt, and adopt. The ones who can be able to say, "Hey, you know what? I thought we were going to play Mississippi State, but now they changed and we're playing Mississippi." Or, "I thought we're going to play Auburn but things changed it looks like we're playing Oregon."

He said, the ones who cannot overreact, appropriately react to that. He said, we're going to go to some games. John, and you think a player is going to be here and that one has COVID, and maybe that whole room had COVID, we'd have tight ends. And yesterday you were playing safety today, you're playing tight end. And someone can adapt and do that without self-pity, without getting to a point where you're upset, but you could just change it that will be the team that will win. And the team that isn't able to do that will be a dinosaur. And he led us with that. So when something happened, he kept on saying, we're going to miss a player, or we're going to miss a coach because of COVID.

The only coach we left out I know was him. He said, somebody came in to fix his furnace and gave it to him. But I think that the leadership has to occur now. I love this phrase about, "Don't be a thermometer, be a thermostat." You have to set temperature. It keeps on changing, but we need to lead. We need to get out. And so here's leadership the definition, this is a confusing time, let me make sense but follow me. And someone needs to come out. And when coach Saban came out and led and said, "There's going to be changes, anticipate them. There's going to be disappointments, anticipate them. What you thought was going to happen something different is going to happen, be able to adjust and do it." And he kept on repeating it, John. And I think that's why we won.

The financial professional today needs to come and constantly say, not once, "There will be ups, there'll be downs. The market will go this way. We'll go that way." Everybody wants to bring economists in to say, "Here's, what's going to happen." And they're good, but what can you predict? But we have a process. We have a plan, stay calm, stay focused, and we will be able to get there. And when they connect with people, one-on-one and teach, that's leadership. And you'll end up with good results if you have that process. I think it's more important now because of the volatility, not in the markets, in everything, right.

John Diehl: Right. Well, Kevin, you mentioned that coach Saban came out and basically set the culture. How important is it right now that financial professionals take a step back and think about what they want their culture to be?

Dr. Kevin Elko: It's everything. I mean, it's absolutely everything to step back and think and set it, because, I used this phrase earlier, "If you're not setting temperature or thermometer, you're just reflecting what's going on out there. And you're constantly doing that. But if you are setting the culture, you're a thermostat." So John, did you play little league baseball?

John Diehl: Yeah, I did.

Dr. Kevin Elko: Okay. The baseball plate, let me tell you why it's important. And this is an Alabama story. When you played little league baseball, do you know the baseball plate was 17 inches. When you went and played the home plate, 17 inches when you played. And if you played in high school, if you played in the minors, you played tee ball today, you played the major's today, it's 17 inches. And if somebody can't get the ball over the plate in the minor leagues, they don't say, "Well, you know what? I like John, he's a nice guy. He can't get the ball over the plate. Let's make it 19 inches."

We've gotten so wild today at changing the plate. And people don't understand that the baseball plate. We do with our kids, John, "Oh, they do the two syllable well with our kids. And the social media has changed our kids. Yeah, I guess, but parents have changed more than the kids. We've changed. And the thing that we have to do during these times is okay, change your processes, change the way you do things, but don't make the plate 19 inches, don't change the standard.

The great ones have a standard. And they don't say to themselves. "Well, today didn't go too good. So I'll make the plate 19 inches." You don't go to become the quarterback at Tampa Bay. Well, I'm a little bit older. So the plate's not 19 inches, it's 17 inches. That's the standard, it's important. So as a leader, we have to set the standard and the standard is our culture. Here's what we do, here's the way we do it. And we don't go below this level.

John Diehl: And Kevin, the great ones that you work with, how often do they repeat that standard? Again, if it's part of your culture, I assume it touches almost every conversation that you have.

Dr. Kevin Elko: Hey John, every conversation you have with yourself. And what we all need to do, all of us, set a standard with yourself. I do it with my health. I had an ambulance ride a couple of years ago, and I'm not getting back in one. You have to set it with your relationships, set it with, I call it your calling, some call it your career. But the big thing about culture and financial teams, they get people around you to keep you accountable to that. It happens every day.

And I call them nitty gritty goals, our daily activity. And that's why we're been doing so much with teams and leadership. You get people around you to keep you accountable. And the most frequent phrase... I do this all the time, at times, I get out of work, I feel upset. So I don't have to bring it back. We get frustrated. That's the most common phrase, "I'm frustrated."

And if we can get people around us to keep us accountable, to bring us back, but the great ones, they have people around them to keep them accountable. They get off the mark, they're human. There're times they want to quit. There're times they won't take it easy, but to have resiliency to keep on going, to have fortitude, they'll get people around them to keep them there.

John Diehl: So we talk about the plate changing, Kevin. Surely, we've seen a lot change. We've seen advisors and professionals have had to move to a virtual environment. Is what I'm hearing you say, you don't care what the environment, the game still hasn't changed?

Dr. Kevin Elko: The game hasn't changed in so far as what we're trying to do. What we're doing is we connect with our clients. Connection is powerful. So at times, I'm not saying that the scoreboard always lights up the same, but we have the same processes. I don't like this phrase, "Social distancing, it's physical distancing." We should take this time to even become better at connecting. I think we should become better at the way that we not just connect with one family member, connect with all of them anymore. That's a mistake, connect with one. I think we have to even get better putting our own team together, get even better, our own leadership. So even though the platforms have changed, even though some of the mechanisms changed, our standards of what we do does not change how we do it. Okay.

And you and I were talking earlier about football quarterbacks. Do I think that the game has changed for

quarterbacks last year? Yeah. You break it the body, your hands, because there's not enough offensive linemen anymore to stay healthy, to block for you. But it's still the same standard that you make a read, you see what's in front of you, you get the body of your hands. You're still doing the same thing, staying together as a team, blocking, tackling, catching, and running. So you're still doing the same things, it might have changed how you're doing it some because COVID, or there're changes in things around you, changes coming down from the government, but you still connect, lead. I love the phrase, "Do simple, better, but don't lower your standards." Don't rationalize. Don't set yourself. I call it the two syllable out well. Don't do that. I have the same standard. I'm going to hold me to it and we're going to hold each other to it. That's what the great ones do.

John Diehl: So, Kevin, what's your advice when as a financial professional, something comes out of right field, like you just mentioned, maybe it's a change from the firm I'm working for institutes or some kind of change that the government does or, something just turned upside down and caught me by surprise but I'm hesitant to change. I'm resistant maybe in sometimes to change. What are the stories that we tell ourselves do in changing times and how can we harness that power?

Dr. Kevin Elko: This is interesting, John. You're my third interactive conference today and it's the third time that this has come up, because the world is changing faster now than it ever has. And I don't believe it will ever be this slow again. And I think that if we don't understand where our mind works... And everyone wants to say that our enemy is fear. No, our enemy is familiar. And our brain wires real easy. That's one of the things we have to understand as leaders, you collectively, wire everyone's mind, neurons that fire together, wire together so by collectively gets wired.

And you have to come to a point that when things happen, you have to understand that events can cause us to stagnate, quit, stop, the way we view the event, how we talk to ourselves. So every time you hear an Eagle talk, you hear, I said to myself. You hear it all the time. And I said to myself. And you have to speak the language. Everyone asks so much. I get this question every time I speak, talk about Alabama and say, but it's language. We have to teach a language. So the stories, there's ways that we talk to ourself.

Here's a story I give me all the time. You know how they talk so much? It's the year of the Eagle. It's the year of the Lion. I call 2020 extending into 2021 the years, plural, of the Boll Weevil, because in down at enterprise Alabama, years ago, 1910, I think it was, the Boll Weevil came and ate all the cotton. It was all gone. Well, the Boll Weevils come into healthcare, tourism, travel, financial world, entertainment, you name it, schools, education, it's there.

The Boll Weevil wiped out everything. It was the year of the Boll Weevil. Well, they down there so, okay, the cotton's gone. There's a new crop called the peanut. You got to come up with peanuts now. And they plant the peanut. There's a statue of a bug in the Middletown that says, "Thank you, Mr. Boll Weevil for the role you played in our prosperity." So, that's the story I tell me. And here comes the self-talk phrase and it's became popular, famous at Alabama. So what now what? Okay. So what?

These days, the word fair, the child's term was fair. Everybody dealing with, if you've had a business, you took a shot, houses, my neighbor's house burned down here. Fair? What's fair? Yeah. If you can't do anything about it, you have to say so what, because you're sitting around still complaining about it. And one of the standards set at Alabama's, we're going to make it a commitment everyday not to complain, especially the start of practice because it sets a bad tempo. That was one of the home plates. And I think you have to get to point you say, So what now what? And as a leader, language is everything. You have to speak a language, right? You know, be where your feet are.

Language is everything. So it's a self language. It's a private speech and it's a public speech. The great leader does not say 5,000 different things once. She or he will say one thing 5,000 times the language we have to put in there as a leader, speaking it nonstop to ourself and to everybody on the team. So what now what? Okay. The Boll Weevil is here, it's gone, now what? Let's go find a peanut and the person that could do that, and lead that, and speak that, they're going to win the ones who can't do that. They're going become the dinosaur.

John Diehl: Thanks for listening to this episode, please join us next time when Dr. Elko will be back with us to continue our conversation about leadership.

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