



# How Independent Bank used Payscale to reduce turnover by 30%



## Company

Independent Bank

## Industry

Banking & Finance

## Size

< 1,000 employees

## Location

Grand Rapids, MI

## Situation and challenge

Based in Michigan with branches throughout the Midwest, Independent Bank had recently activated UltiPro as its core HR system. In moving to software with HR analytics, the organization discovered disparities in its compensation packages for employees across regions.

Independent Bank had only five levels of pay ranges that were too broad to be useful during hiring. Although the organization used a few banking compensation surveys to inform salaries, the survey data was too limited to inform all of their positions and required too much subjective guesswork to determine wages. This resulted in differences in pay for more generalized roles. The organization also struggled to attract and retain bank tellers due to pay that was below market for a job that — though entry level — required specialized skills in compliance and regulations.

Determined to improve its market presence and reputation as a company that pays well and fairly, Independent Bank partnered with Payscale to improve its compensation structure and practices and standardize pay throughout the organization. Rather than rely on ad hoc requests for pay increases from employees, the organization wanted to make competitive offers at hiring as well as adjustments in compensation based on market data.



**Payscale helped guide us on what we should be paying to stay competitive for talent within our industry and location. We now have the confidence to be transparent about pay and employees now feel they are being paid fairly.**

**Because our bank tellers now understand their earning potential, turnover has been reduced to 23 percent. They are not only sticking around, but enhancing the customer experience, improving customer retention, and growing the value of each customer.**

**Our success would not have been possible without Payscale. Our company has seen a huge impact as a result of this partnership, from my own personal career growth to helping our employees see fulfillment to the lasting success of our organization.**

**Jack Klott**

Vice President of Total Rewards, Independent Bank

## Solution and outcome

Payscale provided professional services to help Independent Bank develop a new pay structure based on Payscale's employee-reported and market data as well as third-party survey data. The final results are housed in Payscale so that managers have access to salary information.

With its positions reclassified so that pay ranges now exist for each unique job, the organization can be transparent about how it pays, with rationale grounded in market data.

After conducting market analysis, Independent Bank was able to standardize pay for critical roles and resolve pay inequity issues. With more competitive wages and a clearer idea of career trajectory and earning potential for each position at the branch, turnover for the bank teller position dropped by 30 percent. In addition, the organization felt much more confident in making offers to job candidates.

Standardizing pay for bank tellers had an incredible effect. The organization is now able to retain more experienced employees and spends less time training new hires. They have also seen improved relationships with customers as bank tellers now feel more appreciated and incentivized to serve clients better, enhancing the customer experience and increasing the bottom line.

A data-driven approach to bank teller pay impressed the CEO and built credibility in HR, resulting in HR guiding compensation decisions throughout the organization. Independent Bank is now engaged in an initiative to eliminate the gender pay gap within its organization. Using reporting from both Payscale and UltiPro to refine their positions, the organization has already seen the gender pay gap decrease.

## About Payscale

As the industry leader in compensation management, Payscale is on a mission to help job seekers, employees and businesses get pay right, and make sustainable fair pay a reality. Empowering more than 53 percent of the Fortune 500 in 198 countries, Payscale provides a combination of data-driven insights, best-in-class services and innovative software to enable organizations such as Angel City Football Club, Perry Ellis International, United Healthcare, Vista and The Washington Post to make fair and appropriate pay decisions.

Pay is powerful. To learn more, visit [www.payscale.com](https://www.payscale.com).

## Benefits and results

- | **30% reduction in turnover**

- | **Confidence in new job offers**

- | **Enhanced credibility in HR with the CEO**

- | **Clear pay structures and career trajectory for bank tellers**