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Complacency. Motivation. Retention.

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Clients can be complacent about doing financial and estate planning. A cross-disciplinary review of motivation hypotheses underscores that knowing the factors that promote intrinsic motivation could increase client retention.

Men and women are complacent about doing financial planning. Complacency is a more restful state of being and generally feels more comfortable than doing. Webster's Dictionary defines complacency as "a sense of security, often while unaware of unpleasant possibilities". Webster's Collegiate Thesaurus uses egoism, pride, conceitedness, "excessive or unjustified satisfaction and pleasure in one's status" as synonyms for complacency.

President Bush said in his farewell speech January 15 2009, "we must resist complacency." He was referring to 9/11 but you can realise what problems staying in - or falling back to – complacency – can generate based on this historical framework. A more colloquial term for complacency is comfort zone. Most people enjoy being *in* their comfort zone and not being pushed out of it. Success does not come from such a mindset. Complacency is a disease, especially for those who have enjoyed success (Ferguson, 2015)

In a recent roundtable discussion where I invited women to chat with me about the basics of financial planning, as in, "what is financial planning", "why do it", "what exactly do I get for my money if I hire a financial advisor?", the top words that the women used to describe (only one word was allowed) were: Protection, Future, Guidance, Security, Knowledge, Family, Retirement/Buying a House/College Education (whichever financial goal seems the closest). Yet only 10% of the women are *actively* working with a financial advisor. 'Actively' had a different meaning for each participant and for the most part 'actively' was ongoing participation in a financial planning process. The other 90% can be described as complacent. What can be done to motivate the 10% to do more? What can be done to get the 90% to start an action plan?

Motivation is a crucial element in setting and attaining goals. It can be argued that both internal and external factors can stimulate desire and energy in people to be continually interested and committed to a subject or to make an effort to attain a goal.

Let's use a common example of a typical person. Why do (some) people spend more time planning their annual vacation than planning their retirement? A few reasons—short time frame, enjoy-ability/reward factor, high level of interest. What factors promote action for longer-range time frames? Marriage, birth, divorce, death, being laid off, owing taxes, uncertainty, and fear. These include both extrinsic and intrinsic motivators for both short- and long-term time frames. One cannot force these extrinsic motivators on prospects, but are there extrinsic motivators that one could use to help a client move through a process to be more financially successful?

One can help motivate clients and prospects by being conscious of the small details, such as eye contact and actively listen to each person and engage with them (Williams-Pierce, 2011). Because the rewards of doing the right thing, or the next step, may not be seen for a very long time, setting up rewards for small steps of moving forward could help. You can help to motivate your clients with rewards of each small step.

Techniques that teachers use to help motivate students include avoiding sarcasm and criticism; to value and build relationships; and, showing enthusiasm. Also, to use stories, personal examples, and language that engages and creates rapport (Williams-Pierce, 2011). Storytelling has always had a place in oral history. Students will self-motivate if an activity such as storytelling is sufficiently challenging and relevant (Miley, 2009). Any discipline can use stories and a story might create excitement and motivation. Humor (Plevin, 2013) can help break the difficulty of the topic at hand and help motivate the person because it is a form of storytelling. For many, a person will remember humor much more than hard, cold facts (Plevin, 2013.)

Extrinsic rewards can produce results, particularly if they are unexpected, by encouraging identifiable behaviors rather than outcomes. A study in 2009 (Hulleman and Harackiewicz) found that a relevance intervention, which encouraged students to make connections between their lives and what they were learning in their science courses, increased interest in science and course grades for students with low success expectations. Getting students to value their schoolwork by connecting concepts to their lives may be a more effective way for teachers to boost student engagement. Individuals who are motivated intrinsically tend to develop high regard for learning information without the use of external rewards or reinforcement (Williams and Williams, 2011). Additionally, we need to remember that each student is a unique person. Uniqueness is striking when one sits with a couple/clients/prospects and they each have a different type of personality and each have different priorities for various goals.

Baldoni (2005) argues that motivation is an intrinsic response; it comes from inside and cannot be imposed from the outside. If motivation has to come from within, what can we do to motivate prospective

clients and existing clients to be self-motivated? To move from complacency to action? Numerous cross-disciplinary hypotheses have been postulated to explain motivation.

Deci and Ryan (1985) identified three needs that lead to intrinsic motivation: Competence: succeeding in what you do; relatedness: connecting with others; and, autonomy: being in control of your life. Pink (2009) calls these mastery, purpose, and autonomy. Noria et al. (2008) add a 4th component (for employee motivation): the drive to defend. Processes and resource allocation that are fair, transparent, and trustworthy address this 4th component (Nohria et al, 2008). “Motivation is purely and simply a leadership behavior driven by a series of actions grouped under three headings: energize, encourage and exhort” (Baldoni, 2005). Baldoni explains these actions as “energize” is what leaders do when they set the right example, communicate clearly, and challenge appropriately. Encourage is what leaders do to support the process of motivation through empowerment, coaching, and recognition. Corroboration from another field on encouragement reports several studies with children show that when they are given meaningful, relevant information the process capitalizes on their intrinsic desire to learn and is likely to have a positive effect on the child’s overall intrinsic motivation (Williams and Williams, 2011). Exhorting is how leaders create an experience based on sacrifice and inspiration that prepares the ground upon which motivation can flourish (Baldoni, 2005). Encouragement is a form of positive feedback and Vallerand and Reid (1984) found that positive feedback increased, while negative feedback decreased, both intrinsic motivation and perceived competence. Yeager et al.’s (2014) findings found that students were motivated to take the extra academic step when they perceived their teachers’ feedback as a genuine desire to help them rather than as an expression of indifference or bias.

Expanding on how to increase one’s intrinsic motivation, Sirota et al. (2006) found improvement by providing respect, camaraderie, and a genuine desire to help our client with a participative style.

As financial advisors we are teachers, managers, and leaders of a unique relationship with each prospect and client. While we cannot motivate someone to call us or pop in for the initial meeting, if we know what external motivators and intrinsic motivators are and make use of respect, camaraderie, storytelling, relevant and understandable information, uniqueness of each person, add a dab of fun, and most importantly, a genuine desire to help our clients it should intrinsically motivate them to feel more competent, in control of their financial well-being, and trustworthy; then we are likely to continue our relationship with clients and likely to have them be a referral source.

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