

Leadership and Culture:

Are You Model-Matched With Your Current Mortgage Lender?



By **Drew Waterhouse**

The mortgage industry is on the verge of a new chapter, characterized by lower overall production volumes relative to years past, greater compliance burdens and lower product-based differentiation among participants. However, lost in this seemingly depressing news are the seeds of real opportunity for firms and individual originators well-suited to the new environment. A much smaller pool of players has created a need to achieve greater production with fewer originators. No, that is not a contradiction—due to the shrinking of the mortgage industry, the

loans closed per originator figures are actually headed higher. This reality has put originators with a documentable track record of strong production in great demand. Could this be the time for you to consider a move to a mortgage lender in which you are better model-matched?

Model-matching is the process of improving the mutual results from relationships between lenders and originators. It is a comprehensive process of assessment of both parties across a wide range of factors, including leadership, culture, business type, operations and technology. This process involves due diligence and consideration of both objective and subjective factors of a relationship in order to produce a holistic picture of positive-matched

and negative-matched areas within the relationship. Leadership and culture are among the most important, yet difficult, business relationship components to evaluate. However, let's take a look at how they can be evaluated.

Leadership

For high-achieving organizations and professionals, it is vital that engagement between managers and producers be conducted in a clear, concise and consistent way. The study of leadership clearly demonstrates that talent (producers and other creative employees) appreciate clarity of vision, a voice in, and an impact on the business processes and freedom to reasonably adapt to their unique circumstances

or style (empowerment). Where this environment exists, organizational and individual goals are achieved, culture is seen and morale is high. Questions to be considered include:

Vision

- Can you restate, without prompting or referring to notes, the vision and key strategies of your current employer?
- Do you believe that the vision expressed by your current employer is a prudent one given your understanding of the mortgage industry and market currently?

Voice

- Does your current employer actively seek input from you and others throughout the organization before, during and after implementation of a new project, process or product?
- Do you feel that you can voluntarily share your opinion on matters of concern to you without fear of ridicule or retaliation?

Empowerment

- Can you point to specific initiatives or changes in policies or processes at your current employer that are directly attributable to employee suggestions or recommendations?
- Has the firm been reasonably accommodating to you with regard to minor variations from company policies or protocols as it relates to the unique features of your business?

Leadership can be a subjective quality to evaluate in corporate America. Yet, there are fundamental questions related to a company's stated vision, proactivity

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in seeking input from employees and responsiveness to individual employee needs that can help to assess whether your current company's leadership is a positive or negative model-match for your business.

Culture

The culture of a business is most assuredly influenced by the leadership factor we have just examined. But culture goes well beyond the direct influence of managers from above—it considers the values displayed within the organization. Values comprise a wide range of factors including:

1. Compensation, benefits and recognition;
2. Development and growth;
3. Job characteristics;
4. Organizational character and reputation and;
5. Relationships.

A true, positive model-match can

only occur when you, the originator, are aligned with your organization across the full range of these values. Questions that can help to illuminate this alignment or lack thereof include:

Compensation, benefits and recognition

- In light of the recent compensation-related regulatory changes in the mortgage industry is your employer's compensation program competitive, clear and compliant?
- In your market, how does your compensation package compare to your peers?
- Is your employer's benefit package competitive and sufficient for supporting your career, family and retirement goals?
- Are employees at your current company recognized for achievements in ways that go beyond basic sales incentive contests?

Development and growth

- Are you given the opportunity and encouragement/support by your current employer to seek training that goes beyond continuing education?
- Do you have access to internal training relative to business planning, professional development, products, technology and marketing?
- Are there key leaders and managers that take a vested interest in coaching and accountability with you?

Job characteristics

- Are you given sufficient autonomy and independence by your current employer?
- Does your company provide you with leadership opportunities?
- Would you consider your current po-

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sition to be conducive for proper work/life balance?

Organizational character and reputation

- Are you proud to work for your current employer?
- Does the reputation of your employer create value for you in your market with your business partners and clients?
- Does your current employer engage in community service or industry leadership initiatives?

Relationships

- Do the relationships you have with fellow employees at your current organization ...

- ◆ Do you have relationships with fellow employees and team members or is it transactional?
- ◆ Is it an environment where you are able to share and benefit from having relationships that can tangibly enhance your productivity and long term objectives?
- ◆ Do you enjoy being in the office and work environment or is it something you would rather avoid?

The culture of an organization can also be hard to quantify, but it is necessary to do so if a true assessment of your current situation can be accomplished and then compared to other opportunities in the marketplace.

Leadership and culture are the first of the core business factors any mortgage originator should evaluate when determining the company with which they have the best model-match. Honestly answering the questions poised above can prepare you to “build where you stand” or to figuratively “Go West, young man (or woman)” in search of better opportunities.

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