Lift

Effective leaders rise by lifting those around them, not by attempting to climb above them. Marcia Davies leads by example, through empowerment, and by lifting those whose voices may not be heard.

By Rachel Williams and Krista Franks Brock

Integrity, decisiveness, and empowerment. These are the three core qualities of an effective leader, according to Marcia Davies, COO of the Mortgage Bankers Association (MBA) and creator of mPower, a networking group for women in housing finance, sponsored by MBA.

While becoming an effective leader may seem an elusive goal with unclear standards—countless articles, blogs, and studies have offered lists of important leadership qualities—it is clear that effective leaders bring success to themselves and those around them. In fact, researchers and founders of Zenger Folkman, a leadership training organization, found leaders who ranked in the top 10 percent at a large mortgage company were doing twice as much net revenue as leaders ranked below them.

“We have found strong statistically significant relationships between leadership effectiveness and a variety of desirable business outcomes such as profitability, turnover, employee commitment, customer satisfaction, and intention of employees to leave,” Zenger and Folkman stated in a white paper. While their research is complex and asserts that different leadership qualities may be prioritized at different organizations, they did identify “character” and “interpersonal skills” as two of the “building blocks” of leadership capabilities. Widely acknowledged as a leader in her field, Davies seems to personify character and interpersonal skills as evidenced by the comments of those who know her professionally. Despite a tenure that includes serving as a Senior Advisor to the Assistant Secretary for Housing and as Federal Housing Commissioner following 21 years at Freddie Mac, when her colleagues speak of her, they do not rattle off her impressive list of roles in the housing finance industry. Instead, they speak of her character and her leadership.

“When Marcia speaks, people listen,” says David Hrobon, President and CEO of Wintrust Mortgage. “She has a commanding presence and is well spoken. People want to hear what she has to say.”

“I would also say that her approach and message are focused on creating, identifying, and capitalizing on opportunities that solve problems,” he added.

Monda Raquel Webb, former Business Development Manager at EarnUp, describes Davies as “a seasoned, erudite professional who wears her honesty like a cloak. She’s soft-spoken but mentally tough, purposeful and laser-focused.”

Davies describes herself as an “empowering leader” and a “risk-taker,” and she seems not only to value “integrity, decisiveness, and empowerment,” but to embody them in her career.

Integrity

“The quality of a leader is reflected in the standards they set for themselves.”

—Ray Kroc

Assuming that she likes to “lead by example,” Davies says, “I hold a very high bar for myself, and I operate with a high sense of integrity, and I expect the same from those that I lead.”

One extraordinary example of integrity early on in Davies’ career was when she resigned from a job at the age of 25. Her manager at the time had been charged with taking on the role of a former director but without an official promotion and increased compensation. When Davies’ manager formally requested the title and compensation for the role she was performing, the company fired her.

Davies’ act of integrity was not punished. Shortly after, she found a job at the Mortgage Corporation, which became Freddie Mac a year later.

Decisiveness

“Leadership is practiced not so much in words as in attitude and in actions.”

—Harold S. Geneen

Not only is Davies’ resignation at 25 a story of integrity, but it is also a strong example of the second leadership trait she values: decisiveness, which can carry with it a certain amount of risk.

Davies did not waver in her resolve but acted quickly on her
“I like to empower those around me. There’s nothing like motivating and encouraging people to do what they feel is best and make the contributions and include their thoughts and perspectives.”

— Marcia Davies
decision to resign when she felt her integrity was at stake. “I guess I know instinctively what I’m going to do and what the right thing for me to do in a moment like that is,” she said, while acknowledging that “it was a risk.”

Over the course of her career, she has continued to be decisive, but she admits she also tries to think through her decisions with care. Driving home after resigning from her job at 25, Davies confesses, was a little scary. She had no job and still needed to pay rent. “So I do think now, even though I may know what the end result is going to be, I would sit with it just a little bit longer,” she says. “I’m very clear on the decisions I make, but I also now spend a little more time because I have a better understanding after being in the workplace this many years that sometimes there are a lot of factors that you need to consider as you make your decisions, and the ramifications of the decisions that you make.”

Davies has also applied her decisive, risk-taking nature to the roles she’s taken on throughout her career. When her boss at Freddie Mac asked her to step into a new role in an area of the business with which she was unfamiliar, she did not hesitate but went on to lead the group and effect positive change.

However, she concedes that deciding to take risks “doesn’t mean you have to take a big risk that’s going to change the course of your career like that one did for me. You can take small risks.”

Empowerment

“The growth and development of people is the highest calling of leadership.”

—Harvey S. Firestone

Transitioning to a leadership role can be a challenge, and Davies says, “the most misguided leadership trait is the dreaded micro-manager.” In contrast to the micro-manager who instills little confidence and inspiration in his or her employees, Davies intentionally leads with a mantra of empowerment. “I like to empower those around me,” she says, adding that “there’s nothing like motivating and encouraging people to do what they feel is best and make the contributions and include their thoughts and perspectives.”

To empower others, Davies says it is critical to engage employees. “You really need to listen to their ideas and be ready to change and adapt.”

“I often require my team to take risks as they look at the big picture because I think it’s really important to be able to step out of one’s comfort zone and really evolve yourself in the organization as we navigate our goals and objectives,” Davies says.

Not only has Davies made it a mission to empower her own employees throughout her career, but she has also taken up the charge of empowering women across the industry with a networking group she founded in 2015: mPower, sponsored by the MBA.

Understanding the Industry

“Leadership and learning are indispensable to each other.”

—John F. Kennedy

While she didn’t list it as one of her top three leadership traits, Davies is a strong proponent of “understanding the business you’re in.” And again, she lives her beliefs. “Despite her many years in the industry, Marcia still studies,” Webb says. And it shows. Webb calls her a “walking industry encyclopedia.”

Davies suggests professionals from all parts of the housing finance industry gain an understanding of origination, servicing, the secondary market, and capital markets.

“I would encourage any leader to really understand all aspects of the industry,” she says. “It doesn’t mean you have to understand them technically, but you should really understand all aspects of the various functions that are performed within our industry, so that you can have a holistic view, and you can really understand how—whether it’s policies or regulations or changes in pricing—affect the business and affect your customers or affect your organization.”

For those looking to follow this advice, Davies says MBA and other industry organizations hold conferences, webinars, training programs, and more. “So the information’s out there. You have to make it a priority and take the time and the commitment to do it.”

With the leadership role comes a new responsibility to do what’s best for the organization. “I guess I know instinctively that’s what I’m going to do,” she says. “That’s my nature.”

While becoming an effective leader may seem an elusive goal with unclear standards—countless articles, blogs, and studies have offered lists of important leadership qualities—it is clear that effective leaders bring success to themselves and those around them.
issues in the industry.

“Im really proud that we have not shied away from difficult topics,” Davies says. “We’ve tackled sexual harassment and misconduct. We’ve been talking about pay equality and talking about how to close the gender divide in the workplace.”

Also, mPower welcomes and encourages men to take part in its mission and attend its events. Davies says that to effect change men must be aware of the issues women face and be an active part of the solution.

Hrobon is a strong proponent of gender equality in the workplace and is an active supporter of mPower’s mission.

At Wintrust Mortgage, Hrobon proudly says, “four of our eight leadership positions are staffed by women.”

“I think companies need to monitor and measure their gender hiring, promoting and compensating practice equities,” he says. “What gets monitored and measured gets fixed or done. I hope to show other executives that we don’t need to be afraid of measuring gender equality or addressing inequities.”

“Marcia’s message is all about lifting one group up, not about pushing another group down,” he concluded. M

---

**RACHEL WILLIAMS** attended Texas Christian University (TCU), where she graduated Magna Cum Laude with a dual Bachelor of Arts in English and History. Williams is a member of Phi Beta Kappa, widely recognized as the nation’s most prestigious honor society. Subsequent to graduating from TCU, Williams joined the Five Star Institute as an editorial intern, advancing to staff writer, associate editor and is currently the editor in chief and head of corporate communications. She has over a decade of editorial experience with a primary focus on the U.S. residential mortgage industry and financial markets. Williams resides in Dallas, Texas with her husband. She can be reached at Rachel.Williams@theMReport.com.

**KRISTA FRANKS** Brock is a professional writer and editor who has covered the mortgage banking and default servicing sectors since 2011. Previously, she served as managing editor of DS News and Southern Distinction, a regional lifestyle publication. Her work has appeared in a variety of print and online publications, including Consumers Digest, Dallas Style and Design, DS News and DSNews.com, MReport and theMReport.com. She holds degrees in journalism and art from the University of Georgia.