

Closing the Management-Skills Gap

Mortgage professionals moving into supervisory roles need leadership training

By Charlotte Tyson

Career-advancement opportunities abound in the mortgage industry. It is an industry where an individual taking an entry-level mortgage-originator job, for example, can go on to enjoy an enriching work experience that includes gaining technical expertise as well as pursuing personal and professional development that might even lead to a future management role.

The industry must make every effort to define the promise it offers to new recruits and market it effectively. As importantly, the industry needs to understand and demonstrate that it is a reality and not an empty promise.

Making it a reality is not always easy, however. To illustrate the challenges, let's take a look at the hypothetical case of Sonia, a smart, ambitious, self-motivated individual looking for a career that will provide her with income and stability, but also an opportunity for professional development and promotion.

Sonia's journey

Sonia, who studied finance, has several friends who are in the mortgage business, and they appear to be successful and doing well in their careers. Sonia sees that a local bank or mortgage lender is advertising for jobs. She applies and lands a job as an entry-level loan officer.

Sonia learns the fundamentals of mortgage lending and sales quickly. She takes several industry-provided courses and is fortunate to be partnered with a long-time employee that is a good mentor.

After some time, Sonia is recognized for



Illustration by Denis Wunsch

her ability to get things done, outperforming her colleagues. She also has become known as someone who can put together a good loan package and will work hard to find a way to make a deal work. People like her and respect her abilities.

The manager for Sonia's team is taking another position, and Sonia comes to mind as a viable replacement, not only because of her current performance but as a reward for a job well done. Sonia moves into the new position and is excited about her new responsibilities and challenges.

Sonia starts her new job able to draw on her acquired skills as well as the experience

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and technical knowledge she garnered while in her previous position. Unfortunately, she did not move into the position with even the most fundamental tools for being an effective manager.

Over time Sonia becomes frustrated and disappointed, not really understanding why she is not more successful in her supervisory role. She looks for alternatives, such as finding another job or returning to her previous position. Sonia's initial promise has soured to disillusionment, and the company has failed to protect and nurture a very valuable resource.

There are many individuals like Sonia in the mortgage industry today — people either working extremely hard to get a better position, functioning ineffectively in a position they are unprepared for or quietly looking for other employment. Many are demoralized and far less effective as a result. People like Sonia can be found across every management position integral to the loan-origination process, but their impact on sales, when they are not prepared for the challenges, can be particularly costly to a lender. And let's be clear, it could be a Sam or Stewart. This is not a gender issue.

Recognizing the gap

There are many high-producing originators in the mortgage industry who do not necessarily aspire to move into industry management positions. For those who do, it is incumbent on the industry to help them prepare for the responsibility. The negative impact to a company otherwise can have far-reaching effects.

Valuable, high-performing employees will become frustrated, disappointed and disillusioned. Many will leave. The cost to replace these employees is very high. Often it results in a mortgage-origination team being placed under the management of someone who is ill-equipped to recognize or mentor other high-performing employees with potential. This outcome also can negatively impact productivity and potentially the customer's experience.

All of these negative outcomes are avoidable, but first the industry must take responsibility for the role it plays in what ultimately happens to people like Sonia. Leaders in the industry must ask themselves hard questions.

Did we do everything we could to provide the necessary training? Did we provide tools and support to help this person move from a transactional expert to a transformative one? Did we teach this person how to be a manager? The answers to all of these questions often is no, and it highlights a "gap" in mortgage-industry training.

The career path for a mortgage originator, out of necessity, begins with attaining a strong foundation in basic sales and interpersonal skills, coupled with training focused on the rules and regulations governing the industry. This is quickly augmented with an understanding of internal and external processes and fundamentals, which ultimately leads to a recognition of production capability and promotability.

The gap occurs when production capability is conflated with managerial skill. Too often solid producers are promoted to managerial or supervisory positions with limited or no managerial training. Steps can be taken to provide the necessary building blocks to ensure this management-training gap is filled, maximizing the potential for an individual to be successful in the new role.

Breaking it down

Providing this management training is not easy, because historically it has not garnered much attention. Research and development are required to create and execute a curriculum that includes the basic elements for successful management training. While educational or training courses are offered by various sources across a wide range of mortgage-industry skill sets, the training emphasis for new managers should cover some specific areas. Among them are the following:

Strategic/tactical alignment: Translating growth, territorial and product strategies into tactical execution at the street or individual level. Setting realistic goals aligned with

desired behaviors and outcomes designed to motivate a sales team.

Opportunity assessment: Accessing and analyzing data to help identify production opportunities based on product, consumer demographics, territory penetration, market need, etc. Translating an opportunity assessment into executable action plans.

Communication: Articulating and delivering instructions to a team or functional group that are clear, concise and precise in what is expected, when it is expected and how compliance with the instructions will be measured and reported. Delivering constructive, actionable feedback that will help people deliver the results and behaviors that are expected.

Time management: Having a clear understanding of where managers are spending their time — what percentage is being spent on "managerial tasks" such as strategizing, providing feedback, mentoring, training and delegating versus what percentage is being spent on doing transactional tasks that may be more in their comfort zone. Developing a plan to shift time spent on transactional tasks to managerial tasks. Delegating and using all the resources available.

Process management: Understanding what the actual process flow is for the entire loan origination process, not just one aspect, such as sales, and recognizing how what is done in sales or another area impacts that process and the overall customer experience. Understanding what the key indicators of process performance are for the process being managed and also how to capture data on those indicators and how to react to the indicators when necessary. Understanding who the customers are for the process they manage, what the customers' expectations are, how to track whether those expectations are being met or exceeded and what to do if they are not.

Problem-solving: Using simple problem-solving tools effectively, such as root-cause analysis. Collaborating cross-functionally to get better data on potential root causes. Prioritizing and validating solutions to avoid quick fixes that do not provide a sustainable

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solution to the problem and may have unintended consequences not related to the original problem.

A better mousetrap

These are only a few examples of the types of critical skills a new manager needs to acquire, hone and deliver. Helping new managers develop these leadership skills provides multiple benefits to the employee and to the business and its customers.

When done right, the new manager feels better prepared, more confident and better able to deliver results. The business, in return, gets a higher-skilled and higher-performing manager, ensuring the process and team being

managed by this individual will perform more efficiently and deliver better results.

In addition, by providing this more specialized management training, the mortgage company will be delivering on the promise of enrichment of the work experience, expansion of technical expertise and providing an opportunity for professional and personal development.

We owe people like Sonia the training to be successful. Such training should become a part of our industry's business culture. If we successfully do this, then Sonia wins, the company wins and the industry wins by being able to attract and retain smart, motivated and ambitious individuals who can be groomed as future industry leaders. ■