

Case Study:

Security State Bank
Permian Basin, Texas

Strong Job Fit Results in 75% Reduction in Turnover

The Background: Security State Bank (SSB) is one of the oldest banking institutions in West Texas. Its history began in 1928 in the city of McCamey, Texas, when a small group of investors came together to help the local businesses deal with the challenges they were faced during the Great Depression. SSB's exclusive commitment to McCamey continued for 60 years until it became clear that expansion was not only important to the bank, but would also be beneficial to surrounding communities. So in 1989 they opened their first branch in Crane, Texas. That was followed by a second branch in 1991 and another five over the next 15 years, with most of the growth concentrated in the last 5 years of that period.

Jim Smitherman, President of the bank and a 25 year veteran, attributes SSB's growth and success to their commitment of "taking care of their customers," which has resulted in a strong referral business.

"Without PI I don't think we could have put together this exceptional team of people."

*Jim Smitherman
President*

The Challenge: By 2003, the bank had grown to a company of 107 employees from only 40 two years earlier. During this period of growth their hiring process remained unchanged. If they liked the person, that person was hired. Unfortunately, that process also resulted in a turnover rate of 100%! According to Jim "The person was terrific in the interview but when it came time to perform, it was not a fit. However, despite this situation, the bank continued to prosper due to the tremendous work of the top 20% of their employees."

The Process: In early 2004 during a Board of Directors meeting, it was agreed that the bank needed to address the turnover issue. With their explosive growth rate of 40% annually, they could no longer afford the high cost of the turnover both in terms of dollars and productivity.

During a round table meeting of senior executives, Jim learned of the behavioral assessment tool, Predictive Index®. Jim quickly arranged for him and the CFO, Chris Cole, to meet with the local PI consultant to discuss how the Predictive Index could improve their hiring practices and job fit for current employees. During the meeting they were provided the results of their PI surveys and were very impressed with the accuracy and insights it provided. Jim was convinced that he had found a tool that would result in significant savings by reducing the turnover rate and increasing productivity.

Not everyone was as convinced as Jim and Chris. Melanie Patton, the COO and Kay Hargrove, the HR Director were skeptical of behavioral assessment tools in general, but agreed to Jim's recommendation to bring PI into the bank. Jim and Kay were the first executives to become trained in the analysis and application of the Predictive Index. Kay became an instant believer, "The PI consultant knew more about me (based on Kay's PI results) than I knew about any of our employees!" Melanie was trained next and immediately saw how PI could be used throughout the bank to increase communication at all levels.

The Predictive Index helped Jim and his team recognize the reason certain employees were not performing as well as hoped. Jim explains, "PI allowed us to understand our employees. Simply, we had employees that were in the wrong job." Jim provides an example: "We had a long term employee in a position that required a high level of detail. It was frustrating for the employee that he was not performing as well as he would have liked. The PI showed that this person had a low attention to detail but was outgoing and gregarious. When we discussed this employee's PI with him, we decided to move this person

into a Customer Service position. The result is a very happy, productive and successful employee.”

The Results: Since bringing PI into the bank in 2004, the results are outstanding. By getting the right people in the right jobs they have been able to accomplish more with less.

During this short time period:

- Bank assets have increased from \$150 million to \$200 million
- Staff size was reduced by 30%, from 107 in 2003 to 75 employees in 2006
- Turnover was reduced by 75% to an industry low of 25%-a far cry from the rate of 100% in 2003.

Jim estimates the bottom line savings to be close to \$1 million. Most of the managers at Security Bank have been trained in the Predictive Index and use PI to identify and understand the motivating needs of their employees. This has resulted in happier, more productive teams, improved communication, and more productive employees.

“Without PI I don’t think we could have put together this exceptional team of people.”

“We are in such a great position today. It’s all about the people. Our morale is at its highest level ever. Our employees feel good about the bank and their positions within the bank. We would not be where we are without the Predictive Index.”