

Case Study:

Citizens Business Bank
Ontario, California

Strong Job Fit is the Key to Employee Retention and Top Performance

Citizens Business Bank is one of the largest financial institutions headquartered in southern California, serving small to medium size businesses through 40 financial centers. In January, 2007, U.S. Banker ranked the bank as the Top Business Bank and the 15th Highest Performing Bank in the United States based on a return on equity rate of 20.88%. For a bank that grew from a humble local business bank, to an organization with \$6 billion in total assets and 750 employees servicing 33 communities, this is a significant achievement.

CVB Financial Corp. is the holding company for Citizens Business Bank. For the fifth consecutive year, they received the KBW Honor Roll award at the annual Community Bank

Investor Conference. This award is given to banking institutions that have reported ten years of consecutive increases in earnings per share. Other honors included the SmAll-Star award from the investment banking firm of Sandler, O'Neill and Partners, which recognizes the best performing small-cap banks in the country.

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*Linn Wiley,
Vice Chairman, Board of Directors*

The Challenges: Citizens Business Bank was founded in 1974 as a resource for the business community of Chino, California, and it was appropriately named Chino Valley Bank at the time. A strong reputation of superior customer service allowed the bank to prosper in a competitive market. As the bank expanded geographically, its name was changed to Citizens Business Bank to reflect its growth. In 1991, Linn Wiley was named President and CEO of the bank. He quickly realized that to manage the current and future development of the bank, two things had to happen: the business processes needed to become more efficient and the organization had to renew its commitment to the bank's core values of:

- Financial Strength
- Superior People
- Customer Focus
- Cost Effective Operation
- Having Fun

Linn knew that in order to deliver on this commitment, he also needed to address a high turnover level. "In this kind of business, you are only as good as your people; they are what make the difference."

The Process: Linn's first achievement in his new role was re-engineering the bank's operations for increased efficiency. With this complete, he shifted his focus to Citizen's "people issues." His objective was to develop a process that would provide Citizens Business Bank the ability to consistently "attract the best associates and get them in the right jobs for superior customer service and overall superior performance." During a CEO Roundtable meeting, he learned of the behavioral assessment tool, Predictive Index® (PI). The Predictive Index would enable the bank managers to identify the necessary workplace behaviors to deliver superior job performance and to support the company's culture. After experiencing the survey firsthand, Linn was impressed with the tool's "user friendly application along with the quick and accurate results."

PI was brought into Citizens Business Bank in 1993. The executive team was trained in the Predictive Index process which included the analysis and application of the PI and the PRO, the companion tool to the PI that profiles the behavioral

performance requirements of the job. Linn understood the value of the PI process immediately. “If you have the right people in the right positions, you are going to achieve the benefits of increased morale, better efficiency and stronger results in every aspect.” Linn shared an example of the effectiveness of the Predictive Index: “One of our managers hired several times based on personal recommendations but against the recommended PI profile for the position. The longest any of these employees lasted was 5 months. When the manager hired with the support of the PI, the employees became some of the bank’s top performers.”

The Results:

Developing Superior Customer Service: Citizen’s competitive advantage in the marketplace has always been superior customer service. As they grew, it became increasingly important to be able to monitor and measure the level of customer service the employees were providing to the business communities. To accomplish this, the bank enlisted the help of an outside resource to implement mystery shoppers, audits of customer service calls and customer satisfaction surveys. As part of the program, employees were randomly chosen and measured on a 6 level scale, ranging from outstanding to poor. Areas evaluated included level of accuracy, product knowledge and customer service. The goal of the bank was to have 90% of the results fall within the top 2 rating categories.

Linn shared a situation where the Predictive Index had a significant impact on the performance of a department. “There was a department that was consistently measuring a 60% response rate in the top 2 customer satisfaction levels. In this situation, associates were moved into different jobs and departments based on their PI results, PRO descriptions and bank experience. These changes resulted in the department increasing their performance levels close to the 90% goal. PI is an important step in our process of developing superior employees. I am convinced that PI is a necessary tool for this business.”

Succession Planning: Under Linn’s vision and leadership, Citizens Business Bank continued to thrive. In early 2006, Linn informed the Board of Directors that the time had come to search for his successor. Together they mapped the requirements of the President /CEO position and formulated a candidate review strategy that included the Predictive Index process as well as an evaluation with an organizational psychologist to assess leadership and cognitive skills.

The Board of Directors narrowed the field to 3 finalists; all had strong banking and leadership skills and strong PIs for the requirements of the position. “The Predictive Index gave us the confidence to move forward with these candidates for the role of CEO/President.” In June, 2006 Chris Myers was named as Linn’s successor. Six months later, Chris was featured as one of the Top 10 CEOs in the industry.

Retaining the Right People: As Linn moves into his new role as Vice Chairman of the Board of Directors, he can be proud of his profound impact on servicing the business community in southern California while sustaining the founding principle of the bank: superior customer service. His commitment to have the right people in the right jobs paid off. Today the bank enjoys a turnover rate of between 17% and 18%, half of the industry average.

“We have been using the Predictive Index for almost 15 years. We believe it is a very important tool for attracting and retaining superior people who reflect our core values and will deliver superior performance.” Linn Wiley, Vice Chairman, Board of Directors.

PI Worldwide® is a global management consulting organization that helps companies be more successful by focusing on their most important asset—their people. Praendex Incorporated, the parent company of PI Worldwide, is publisher of the Predictive Index®, the Selling Skills Assessment Tool™ and Customer-Focused Selling™.