REINTRODUCING THE TRUSTWORTHY BANKER

Rebuild trust in your own backyard, starting with a self-examination

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Approximately 20 years ago Irving Trust Company, an old and prestigious commercial bank with an address on Wall Street--actually, 1 Wall Street--was acquired by The Bank of New York. "The Irving" had in the several years before its acquisition been expanding its retail banking footprint in the New York metropolitan area. It advertised extensively and one-long running radio ad had a memorable tag line:

"Our last name is Trust, but you can call us Irving."

In one sentence the bank had reinforced its name recognition and claimed the high ground in terms of inferred personal and institutional behavior.

Would that a clever slogan was enough to put trust and banking in the same paragraph today, in the public's mind. It isn't. But there is a way.

Shaking off the bank-bashing

First, let's assess what's been going on. During this last business cycle, banks and bankers have taken some harsh criticisms from the public, including many politicians who have expressed the anger and outrage felt by their constituents.

It's not much use to explain to our critics that most of the perceived abuses by "banks" were by the very large institutions--many in fact that only a few years before had not even been commercial banking institutions.

To access TARP funds in late 2008, investment banking firms were allowed to become banks to gain access to the Federal Reserve Discount Window. Many converted to bank charters as an alternative to uncertain futures due to perceived risky balance sheets and liquidity issues.

The public is angrier with the former investment banks' perceived abuses than with any prevalent sets of behaviors by community bankers.

But in a one-size-fits all mentality, it's a difference without a distinction.

What is "trustworthy"? Start with yourself

If we're going to rebuild the public trust, it will be very helpful if we have a simple but comprehensive understanding of what we mean by "trustworthy." Ultimately our reputations are made or lost through our personal behaviors. So what are the personal behaviors of bankers that are relevant to a public perception that we are trustworthy?

It's not a long list.

1. Do we tell the truth?

Is truth a relative thing to us or does it have an objectivity to it that is commonly understood by all as truthful? "A half truth is a whole lie" is a bit of ageless wisdom that I believe originated in the Talmud.

2. Do we perform individually and collectively to the standard of our obligations both as to the letter and to their spirit?

We can say this in a variety of ways. Example: Do we walk the talk? Or are we half -hearted and tentative toward our promises and obligations to others?

Do we do what we say we're going to do? Can we be counted on?

Do we value our good names and reputations and show the same care and concern for the personal reputations of others?

Time to set a standard

Unfortunately, many adults in the workplace do not share a common set of values or standards. Trustworthiness to

some is relative, to others it may be an inconvenience. The behaviors associated with the concept of trust have assumed shades of difference and interpretation in day-to-day practice.

One thing that successful lenders usually bring to their work are well-developed powers of observation. We are students of human behavior. We have to be if we are to make sound judgments on the character of our borrowers. We watch people's behaviors ... and you can be sure that they watch ours.

One thing that all of us can do is develop a vocabulary surrounding what each of our banks means by trustworthy behaviors. We need everyday ways of discussing and rewarding positive behaviors and "calling out" those behaviors that detract from a positive perception of trustworthiness.

This is a process too important to be left to the assumptions of how we think others feel about or understand these behaviors.

An uphill, but worthwhile, battle

Unfortunately today, many just don't get it. It's not that they have values that specifically or deliberately conflict with ours.

Instead, it's because nobody has ever told many our fellow employees what's expected in terms of their personal behaviors. This seems particularly true of the younger members of the workforce. Experience over a long career suggests this to me.

The good news: This is a problem that's fixable. We can do something about it in our individual workplaces.

"Homework" assignment for building trust

Try this and see if it's something that would work in your bank.

Think about your specific environment. Make a list of what words or phrases you find most descriptive of trustworthy behaviors.

You don't have to fill up pages of paper on this-perhaps 15 words or phrases will be plenty.

Then think of all the ways that you can convey these behaviors in oral discussions, employee meetings, internal and external messaging opportunities, procedures manuals, performance appraisals, and rewards and recognition opportunities.

In other words, create a vocabulary; define the expectations in terms of that vocabulary; and communicate the expected behaviors in a variety of ways that are systemic to the business.

Stand up and make a difference

This is not an impossible task but we can't just be spectators to the process.

We can't wait for society to do it, as it just won't get done.

It's up to us, workplace by workplace, and in the process we'll win back our reputations as bankers for trustworthy behaviors.

If we institutionalize our expectations and their associated behaviors, our prospects of an improved and sustainable performance are reasonably good.

The alternative is mediocrity at best and endless bleeding in the eyes of our customers and banking public from a thousand cuts due to thoughtless, random behavior.

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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