

From Support Function to Strategic Partner: The HR "People Portfolio"

An Insight from GSB's Human Resource Management School

Vicki Kraai, GSB faculty member

The banking industry has seen more change in the last 36 months than in the previous 10 years. With a shrinking number of charters and an intensifying war for talent, the role of Human Resources has shifted from administrative support to a critical driver of bank performance.

At the *GSB Human Resource Management School*, we teach that HR must manage a "People Portfolio" with the same rigor that the bank manages its loan or investment portfolios.

The Shift: Operational vs. Strategic

HR professionals must distinguish between Operational duties (payroll, benefits admin, compliance) and Strategic impact (talent assessment, succession planning, culture, and organizational design).

Ask yourself, "Do I spend my time on the strategic or operational? Should I re-allocate?"

The Framework: Aligning HR with the Bank's Strategy

A core curriculum component is aligning the HR agenda with the Bank's Strategic Plan using a proven 6-step framework.

Here is how to translate bank strategy into HR action:

1. **SWOT Analysis (The HR Perspective).** Before planning, you must know where you start. While the bank analyzes capital and market share, HR must analyze the "People" side.
 - Strengths/Weaknesses: Do you have a leadership bench? Is there a culture of accountability?
 - Opportunities/Threats: Are you prepared for the \$60 trillion wealth transfer? How will AI impact your workforce?
2. **Vision & Mission.** Your HR department needs a vision statement that supports the bank's vision. If the bank aspires to be a "high-performing community bank," HR's mission must be to "recruit and develop the high-performing talent" required to achieve that.
3. **Strategic Priorities.** Focus is key. Identify 4-5 prioritized themes. If the bank's priority is "Digital Transformation," the HR priority must be "Digital Upskilling" or "Recruiting Tech-Savvy Talent".
4. **Strategies.** These are the "how." If the priority is "Affect a Shift in Culture," the strategies might include implementing new reward systems aligned with performance or improving internal communication.
5. **Financial Measures of Success (The Scorecard).** The numbers are the measuring stick. Move beyond simple headcount reports. Strategic HR measures impact using a Balanced Scorecard of efficiency, talent, and productivity.
6. **Implementation & Execution.** A plan is nothing without execution. Create tactical action plans that define specifically who does what by when.

Ready to Build Your Bank's HR Strategic Plan?

Join us to become the strategic partner your financial institution needs to navigate the future.



Vicki Kraai is a GSB faculty member with InterAction Training, teaching at Human Resource Management School.



Graduate School of Banking
at the University of Wisconsin – Madison