



CASE STUDY

REDUCING TURNOVER &
INCREASING PRODUCTIVITY
WITH PROFILEXT & JOB
MATCH PATTERN

Financial Services Industry

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ProfileXT®

Creating Loans without Obstacles, Customers for Life



AT A GLANCE

CHALLENGES:

- Over 70% turnover
- Low workforce productivity

SOLUTION:

Executives decided on the ProfileXT® to help them develop a Job Match Pattern for future hiring. The JMP helps managers quickly see where individuals might fit well into a position, or where they might have to make adjustments to do the job. It scores on a scale of one at the low end and 10 at the high end.

RESULTS:

The number of loan originators who reached or surpassed their quota increased tremendously, with 34 percent of new hires producing 75.8 percent more volume than those workers not meeting their quota.

- **\$11 million revenue** generated by the 62 participants with a Job Match of 80% or greater
- **\$4.9 million revenue** generated by the 54 participants with less than 80% Job Match

With a relationship forged in May 2007 in the face of complex employment issues, a top Texas mortgage lender and Profiles International became allies in the battle against high turnover and low workforce productivity. The connection between the two companies helped the lending organization create performance standards that led to a tripling of its branches and its workforce in two years. This leading lender reaped success during a bleak recessionary period for the global economy.

Progress continues today as the residential mortgage company which is licensed to operate in 49 states continues to seek opportunities with an array of products, sophisticated loan professionals, and a commitment to the goal of creating lifetime customers.

A company with strong moorings

The mortgage lender's triumph over productivity and turnover issues helped make the company one of Profiles' Outstanding Clients in 2009. The organization's swift move to reduce turnover resulted in a healthy return on investment of almost \$100 for every \$1 spent.

The history of this leading residential mortgage company reveals strong moorings in one of Texas' most populous cities. The CEO established the lending agency in one office in 1986 with a staff of 20 professionals producing \$80 million annually. From the start, its core values provided fertile ground for the organization's growth. In 2002, the company surpassed the \$1 billion mark in production. In 2008, it ranked as the number one FHA lender in Texas. By 2009, it had gone beyond its own record for dollar amount of loans in a single quarter.

The organization's convictions, which are displayed prominently on the company's website include: honesty and integrity, encouraging a people-centric culture, creating engaged employees, adapting to changing economic trends, exceeding customer expectations and fostering teamwork. Frequently Asked Questions, or FAQs, also displayed on its website, add to the organization's promotion of clarity in the lending process. New and experienced borrowers can find answers here, and the organization wants those answers to be simple and understandable as customers seek ways to purchase their dream homes.

When considering new growth opportunities, cultural fit is extremely important to us. This is a critical ingredient in our recipe for success.

The organization's open culture means that executives operate under an open-door policy and encourage employee creativity. Leaders seek ideas that come from within. This atmosphere helps executives promote their goal of unsurpassed quality service and support throughout the entire mortgage process. The organization's products include numerous choices for customers who are navigating the fast-changing and often complex mortgage procedure. The company's ultimate goal is to provide the kind of service that creates customers for life.

Seeking increased revenue production

Leaders at the agency approached Profiles with the specific goal of increasing the revenue production of its loan originators. The problem was twofold. Some of the loan originators were not meeting the loan closure quotas their roles required. Also presenting problems was the high turnover resulting from missed quotas or other workforce problems. The average turnover for two years before the organization and Profiles joined forces was a growth-stifling 72.8 percent, almost 500 of the firm's employees.

Executives decided on the ProfileXT® to help them develop a Job Match Pattern for future hiring. The JMP helps managers quickly see where individuals might fit well into a position, or where they might have to make adjustments to do the job. It scores on a scale of one at the low end and 10 at the high end.

Based on the pattern, which reflects skills and traits necessary to succeed in a specific position, leaders can see where the scores of the most effective performers fall. The typical pattern has a range of three to five units, and the more outside of this range a worker or potential worker scores, the less likely it is that he will fit that particular part of the job. Thus the JMP can help executives know who will fit best in a position, and in coaching those in the job in the areas where they are struggling.

For the mortgage lender, this pattern would reveal which potential workers best fit the role of loan originator. It would also show the company's leaders which individuals best fit the organization's creative, fast-moving culture. One top executive said: "When considering new growth opportunities, cultural fit is extremely important to us. This is a critical ingredient in our recipe for success."



QUICK FACTS

\$11 million

revenue generated by the 62 participants with a Job Match of 80% or greater

\$4.9 million

revenue generated by the 54 participants with less than 80% Job Match

Leaders at the company studied its own top performers—those workers who were meeting or surpassing their quotas—to help determine thinking styles, behavioral traits and occupational interests best suited to the loan originator role. The PXT helped evaluate these workers in three specific areas:

- **Thinking Style** – This evaluates an individual’s competence in verbal and numerical reasoning. It looks at a person’s ability to use what he already knows applied to new experiences. It then measures the flexibility of thinking required to grasp concepts in a job or training setting. Results can show both cognitive flexibility and a person’s comfort level in different learning settings.
- **Behavioral Traits** – Examples of behavioral traits on the PXT include energy, assertiveness, sociability, manageability, attitude, decisiveness, independence and objective judgment.

The PXT also provides a distortion score which reveals the reliability of the behavioral section of the assessment.

- **Occupational Interests** – This section assesses an individual against six areas of interest. Every job has three areas of interest that are more important and three that are less important. Research indicates that if areas of interest match, the job candidate will be happier in the role and be a better performer. In the loan originator role, the top three areas of interest are people service, enterprising and creativity; the less important interest areas for this position are financial/administrative, technical and mechanical.

After executives reviewed the scores, they identified 11 workers as top performers, and another 11 as bottom performers. The mortgage lender then used the Job Match Pattern for more analysis to better distinguish the pattern between top and bottom scores.

The next move was to match 116 loan originators in the organization against the custom-designed pattern. Leaders decided that an 80 percent match to the pattern would best identify the highest performers. Of the 116 participants, 62 obtained a Job Match Percent of 80 percent or greater. Ten of the 11 top performers had a strong fit to the pattern. They averaged almost \$40 million in sales over the evaluation period. Meanwhile, bottom performers averaged less than \$1.5 million in sales over the same period.

Further study showed that the 62 participants who best matched the pattern generated \$11 million in revenue, while the 54 who did not score an 80 percent or better match to the pattern generated \$4.9 million in revenue.

What the PXT accomplishes

The organization then used the ProfileXT® Job Match Pattern as a benchmark when deciding which loan originator candidates to hire. Worker performance increased dramatically in five areas after the organization started using its custom-designed Job Match Pattern as a criterion for selecting new employees. The areas that most showed improvement include:

- **Verbal reasoning**, or the ability to use words as a basis in reasoning and in solving problems.
- **Assertiveness**, or the tendency to lead more often than follow and take charge of people or situations.
- **Manageability**, or the tendency to follow policies and work within the rules.
- **Independence**, or the tendency to be self-reliant and make one's own decisions.
- **Objective judgment**, or the ability to think clearly and objectively when making decisions.

Additionally, “creative” was one of the top three educational interests for the loan originator role.

Once company leaders established what they wanted to see in a loan originator, the new people they brought in using the 80 percent JMP registered a better fit to both the job and the organization's culture. From September 2007 through May 2009, the company hired 772 people and retained 459—or 59.5 percent. The organization's turnover dropped from more than 70 percent to 40.5 percent.

Additionally, the number of loan originators who reached or surpassed their quota increased tremendously, with 34 percent of new hires producing 75.8 percent more volume than those workers not meeting their quota.

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Summary

Despite strong challenges in the mortgage industry, this lender has expanded its organization from 600 to almost 2,000 employees and increased from 40 branches to 160 operating in 49 states. The expansion came at a time when the worldwide economy shrank and the mortgage industry as a whole suffered major casualties. This organization’s staff produces more than \$5.75 billion annually.

Such growth does not happen by accident said the organization’s president and COO: “It requires an enormous, coordinated effort on everyone’s part to successfully onboard new branches and employees within a tight window of opportunity. Shared values, integrity and a desire to reach out and help others are all things we look for when meeting potential candidates. It is what makes us who we are, and Profiles’ solutions are an integral part of our operation.”



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