
O'LEARY'S BUSINESS ESSENTIALS: LEARN THIS IMMUTABLE 'LAW' OF BUSINESS

Understand "O'Leary's Law" now and you'll go farther as a lender

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Before entering the Army for two years when military service for young men was more the norm than later on, I'd worked briefly for The Bank of New York. Under the Soldiers' and Sailors' Relief Act, my old job was guaranteed to be available when my service obligation was up. I was glad for that, as BNY was a prestigious name among Wall Street banks and I liked the work as well as the people.

Regimentation, routine, and ruts

The military can be a challenge for someone used to the private sector. The behavior is strictly regimented. There is what seems to be a mindless monotony to many routines. And individuality in thought and action is not universally admired nor encouraged.

Now, I was a staff officer in the Finance Corps and never a company commander in the Infantry. If I'd had command sorts of experiences, as I later did as a member of the reserves, I might have had a different view of an Army career. At least my work was usually interesting-and I wore clean clothes by day and slept in a real bed every night, compared to my colleagues in the combat ranks.

But I recall growing occasionally impatient with the routine and the sameness, and the prospect of returning to civilian life became increasingly attractive, as my Army days came to a close.

A different set of "uniformed ranks"

Resuming civilian status meant moving back to the New York metropolitan area, this time with a wife and two very small children. Work was an hour's commute each way. I was just one more "strap hanger" migrating to work on public transportation.

But the real letdown, as I settled back into my former life, was my realization of the sameness of human nature, as it made itself evident in the civilian working environment.

There was a sameness to the routine, to the occasional pettiness, or the nobility of human actions whether I was in the Army or a banker in New York. Interpersonal activities-okay, what I mean is "politics"-are remarkably similar whether the uniform comes from Brooks Brothers or the Quartermaster.

I also came to the realization from a new perspective that the Army was well populated with pretty smart and savvy people of all ranks, a professionalism that was at least the equal of anything in civilian life and an esprit that was universal.

The Bank of New York had an esprit too and represented the finest work culture of quality and class of any place I have worked. However, as a 26-year old, I couldn't know all these things then. So I found many of the same workplace frustrations that had irked me in the Army.

Roots of "O'Leary's Law"

Musing in my frustrations, I formulated a "law" and grandly called it "O'Leary's Law."

Stated bluntly, this is O'Leary's Law:

"The idiot ratio is constant."

In other words, the frustrations were more or less constant in military and civilian life, and the quality of individual people and their behaviors was remarkably similar.

Perhaps if I were formulating my law today I'd tone the words down. It's not that my workplace associates were "idiots," but I was trying to graphically convey an idea. I meant my so-called law to apply only to my own limited experiences.

But I have since concluded that there was an applicability of this law to every place I've worked. The world overall has not proven remarkably different as I've progressed through my working years.

My daughter, an experienced cardiac ICU nurse, is now a clinical representative for a medium-sized medical device company. The corporate workplace is relatively new to her. Once again, as she shares her days with me, I am finding that workplace behaviors are more generic than industry specific.

There's not much new in the world and yes, the idiot ratio is indeed constant.

Practically applying "O'Leary's Law"

Now, to you, "O'Leary's Law" may sound like a blinding flash of the obvious. But I see some practical application to it.

To me, the principal lesson is that human behaviors are very transparent.

We almost universally admire some of these behaviors and demean others. We are, whether we mean to be or not, quite judgmental. Our attitudes and values are on display and sometimes they are an embarrassment-or at least should be. The corollary is that our coworkers and our bosses can generally read us pretty well over time and in a variety of work

experiences.

Why is it that we aren't more aware of that and try to put our best foot forward more consistently?

Success in the modern workplace is more than anything else attributable to hard work. Hard work will differentiate the workforce pretty quickly for managers, a sorting of the sheep from the goats. Is this anything new?

Some "newbies" to the workplace understand this more quickly than others, while some just never do. Mediocre results can occur anyplace but mediocrity is much scarcer where hard work is valued, rewarded, and encouraged. We have to learn to work smart as well as hard but working smart isn't as hard to figure out most of the time (as it saves work and time) so the scarce component is usually the willingness to work hard.

The credit angle

I've done manual work that was easy and thinking work that was very hard so it's possible to become confused. In white collar jobs like lending, exactly what is hard work?

Hard work to a lender is largely a matter of hustle-being quicker and faster than one's coworker is a good starting place. Being thorough and attentive to detail also helps elevate the quality of your output.

The biggest determinant, though, to me is the ability to figure out what's important to your managers and owners.

Maybe it's reducing credit risk. Maybe it's finding more loan volume by moving some customers from competitors to your bank. Maybe it's reducing criticized asset totals.

These factors may not necessarily be mutually exclusive but one will usually predominate. One works smarter by figuring out what that primary need specifically is, and then by working faster and harder in getting it done.

As I think back on all the good advice from neighbors, friends, bosses, and in, some cases, adversaries, the common thread was always that working hard brings substantial returns on one's personal equity.

And if the idiot ratio is indeed constant, as I believe it is, it's easier to figure out what you have to do as you climb the ladder, whatever uniform you're wearing.

Do you see applications for "O'Leary's Law"? Tell us about them below.

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 has been 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. O'Leary's website can be found at www.etoleary.com.

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