



# CASE STUDY

USING LEADERSHIP  
DEVELOPMENT TO REDUCE  
TURNOVER



Financial Services Industry

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# CheckPoint 360<sup>™</sup>, ProfileXT<sup>®</sup>, & Profiles Performance Indicator<sup>™</sup>

Cash-Handling Corporation Uses Leadership Development to Reduce Turnover



## key takeaway

Assessment solutions can be applied to different talent processes including leadership development and recruitment.

## Company overview

A multinational cash-handling corporation perhaps best-known for its armored transport service – the roots of which go back to the gold-rush days in America’s Old West and Alaska – recently turned to assessments to address an increasing turnover rate.

Today, the corporation deploys a fleet of roughly 3,000 armored trucks and other vehicles in the United States to continue providing the secure delivery of cash and coin to financial institutions and other businesses. The company stocks and empties automatic teller machines; provides outsourced vault solutions, transports and warehouses inventory for the Federal Reserve System. In addition, the cash-handling company provides an array of other products and services to help clients manage payment systems and other aspects of the financial supply chain, both physically and electronically.

The corporation has 400 operating locations in the United States, as well as 11 in Europe. Its U.S. workforce includes 8,000 employees. Geographically in the U.S., the company is broken down into districts, areas and branches. The focus of this case study is on the Texas district.

In recent years, the company’s Texas branches have tackled the issue of high turnover, each using Profiles International assessment solutions, but with a different focus. The Texas district has used the tools to launch and sustain a leadership development initiative under the premise that strong leaders will help to create an environment in which employees want to remain. It is worth noting that the use of tools from Profiles has also spread to the corporation’s Colorado district, with a focus on pre-hire screening. *(See section, “Case in Point: The Colorado Story” later in this case study).*

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### AT A GLANCE

Through the use of observations, employee complaints and attitude surveys, this company uncovered a need to enhance the leadership capability of its managers.

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### Assessment tools

Profiles International<sup>1</sup> has worked with the cash-handling corporation in Texas to craft an assessment solution that initially employed three tools – the CheckPoint 360™<sup>2</sup>, the ProfileXT® (PXT)<sup>3</sup> and the Profiles Performance Indicator™ (PPI)<sup>4</sup>. These tools have helped the company to ensure that skills gaps are correctly identified, that development tactics specifically target those needs, and that progress is tracked and evaluated to guide next steps.

### A focus on leadership development

The relationship between Profiles and the cash-handling corporation began in Texas in December 2005. At that time, the company was struggling with an annual employee turnover rate of more than 50 percent across this district. Upper management took a hard look at the situation and concluded that ineffective branch-level leadership was a primary contributing factor.

Branch managers were found generally to have mastered the technical, logistical and other operational challenges of the business. Their branches made money. But the costs associated with recruitment and moving existing workers around to keep understaffed sites running were eating significantly into profits. Managers were not incorporating the big-picture costs of turnover into their perspective on employee relations.

Observations, employee complaints and attitude surveys indicated that managers lacked leadership skills. So, with help from Profiles, the corporation embarked on an employee-development effort to change that.

### Change management

To inform managers of the leadership development initiative, the assessments and other activities planned, HR leaders at the company's

<sup>1</sup>Source: <http://www.profilesinternational.com/home.aspx>.

<sup>2</sup>The CheckPoint 360° compiles feedback from direct reports, peers, supervisors and customers to generate an overall picture of how a particular employee is perceived on the job.

<sup>3</sup>The PXT is a multipurpose assessment often used in the pre-hire screening process. It helps companies to develop a profile of the ideal candidate for a position, and compare profiles of actual employees and candidates against this profile.

<sup>4</sup>The PPI is a psychometric assessment that helps to define a person's natural tendencies to determine how job activities might mesh or conflict with those tendencies.

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In a recent study of more than 350 companies, Bersin & Associates found that 360-degree feedback, leadership style and personality are the three most common assessments for managers, regardless of level.

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branch in Texas held kickoff meetings with everyone who was going to be involved. As the effort got underway, meetings and conference calls continued regularly to update participants on the purpose and scope of each new phase.

Care was taken to emphasize that, while participation was not optional, the initiative was not punitive. The company’s leaders presented it as an investment in its managerial and supervisory workforce – one that the company hoped would be greeted with focus and enthusiasm. That hope was not realized 100 percent, as this case study will explain. But overall, organizers said participants are finding personal and professional value in the process.

Non-managerial employees also were made aware of what was happening, but through communication that was more scattered and may not have reached the entire workforce. For example, one forum for discussing the subject arose through the employee-attitude surveys that the company had conducted for years. When the issue of managerial effectiveness came up in those surveys, the HR department sought to reassure workers one-on-one that an improvement initiative was in the works.

Also, because the assessment plan included use of the CheckPoint 360<sup>o</sup>™, feedback was sought systematically from all of the participating managers’ direct reports, including hourly workers.

The HR manager, who has been involved in orchestrating the initiative, recalled those conversations. “We had to tell them what we were trying to do. We basically said, ‘Don’t be scared to be honest with us. We need that. Your managers need that, so that we know how to further develop you.’”

### Implementation and support

The corporation’s assessment-based turnaround effort in Texas started with the CheckPoint 360<sup>o</sup>™. This survey was administered not just for top management, but for all supervisors and managers – in other words, three tiers of leadership, including initially about 20 people. Since then, as a result of reorganization, the number of branches in the district has grown. Managers in recently included branches are going through the assessment process now.

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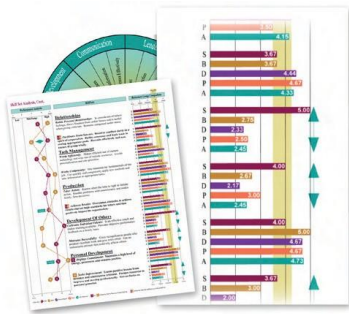
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### best practice

This company used three different types of assessment tools that revealed a full picture of leaders' behaviors, personality traits and competency gaps.



Based on the results of this assessment, Profiles International made recommendations regarding what development plans should include for each participant. In most cases, the plans included one-on-one sessions with a coach from Profiles, on a monthly/bimonthly basis for six months or so. As coaching sessions got underway, the cash-handling organization and Profiles implemented the other two primary assessments – the ProfileXT® (PXT) and the Profiles Performance Indicator (PPI).

Each of the three tools helped to provide a different piece of an overall picture.

1. The **CheckPoint 360™** offered a clearly relevant starting point for discussion by laying out how individual managers were perceived on the job from all directions.
2. The **ProfileXT®** focused on the behavior patterns driving those perceptions.
3. The **Profiles Performance Indicator™** focused on personality traits driving those behavior patterns, offering a basis for discussing which natural inclinations were helping managers on the job and which might create a need for adaptive skills.

With that information, coaches and individual managers were able to examine what changes would improve their effectiveness and how those changes might be achieved. The HR manager for this initiative commented, “I think for the most part they’re really starting to understand that they’ve got somebody they can sit there and talk to. If they’re mad about something or they need to know how to work through a situation ... they can just kind of work through the problems that they’re having.”

Meanwhile, group workshops were also held. Topics have included everything from time management and communications to presentation skills. The company and Profiles work together to tailor workshops to whatever will be most beneficial at a given time, and HR often receives suggestions from participants regarding future topics. Workshops are open to all managers going through the development program; in addition, “lead employees” who are not yet in managerial roles are also allowed to attend. Lead employees are solid performers who are thought to have what it takes to advance at the organization, comparable to what other companies might call “high potentials.”

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### key takeaway

Assessments help define the critical skills necessary to drive organizational performance.

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The one-on-one coaching sessions offered an opportunity for managers to discuss individual progress and obstacles, as well as provide a recurring point of accountability. Together, those ongoing provisions for behavioral change helped to ensure that assessment results would not just be looked at and forgotten. Rather, the organization had a chance to deeply penetrate processes and attitudes impacting the overall culture at the company.

Improvements came quickly as the leadership development initiative was implemented. According to the HR manager, “Turnover, of course, started to drop. But also just the contact – if I saw a manager having a conversation with an employee, I would see a different way of communicating ... it was a change that not just one person could see. We were all able to see that it was helping.”

Turnover in the district’s 16 current branches now averages less than 30 percent monthly, a big improvement. Recruitment costs have fallen from more than \$100,000 to \$20,000 to \$30,000 annually – and that amount is largely just to keep an advertising presence in the particularly large Dallas market, as opposed to being a cost directly related to problem-solving.

Still, some managers viewed the process as unnecessary for themselves and an unwelcome draw on their time. There was a philosophical disconnect regarding the importance of the effort. In at least one case, resistance led to a manager’s exit from the company – a tough loss for superiors because the manager handled a branch that performed quite well financially. The confrontation challenged the organization’s commitment to what it had begun, but the commitment remained.

Overall, managers are seeing the benefit of the time spent. Workshops in particular are anticipated with enthusiasm, as organizers are often approached with suggestions and the question, “What have we got going on next?”

### Ongoing efforts and next steps

Clearly, the assessments are not viewed as one-time diagnostics at the cash-handling corporation. Rather, the assessments and other services that Profiles International provides have become a key component of the company’s overall talent and performance management processes.

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### key takeaway

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For example, the company's HR leaders for this district meet quarterly with the overall district manager and his direct reports to discuss performance management matters and to set goals. Profiles assessments and services, as well as the status, are a big part of those discussions. On a yearly basis, the organization's primary contact at Profiles is invited to weigh in on what Profiles can provide to ensure efforts are tailored to meet current needs. These discussions cover not only individual improvement plans for managers, but also organizational needs and trends that merit consideration from a broader business perspective.

Profiles also provides training for HR professionals to ensure they are able to support efforts internally in ways that also are continuously improving.

In the coming year, the corporation plans to do a second round of the three assessments that were conducted at the start of its relationship with Profiles International four years ago – returning to the same managers, as well as assessing new participants for the first time. Finally, the company is implementing a fourth Profiles assessment tool – the Employee Engagement Survey<sup>5</sup>. All of this is aimed at providing a fresh base of information for new individual development plans and to guide continuous organizational improvement.

As for the Texas district, planners have no intention of relaxing the leadership development initiative, or of reducing its use of Profiles' tools and services. As one HR manager put it, “There's been such huge improvement within our area since using [Profiles' tools and services], why turn away from something that's working?”

<sup>5</sup>The Workplace Engagement Survey™ measures the degree to which employees connect with their jobs, and feel committed to the organization and its goals.

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### key takeaway

The company wants to investigate options for making the most of assessment information to aid in retention, not just screening.

Awareness of profile deviations could conceivably be used to develop onboarding plans that avoid problems or to craft solutions to any problems which could arise.

### Case in point: the Colorado story

The focus in Colorado is on using assessment tools (particularly the PXT) to screen job applicants more thoroughly, with the hope of selecting those most likely to be a good fit for the organization. The PXT has been integrated into the hiring process and provides guidance with a predictive performance model.

The jobs relevant to this case in point fall into two categories – driving jobs (in which employees transport cash and coin) and non-driving jobs (in which employees work primarily inside a facility). For each position, a profile of ideal employee characteristics has been compiled, using current top-performing employees to create a composite model. These profiles are the backbone of Profiles' PXT assessment.

Hiring at the corporation begins with the application process. Once applications are received, a hiring manager invites applicants to complete the PXT assessment online or in person to gauge their compatibility with a particular job. Applicants are compared to the scores of those who are successful in the job. Advancement in the hiring process is dependent on the compatibility of the applicant's behavior that is required for success in each position.

Currently, once an applicant scores within the acceptable range for a job, he / she essentially has a "foot in the door." Subsequent steps in the hiring process (such as interviews, polygraph results, background checks and physicals) determine the final applicants and, ultimately, the candidate to whom an offer to join the team is extended.

The information gathered through assessments has proven to be quite valuable in interviews themselves. An interviewer can hone in on areas in which an applicant's behaviors differ most from the ideal profile, asking questions to gain a sense of whether the behaviors might prove problematic or if the individual is able to adapt his / her behavior.

### Post-Hire Uses for Assessments

Assessments are being used post-hire in cases in which the organization's employees ask to change jobs. The assessment data is compared against other positions to ensure each person can be successfully transitioned to greater responsibility.

Currently, if the company has an assessment on file for an internal or external job applicant, reuse is considered appropriate. The applicant's existing profile is compared with the ideal profile for the new position and a new score is generated. If that score tops 70, the interview process can proceed.

Indeed, awareness of profile deviations could conceivably be used to develop onboarding plans that avoid problems or to craft solutions to any problems which could arise. So far, assessments have not been used in those ways at the branch in Colorado – but the company wants to investigate options for making the most of assessment information to aid in retention, not just screening.



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