

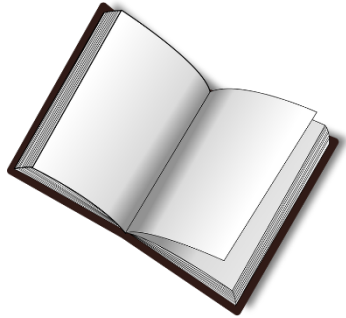
# Strategic Discussions with Board and Senior Leadership

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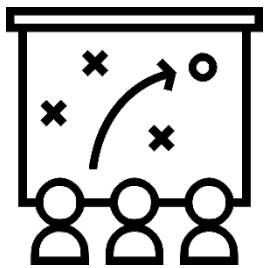
# Topics of Discussion Today



- Defining Strategic HR



- Discussion Starters



- Strategic Elements of Human Capital Management



- Overcoming Barriers



- Actionable Insights



- Ideas to Get Started

# Operational versus Strategic HR

## Operational HR

Recruiting and onboarding

Managing employee records

Compliance with labor laws and FCA regulations

Conducting performance reviews

vs

## Strategic HR

Talent management and leadership development

Workforce and succession planning

Organizational culture and employee engagement

Organizational design

# Transitioning from Operational to Strategic



# Strategic Elements of HCM

## Understand the Business Context

Senior leaders and board members are focused on business outcomes, so framing human capital strategies within the context of business performance is key.

- Actionable Insight: Know your organization's business goals, growth targets, and key challenges. Understand how talent can drive or hinder these objectives.
- Discussion Starter: "Given our goal to increase market share by XX% this year, I want to discuss how can we better align our talent strategies to support this growth"

# Strategic Elements of HCM

## Speak the Language of Business

When discussing HCM, translate HR initiatives into business terms, such as ROI, cost savings, risk mitigation, and competitive advantage.

- Actionable Insight: Quantify the impact of HR strategies. For example, calculate the cost savings from reducing turnover or the ROI of leadership development programs.
- Discussion Starter: "By investing in leadership development, we can reduce turnover by 10%, saving approximately \$500,000 annually in recruitment and onboarding costs."

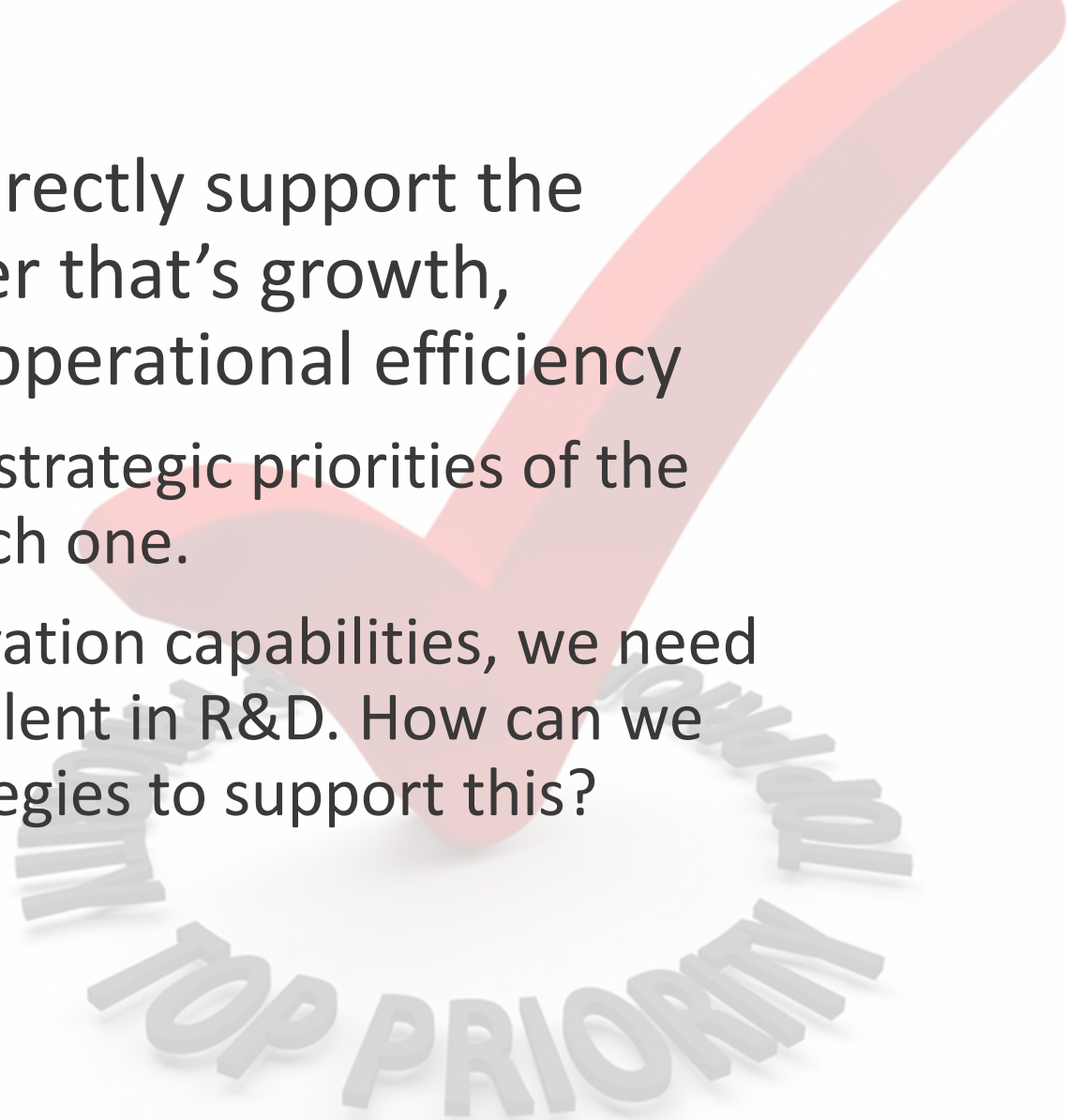


# Strategic Elements of HCM

## Align HCM with Strategic Priorities

Show how human capital strategies directly support the company's strategic priorities, whether that's growth, innovation, customer satisfaction, or operational efficiency

- Actionable Insight: Identify the top three strategic priorities of the organization and map HR initiatives to each one.
- Discussion Starter: "To enhance our innovation capabilities, we need to focus on attracting and retaining top talent in R&D. How can we tailor our recruitment and retention strategies to support this?"



# Strategic Elements of HCM

## Focus on Data-Driven Decisions

Presenting data-driven insights helps board members and senior leaders see the tangible impact of HR strategies on business outcomes.

- Actionable Insight: Leverage HR analytics to provide insights on employee engagement, productivity, and retention. Use this data to predict trends and recommend actions.
- Discussion Starter: "Our data shows a direct correlation between employee engagement and customer satisfaction. By increasing engagement by 5%, we could potentially see a 10% improvement in customer satisfaction scores."



# Strategic Elements of HCM

## Advocate for Strategic HR Investments

Make a compelling case for strategic HR investments by showing how they contribute to long-term business success.

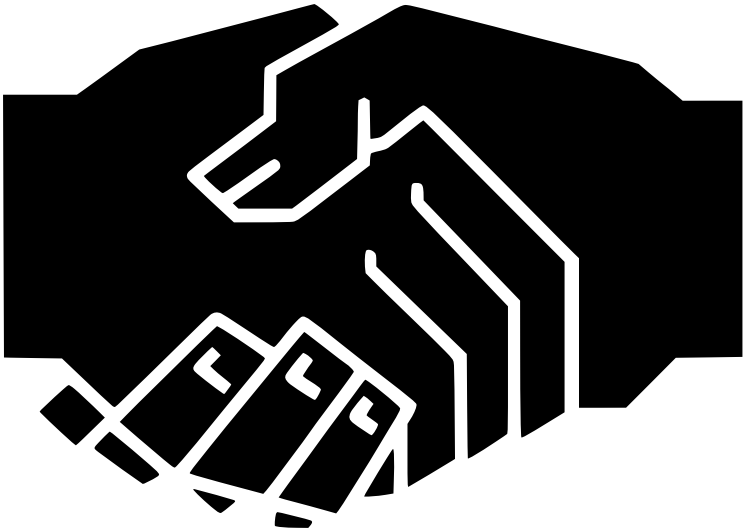
- **Actionable Insight:** Develop a business case for key HR initiatives, demonstrating potential returns and long-term benefits.
- **Discussion Starter:** "To sustain our competitive edge, investing in a robust employee development program is critical. Here's how a \$200,000 investment could yield a 2x return in productivity over the next two years."



# Strategic Elements of HCM

## Be a Trusted Advisor

Build trust by offering solutions that are aligned with the company's strategic direction and by being proactive in addressing potential challenges.



- **Actionable Insight:** Regularly engage with senior leaders to understand their concerns and priorities. Offer tailored HR solutions that address these issues.
- **Discussion Starter:** "I've noticed that our expansion plans are causing concern about talent availability. Let's discuss a proactive talent acquisition strategy that mitigates this risk."

# Transitioning from Operational to Strategic



# Overcoming Barriers

## Understand the Business Context

- Ask for coffee/lunch meetings with key executives and come prepared with questions about the business

## Align HCM with Strategic Priorities

- Ask the CFO to critique your proposals

## Be a Trusted Advisor

- Grow relationships with individual leaders
- Provide clear, specific advice/guidance
- Maintain absolute confidentiality within individual relationships

# Building Skills and Overcoming Barriers

## Too busy completing the operational “stuff”

- Carve out intentional time to think big picture, block your calendar
- Use questions to stimulate your thinking
- Embrace technology to automate operational tasks
- Delegate as much as you can
- Recognize that strategic thinking adds value in a different way

## Don't fully understand the organizational strategy

- Ask for coffee/lunch meetings with key executives and come prepared with questions about the business
- Ask to be a part of strategic discussions
  - Provide examples of ways your involvement adds value
- Ask questions of a trusted co-worker/advisor
- Ask for a strategy review (theirs or yours) or idea consult meeting

## Senior Leaders see you as a support function

- Build a business case in collaboration with accounting/CFO
- Become your own advocate
- Grow relationships with individual leaders

# Ideas to Get Started

- Workforce Planning

- Based on organizational growth projections and current metrics (avg. loan portfolio, ratio of support staff to loan officers, salaries and benefits as % of YE assets) project growth in headcount by function

- Organizational Development

- Identify new and emerging knowledge and skills
- Identify gaps between existing and needed knowledge and skills
- Develop plan to close the gap

- Performance Management

- Assess current process's ability to identify, develop, reward and retain key talent
- Champion changes to ensure the performance management process supports business strategy and goals (Use data and storytelling to support your recommendations)

# Questions and Discussion

