



CASE STUDY

DEVELOPING SUCCESSFUL
LEADERS WITH PROFILEXT®
& STEP ONE SURVEY II®



Financial Services Industry

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imagine great people®

Client Case Studies - Vol. 1

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ProfileXT® and Step One Survey II® Changing the Conversation from 'If Only' to 'Let's Try This'



AT A GLANCE

CHALLENGES:

- reduce attrition of employees
- decrease turnover and its costs
- increase productivity
- address employee disengagement
- recruit, hire, and retain talent

SOLUTION:

- identify strengths of high performers
- create performance models
- provide training in candidate selection, employee development and coaching, and team development

RESULTS:

- reduced turnover
- increased engagement
- \$1 million saved in turnover costs

Even when organizations celebrate 25-year employment anniversaries, and even in offices where 10 years is the average tenure, the malaise of turnover can fester and threaten productivity. Organizations are especially vulnerable when times are financially tough.

Through its collaborations with Profiles International, a Texas credit union has discovered that one of the most effective ways to treat workforce ailments is to know the strengths of its players on every team. "We call it putting the right people on the bus, in the right seats on the bus, and pointing the bus in the right direction," a human resources business partner responsible for recruitment and coaching said.

As one example of pointing the bus in the right direction, company leaders used assessments to reduce adjusted attrition of employees from 12.5 percent to four percent from 2008 to 2009. Adjusted attrition does not count people who leave for family reasons, to return to school, etc.

The organization continues to examine both new job candidates and teams throughout its 450-person workforce in a climate where demands of the business and worker expectations are always changing.

Business culture

In 1953, when 11 employees of a Texas company pooled their money to form a credit union to serve fellow employees, they founded an institution that would eventually grow to include six counties and create subsidiaries to serve customer needs.

The credit union served only employees of one organization for almost 40 years. Its leaders decided in 1991 to expand the membership to include employees of other businesses. In 1998, it expanded yet again, this time with a charter that permitted members from surrounding communities to join.

Today, 31 branches serve more than 140,000 members. As of 2010, the credit union managed more than \$1.7 billion in assets.

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The 450-employee organization includes two subsidiaries—a brokerage firm and an insurance group. The financial arm ranked in the top five out of 340 brokerage service programs in the country in 2009, and two of its representatives achieved Gold Premier Consultant status with the international financial services firm Genworth. The insurance operation provides insurance to members and businesses through personal lines, commercial lines, and employee benefits.

The credit union remains the heart of the operation and claims most of the employees. It focuses on consumer real estate lending as well as loans for new and used automobiles, home improvements, and other personal items. Its competitive rates created \$315 million in new loans in 2009, when financial markets struggled.

One linchpin of the company's culture is the donations it makes to favorite causes. In 2009, the Texas Education Agency gave the organization its Employers for Education Excellence Award in recognition of the credit union's financial literacy efforts. Managers volunteered to teach classes at both the elementary and high school levels. The company has contributed more than \$38,000 to supply classroom-learning materials.

Employees also give time, money and other resources to the Juvenile Diabetes Research Foundation, United Way, American Red Cross, Carter Blood Care, the Children's Miracle Network and the USO. Their contributions support the company's vision to be "the financial institution of choice," as well as its mission, "to improve the economic well-being of our member/owners."

The company operates in an environment that the human resources recruiter calls "very customer-service oriented." She describes the warm atmosphere with stories about candidates who come in for job interviews and say, "This is the friendliest organization I have even been in. Everyone who walks through says 'Hi, how are you? Can I help?'" "From our CEO to whoever happens to be walking through, that's who we are."

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QUICK FACTS

\$1 Million

saved in turnover costs when leaders correctly implemented the assessment process

8.5% less

attrition of employees from 2008 to 2009 as a result of using assessments

Background

The organization's first contact with Profiles started in a traditional way. In 1995, leaders were concerned about turnover and its costs, and they sought counsel from Profiles. Profiles began to help Texans with two pre-hire assessments—ProfileXT® and Step One Survey II®.

The area of greatest churn was in the teller position, so the process began there. Exit interviews showed that workers were leaving for a variety of reasons, including: performance issues, career enhancement, money, differences with management, job dissatisfaction, and family reasons. The human resources staff built patterns for tellers and branch managers based on top performance and began using the assessments to select candidates that matched the performance models.

Over the years, challenges surfaced during performance reviews, including inconsistencies in the use of the assessments and in the application of the results. Between branches, there was an inconsistent candidate selection process. Leaders worked to correct the process and eventually saved more than \$1 million in reduced turnover.

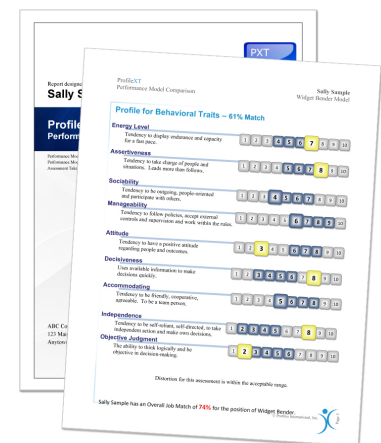
This success allowed executives to look at other issues that come up in an economic downturn: how to recruit, hire, and retain the talent they wanted. They began studying employee engagement. Once again, they turned to PXT and SOS assessments to see how they could help.

► ProfileXT®

The organization and Profiles collaborated on a strategy that would use the PXT to examine worker job fit and culture fit. They looked again at top performance models by position and reviewed each branch of the organization. Profiles provided managers with training on using the PXT for candidate selection, employee development and coaching, and team development.

In addition to the turnover drop from 2008 to 2009, leaders have seen these results among the managers:

- They addressed inconsistencies in the business metrics and evaluation of performance. They are revamping processes to use more objective metrics and a more consistent evaluation process.
- They instituted formal coaching processes for managers and employees to help them understand themselves in the context of their employer's culture.



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- They used the PXT to give them a greater understanding of team dynamics and manager-employee compatibility.
- They report a shorter time in training and coaching new employees to the point that they are fully proficient in their roles.
- They know how to engage in discussions involving performance, development and career management.
- They view the human resources team as partners in growing the business.
- They link talent management to business results.
- Finally, employees report that their managers take the time to get to know them.

“The PXT helped us understand who we have on our team and who we are inviting to be on our team,” the HR business partner said. “They may be having issues in their job or they may be looking to move to another position.”

Because of the significant results from the PXT, the organization has used it with every job candidate since the end of 2007. Managers are improving their skills at using assessments as they gain experience with them, and two leaders in the human relations department “touch every issue” that arises. “When we have an issue, the first thing we pull out is the PXT to see who we are dealing with, who is on our team,” the business partner said.

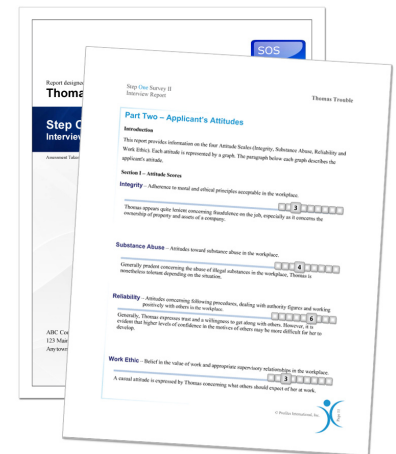
► Step One Survey II®

The credit union has used SOS since 2003. Every employee takes the assessment, including all job candidates. “This is the integrity link; it shows their work ethic or their propensity for substance abuse, for example. They must take this to get an interview,” said the recruiter, who has worked in the same field since 1990. “It is the ‘do or die’ assessment. I have been interviewing people for years, but you can interview all day and not discover someone’s integrity. That’s a tough one.”

The company’s goal

The newest focus at the organization is tackling employee disengagement. The engagement issue arose as a red flag during twice-per-year employee surveys and exit interviews that HR employees conduct with everyone who leaves. For the recruiter, one of the biggest signals of lack of engagement is a leave of absence. “To me, that is one of the first indications that people are not happy.”

Work on the thorny problem of disengaged employees began at the branches, where leaders “started peeling back the layers to find out why people are leaving.” And while the PXT is a “wonderful tool for turnover control,”



the recruiter said, “it also helps engage those who might be on the fence.” Issues that came up included a lack of trust in management, the feeling of not being heard, and fears sparked by the organization’s battles within a struggling economy.

Leaders implemented a tool that allows employees to complain or compliment the company, and they see it used more and more. Employees want to know “What does this mean to me? Is my job on the line?” the recruiter said.

“If you don’t know who is on your team, how can you leverage your strengths, grow people, and let people play to their strengths?”

“We see a lot of hunkering down, and activity may not be what it used to be. People are not as creative as they were in solving problems, in saying, ‘Let’s do this, or ‘let’s try that.’ It’s more, ‘I don’t know how to fix it.’ That is not atypical when companies go through times like this. It’s the ‘If only’ statement—‘if only this’ or ‘if only that.’”

Although employees are extremely creative in some areas, average employees are “heads down, walking in, doing their jobs and going home.”

Leaders have embarked on an engagement initiative in all of the credit union’s branches. They used the PXT with all employees, from tellers to branch managers. “We put together what each team looked like and what each member looked like. This allowed managers to understand

who was on their team,” the HR executive said. “This has the biggest impact on our organization. It helps us with employee relations, staff development and succession planning. Because if you don’t know who is on your team, how can you leverage your strengths, grow people, and let people play to their strengths?”

After using PXT in the branches, HR began using it at the corporate level. As they merged separate departments, they used PXT to bring employees together as a team. “In this way, they get to see their own occupational interests and strengths.” It opens up communication and a dialogue,” the HR executive said.

Powerful results encouraged leaders at the organization to use the PXT to build teams in two different corporate groups, and executives at the top wanted to see more of it. Although turnover is still an issue, especially at the branch level, the PXT is still helping Texans identify patterns and leaders are looking at teams more clearly by using the “PXT lens,” the recruiter said. “Turnover will always be an issue, but at the core of that is engagement.”

General benefits of assessments

The general benefit that Profiles International offers the organization is a supportive relationship. “They understand our business and have made it their business to know who we are,” the recruiter said. “They have enveloped themselves in our culture, from the CEO to the line employee. That is their business and they live it.”

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KEY TAKEAWAY

Summary

With help from assessments, the organization changed from a command control, tactical organization to one that developed leaders at all levels.

With help from assessments, the organization changed from a command control, tactical organization to one that developed leaders at all levels. Making that change was difficult, not because managers did not want it to work, but because they feared stirring the pot. “There was a huge fear of the unknown,” the recruiter said. They wanted to know what would come of seeking more information and involvement from workers.

“They began to see that this isn’t stirring the pot, but opening communication and possibilities.” When top executives started using the PXT to build teams, everyone else followed the example.

Leaders learned that the PXT is only as good as the pattern they created, and they learned that they need three patterns. “You need to have job pattern, a culture pattern and a team pattern. If you look at that, you cover all your patterns,” the recruiter said.

The organization needs to interpret the results alongside the knowledge of what each role requires. For example, a teller position requires different strengths than does a business analyst position. Someone who scores low-independent and high-manageability is going to follow the rules and be better suited to some positions than others. “There was a lot of head scratching when we asked, ‘Who are your best performers?’ So we pulled out the PXT to see what people looked like.” After that, the organization had to ensure that the patterns were customized for each position and that hiring managers understood what the patterns meant.

“This allows you to get down to putting patterns together to fit the job,” she added. “We are still in the middle of that. It’s been painful but very good. It’s been a really good step in the right direction. We are growing our managers into leaders. When that happens, we have a totally different conversation. It’s a very different mindset.”

What’s next?

The organization uses Customer Service Profile™ as needed. Managers are just beginning to use Profiles Performance Indicator™ and are considering CheckPoint 360™, which organizations use to help grow effective leaders, build a talent bench, guide leaders through career transitions, develop top talent and use leadership development to enact key changes in the business.

“The great thing is, the passion is still here,” the recruiting executive said. “Employees have tremendous support for and camaraderie with each other. We celebrate 25-year anniversaries all the time.”