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## O'LEARY FILES: SAYING NO TO MR. NASTY, AND WHAT TO LEARN FROM IT

What the difficult customer can teach us

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I thought I was being helpful when I fielded a call from a longtime customer who was trying to place a second mortgage on his home. The objective of the proposed loan was investing the proceeds in his small but relatively successful insurance business. He was getting nowhere with his branch manager.

I stepped in, and I quickly learned how difficult this fellow was, and how long suffering his branch manager had been, over some years of dealing with his frequently abrasive personality.

My solution to the temporary impasse was to fix up the customer with a home mortgage refinance, at a lower rate than the second mortgage would have afforded, and waived many of the fees.

I thought I was done.

Not so.

A disrespectful customer doesn't have to be "right"

In spite of that old bromide, the customer isn't always right-or reasonable, and this surely was the case with this fellow.

After closing on the refi, which was in the moderate six figure range, the customer called me to demand the 24-inch TV that we were offering as an incentive premium on second mortgage loans.

I wouldn't do it. And I don't think I ever encountered a customer so angry.

But then, as president of the bank, I didn't think that any branch manager (or any of our staff) deserved to be orally abused by such an unreasonable human being.

This is perhaps an outlier of an example of where we couldn't match up the marketing talk and the practice. I still don't consider that it was our failure. These things can happen for a variety of reasons that don't always reflect poorly on the bank or the banker.

How about a courtesy audit? How about a respect exam?

A few weeks ago I cited the latest business ethics survey by the Ethics Resource Center. I've been following this multi-year longitudinal study since the 1990s, beginning with my involvement with Character Counts! as chairman of a community coalition.

The truly alarming thing is how pervasive bad behaviors have become in recent years. Misreporting of earnings and other illegal activities of publicly traded companies such as Enron dominated the news. To me, though, the real story lies in the pervasive and personal nature of the misbehaviors that are occurring in our workplaces.

We have audit routines and other internal controls to deal with thievery and personal dishonesty of both customers and employees. What is much more difficult to deal with are those behaviors that undermine mutual respect, fairness, and personal responsibility. That's probably because we take for granted that people have a sense of what these words mean and that their behaviors will at least largely be governed by a societal consensus of the definition of say, respect.

Something between Pollyanna and "in your face"

To me, respect trumps all the behaviors as the most important.

Without a mutual respect our workplaces and interpersonal relationships become corrosive and nasty. That's why I never tolerated abusive behaviors in the bank nor would I tolerate customers abusing any bank employee. I didn't always know about it as it was happening. But each employee was supported in disputes with customers within the limits of what we understood of each incident.

Maybe some of you live and work in environments that can be characterized as "in your face." I went to school in New York and worked there for several years after my Army service. I never thought any specific geography could be more "in your face" than New York City. But I found one that's at least its equal-New Mexico.

I've lived here almost 20 years and like the people. But when it comes to bank customers expressing their views and demanding service, there's no place like here.

Polite and civil discourse is quickly strained if one of our customers feels that he or she has been denied reasonable service or, heaven forbid, has to pay a fee for something that was formerly free or provided as a courtesy. No wonder our waived fees numbers were so high. I completely understand how difficult it is to assess fees-especially in New Mexico.

Rage as a way of life

The unfortunate aspects of certain customer behaviors are the anger and rage that is not firmly controlled by many people. Maybe it's the stress of life today and the impact of the economic recession that's the source of so much anger.

One way to deal with this is to affirmatively state what your bank means by "respect." Consider setting forth in some simple, declarative sentences what you consider to be respectful behavior, in your employee handbook or manual. You might also illustrate inappropriate or disrespectful behavior too. But I personally favor positive examples to negative ones.

Perhaps we're somewhat naïve in our belief that young people today enter the work force with well grounded and appropriate ideas of personal decorum and behavior. Certainly some do. But increasingly more do not. We have to set our bank's expectations of what appropriate behaviors are.

Respect is the bedrock value on which all others rest.

Supersize the respect, please

One company that does a good job of conveying its expectations to employees is McDonalds.

One customer told me not too long ago that he thought McDonalds was the greatest company in the world: "They taught my 17-year-old son to say 'please' and 'thank you.' I didn't think it could be done."

Behaviors can be taught and the workplace affords many teachable moments.

I suggest we start improving our work environments by making them more respectful places. The customers will notice and most will respond in kind. But it's not going to happen if managers don't make it happen.

That's the kind of change we need today.

About Ed O'Leary:

Veteran lender and workout expert O'Leary spent more than 40 years in bank commercial credit and related functions, working with both major banks as well as community banking institutions. He earned his workout spurs in the dark days of the 1980s and early 1990s in both oil patch and commercial real estate lending.

O'Leary began his banking career at The Bank of New York in 1964, and worked at banks in Florida, Texas, Oklahoma, and New Mexico. He served as a faculty member and thesis advisor at ABA's Stonier Graduate School of Banking for more than two decades, and served as long as a faculty member for ABA's undergraduate and graduate commercial lending schools.

Today he works as a consultant and expert witness, and serves as instructor for ABA e-learning courses and a frequent speaker in ABA's Bank Director Telephone Briefing series. You can hear free audio interviews with Ed about workouts here. You can e-mail him at [etoleary@att.net](mailto:etoleary@att.net). O'Leary's website can be found at [www.etoleary.com](http://www.etoleary.com).