

A LENDER LOOKS INTO HIS HEART

Yearend makes a good time to assess what's important to you

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In the last few months, bankers have had several opportunities to consider how our values as individuals should have a direct bearing on our work as lenders--and how we in part evaluate our customers. One of the biggest disconnects in our society today seems to be the difference between what we say and what we do.

We consider ourselves to be ethical persons and that we work for ethical institutions. But are our behaviors and actions always in alignment?

In this time of "hyperspeak," some are quick to accuse those with whom they disagree of being liars or worse. The political discourse this season is rife with these tendencies, including accusations of "flip flopping," so it's important to stop for a moment and consider what truth really is.

The truth about the truth

What is "true?"

One way to get at this concept is to think about how family and friends eulogize those who have died. I lost a great friend from junior high days through college earlier this year and was pleasantly surprised that his children mentioned me in their eulogy of their father. I'd been the one who engineered the blind date many, many years ago when their parents met.

They talked of their dad's values, and of his devotion to family and work as a school teacher and mentor toward young people and those other life skills that at times today seem to be old fashioned or badly dated. I realized that what his children were saying was "true," as I recognized them as among my friend's values and watched him give consistent witness to them throughout his adult life.

Truth in a philosophical sense means wholeness, unity, and conformity.

It was long after high school and my first reading of the poet John Keats's "Ode on a Grecian Urn" before I began to understand what Keats was talking about. The revelation to me is how perceptive he was. Recall that he said "Beauty is truth and truth is beauty. That is all ye know on earth and all ye need know."

Not truth in lending, but truth about lending

Plumbers know what true is. To them it's a perfectly straight line in balance with the gravitational center of the earth. True means that something is in conformity and alignment. So what does John Keats, plumbing, and my friend's eulogy by his children have to do with being a commercial lender?

To most of us, any discussion of the skills to be successful as bankers and lenders tends to focus on the functional peculiarities of our jobs. We think of credit analysis, fluency with numbers, business development, sales, abstract reasoning, interpersonal skills (among a long list) as limited to those skills that employers value and can thereby contribute to our success in the workplace.

Unfortunately, this tends to define skill sets or competencies in a single dimension of "utility" and demeans the more holistic sense of their totality.

This is where our values come in.

Don't ignore the need for introspection

To be well remembered and lovingly eulogized--not to mention employable and successful at our work while alive--it's important to be skilled at understanding our values and conforming them to abstract sorts of ideas and concepts.

These include difficult-to-discuss matters such as the common good and ideas like responsibility, caring, and trustworthiness. We don't talk about these very often or very substantively, but we all tend to invoke them however vaguely or imprecisely when we want to align ourselves with what we assume to be commonly held values of our families, friends, and coworkers.

The problem is that our actions don't always live up to that ideal begging the question of what our real values are. I suspect that we really haven't thought about this much if at all--and we ignore this introspection at our personal risk.

As we are, so we act; as we act, so we are.

Said another way, we are quite transparent over time.

Good time for an ethics check, and perhaps a tune up

Maybe it's time for our industry, as it charts a course into the new world of fewer banks, bigger institutions, and more systemic regulation, to start thinking what values are those that are distinguishing for us as successful lenders and how they differentiate us from "mechanics."

Most credit people I know think of themselves as "artists" rather than "mechanics."

But the skill sets we tend to refine and sharpen, especially in a continuing education context, too frequently tend to be "how to" rather than those that are abstract and qualitative.

We can teach monkeys to do simple, replicable tasks but we are intelligent beings of intellect and free will. There's nothing remotely mechanical about these aspects of our human nature. And ethical behaviors originate from our values, not "to do" check lists.

Banks as business enterprises can't be responsible for the total development of each of their employees. Much of this is our own responsibility. We have to find ways to build our competencies fully and broadly and we should be talking among ourselves regularly about how to do it.

Get personal--clear out your head

As business heals and our balance sheets grow stronger following the awful last few years of excess and contraction, we have an opportunity to clear out the underbrush of our thoughts and reactions accumulated over the years.

These were largely years of replicating activities with an eye to ramping up volume or devising products and services that had as their primary objects profits and growth, rather than service and productivity for our customers.

It's almost time to be developing our resolutions for the coming New Year.

Will they be more of the same?

Or are we ready to break some new ground in the way we define who we are and how we do what we do as lenders?

Can it be said of each of us that our values were representative of the best ideals of our profession?

We are, after all, artists, not mechanics.

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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