



Finance Operations Research Event

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**GLENWOOD
STATE BANK**

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I. EXECUTIVE SUMMARY

Description of Business

Glenwood State Bank (GSB) is a family-owned bank that operates under clear principles. GSB aspires to be the premier community bank that positively impacts its customers, employees, and surrounding communities. It has five locations in Minnesota: Glenwood, Alexandria, Villard, Lowry, and Osakis. It strives for controlled growth in its \$715 million total assets while maintaining its status as a family-owned company. It is a value-added bank, not a commodity bank, meaning instead of up-charging customers, the company takes pride in delivering outstanding customer service and prioritizing employee education. This distinguishes GSB from its competitors.



Peter Nelson - President of Glenwood State Bank

“It's not always the dollar amounts, it is more the effectiveness of our method and the strength of our message.”

Purpose of the Project

Our research seeks to develop a strategic plan to refine the hiring, recruiting, retaining, and onboarding practices at all GSB locations. A primary goal was set for each of the four categories to hone in on the most critical areas of improvement. Employees are the most valued asset of any company. Enhancing employee engagement and overall experience at the bank fosters a healthy workplace. Satisfied employees lead to reduced turnover costs, efficiency, lower absenteeism, and other financial benefits.

Research Methods

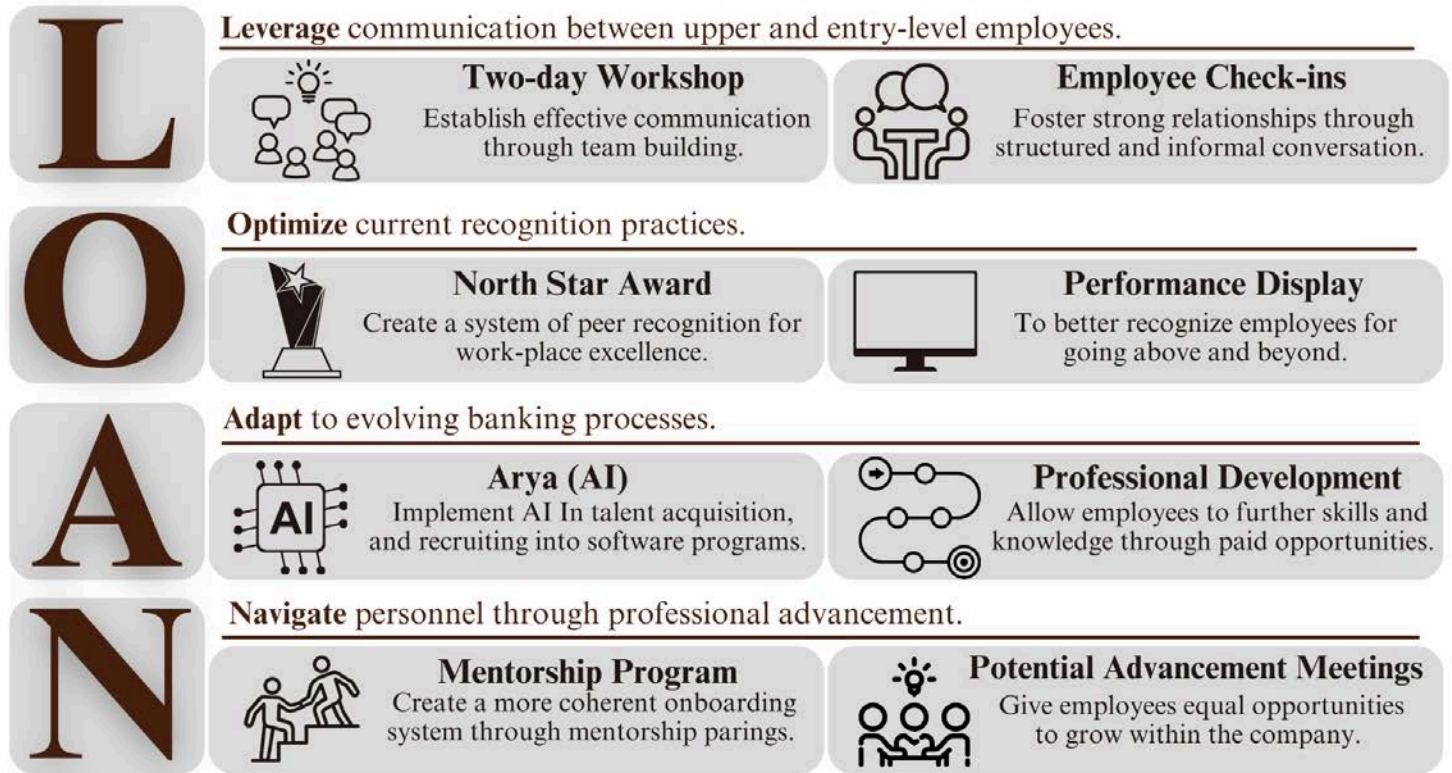
PRIMARY RESEARCH				SECONDARY RESEARCH			
On-the-Job Observation	Focus Groups	Interviews	Surveys	Online Sources	Previously Implemented Survey	Previously Conducted Interviews	Industry-Related Book

Findings & Conclusions

Key Findings	Employee Survey 54.8% agree communication could be improved 50% of employees know what is expected of them	Competitor Interview Abby K. Bell Bank “The CEO hand writes birthday cards for 2,000 employees and spouses, doing things like this makes us feel recognized and important.”	Arya Website 850 million candidates “AI recruiting tools that go beyond conventional hiring software.” “DEI Goals will increase.”	Entry Level Focus Group “Do you feel like you have the opportunity to advance your job position?” “I think some people can, but I do not think others are able to.”	President Interview “What current training programs are in place for employees?” “Not enough, it is definitely a deficiency of ours.”
	Conclusion 1: There is a deficiency of communication between entry-level and managerial employees.	Conclusion 2: Recognizing employees for their work is important for employee satisfaction.	Conclusion 3: AI and updated tech. are essential tools for attracting high-quality candidates and streamlining employee responsibilities.	Conclusion 4: It is vital to internally post openings to enhance job progression.	Conclusion 5: A detailed and organized training process is important to create effective employees.

Proposed Activities

The **LOAN the Future** campaign includes four different segments, and within each are specific activities that contribute toward the four research goals of recruiting, retaining, hiring, and onboarding employees.



Proposed Budget

Team-building Workshop: \$11,002	North Star Award: \$1,600	Arya Implementation: \$2,396	Mentorship Program: \$9,072	Total LOAN the future investment \$85,126
Informal Employee Check-ins \$4,664	Performance Display: \$3,250	Professional Development: \$32,780	Potential Advancement Meetings: \$22,112	Amount Returned \$239,146
Total: \$15,666	Total: \$4,850	Total: \$35,176	Total: \$31,184	ROI
LOAN	LOAN	LOAN	LOAN	Year 1 -5: 280%

Outcomes

The **LOAN the Future** campaign utilizes an innovative financial industry approach to enhance hiring, recruiting, onboarding, and retaining at Glenwood State Bank. The campaign aims to solidify GSB's status as a leading community bank in Douglas and Pope counties by focusing on revenue generation and operational efficiency. The campaign has a positive ROI of **280%** for years 1-5. It also leads to an increased revenue of **\$239,146** for Glenwood State Bank.

II. INTRODUCTION

A. Description of the business or organization

History

Glenwood State Bank is a family-owned community bank with over 100 years of experience. In 1906, the first location opened in Glenwood, Minnesota. It has expanded its family of banks by adding two additional locations in Villard

and Alexandria, Minnesota. In 2006, Peter Nelson took over as president for his father-in-law, Dennis Martinson. In 2002, GSB acquired the controlling interest of Lowry State Bank (LSB). Then, in 2019, LSB acquired the controlling interest of First National Bank of Osakis (FNB). As it expanded, its profits exhibited a corresponding increase. In 2022, its total deposits reached \$300 million.

Lending Environment

Institution	2021 Deposits	2022 Deposits	2021-22 Difference
Bremer Bank NA	\$425,146,000	\$448,662,000	6%
Glenwood State Bank	\$208,814,000	\$235,045,000	21%
Bell Bank	\$237,969,000	\$214,415,000	-10%

Figure 1: Douglas and Pope Counties Lending Environment

Overview

GSB provides personal, business, agricultural, real estate, and insurance services. As illustrated in Figure 1, it ranks second in the Douglas and Pope County lending environment for 2022. Its total deposits reached \$235,045,000 (First National Bank and GSB). The company currently has 106 employees between all five locations. Nine of these employees are full-time remote, and 35 are hybrid-style employees. It provides a flexible work environment that prioritizes family well-being for all employees.

Purpose Statement: “To be the premier community bank, positively impacting our customers, employees, and communities through Christian principles.”

Company Values

Glenwood State Bank's commitment to ethical values supports its corporate philosophy and creates enduring success in a dynamic financial community. It is a family-owned business that prioritizes charitable giving. GSB has supported 158 local organizations across Pope and Douglas counties. It is committed to maintaining and developing its business and leaving a legacy that promotes the welfare of future generations. GSB upholds a firm commitment to five fundamental core values: compassion, commitment to excellence, appreciation for diversity, a work-life balance, and virtue. The five values guide employees in decision-making and relationship-building with customers and coworkers.





COMPASSION	COMMITMENT	DIVERSITY	BALANCE	VIRTUE
				
It is our obligation to connect with and support others in our communities through activities, making a difference in the lives of others.	We make every effort to exceed expectations. We are committed to the long-term success of the bank, customers, and community.	We respect and appreciate the different backgrounds, education, and life experiences of all.	We have a high value on the physical, spiritual, and emotional well-being of each individual and encourage a balanced lifestyle.	We strive to conduct ourselves honorably and with integrity and treat others respectfully. We demonstrate love, peace, kindness, and self-control.

Figure 2: The five core values of GSB

B. Description of the target market (demographics and psychographics)

Geographical Summary

GSB spans two neighboring counties, Douglas and Pope. Douglas County has approximately 40,000 people, and Pope County has over 11,000 people. The counties are between Fargo, North Dakota, and St. Paul, Minnesota. Most jobs within these counties are manufacturing, government, and healthcare-related. Finance and insurance are the 10th largest industries in the area.

Industry Characteristics:

1. Manufacturing: 3,863	6. Educational Services: 1,457
2. Government: 3,508	7. Construction: 1,224
3. Health Care: 3,250	8. Wholesale Trade: 1,034
4. Retail Trade: 2,597	9. Other Services: 773
5. Food Service: 1,888	10. Finance & Insurance: 598

Figure 3: Industry Characteristics for Douglas and Pope Counties

Existing Employee

There are currently 106 individuals that make up the five branches of GSB. These employees share ethical values that align closely with the company's mission, as illustrated in Figure 4. With an age range typically falling between 45 and 60 years old, they have dedicated the majority of their career to finance and banking. 62% of employees hold at least a four-year degree and enjoy an upper-middle-class lifestyle in the Alexandria area. Many have settled in the Douglas/Pope counties due to their reputations as excellent places to raise a family, as shown in the Douglas/Pope counties fact books. In their free time, many of these employees actively participate in the local community. Looking ahead, they have expressed a strong commitment to remaining near Alexandria as they approach retirement age, continuing their relationship with GSB. Most are homeowners, married, and have adult children, illustrating financial stability.

Figure 4: Existing Employee Profile



Ideal Employee



Figure 5: Ideal Employee Profile

Glenwood State Bank is constantly searching for the perfect candidates to join their team; these individuals are typically at the outset of their careers. What differentiates them from the existing employee is their strong commitment to maintaining a positive and constructive attitude in the workplace. Their values include maintaining a work-life balance, making them an invaluable addition to the GSB family. Additionally, they search for an environment that fosters growth and learning opportunities while holding the value of recognition and rewards based on their performance. Regarding demographics, the ideal candidate typically falls within the age range of 22 to 30 years, with minimal prior banking experience. They hope to begin their career journey in a supportive community. As a younger generation of professionals, they are drawn to contemporary places of worship. These individuals embody young professionals striving to lay a solid career foundation.

C. Overview of the business or organization's current process for recruiting, hiring, onboarding, and retaining employees

Glenwood State Bank has many practices that help recruit, hire, onboard, and retain employees. Yet, respective areas could be improved to advance the success and growth of the company. The following paragraphs provide detailed information about GSB's current practices in the four given categories.

Process Overview



Recruiting:

Glenwood State Bank utilizes many platforms for recruiting employees. GSB posts job openings on its website and social media pages like Facebook, LinkedIn, and the local Chamber of Commerce website. For more advanced job openings, hiring websites such as Indeed are utilized. GSB also attends career fairs at three local high schools and community colleges. Through this, they can reach a younger audience that appreciates the community.

Hiring:

The hiring process at GSB is structured into three distinct interview stages. When a candidate applies for a job, Sarah Pashen, the Human Resource Generalist, conducts a 20-30-minute preliminary phone screening. This initial interview helps filter out individuals who will not fit the company structure. After passing the first interview, there will be two additional rounds—the first with Pashen and the Hiring managers. The second is with the higher-level manager and Vice President of Organizational Development, Lisa De Kre. Before the second round of interviews is completed, Pashen will complete references. If GSB decides to hire a candidate, Pashen calls to make or negotiate an offer.



Onboarding:

New additions to GSB's team spend their orientation day with Pashen. During orientation, they get a tour and introductions at their location, log into their systems and email, take a personality assessment, and review miscellaneous items. Pashen subsequently arranges a lunch meeting with the hiring managers and the candidates. The first afternoon is spent with the hiring managers or their department's training. Pashen checks in with the new hire later in the week after the first day. She then hosts a follow-up meeting two weeks after the new hire's first day and again after three months. This meeting facilitates Pashen's regular communication with employees to ensure all their needs are addressed.



Retaining:

GSB has implemented incentives to help retain employees. One incentive is Employee Centered Work Options. This helps employees maintain the work-life balance. GSB works to ensure all employees are fulfilled. Another incentive is extra celebrations to show employees their families matter. Events such as weddings, babies, summer vacations, and Mexico retreats are all ways employees are rewarded.



III. RESEARCH METHODS USED IN THE STUDY

A. Description and rationale of research methodologies selected to conduct the research study

The research team outlined **four** goals. These goals focused on how GSB recruits, hires, onboards, and retains employees. Each objective was chosen to address the most prominent vulnerabilities in the company's systems. These methods helped the team achieve the primary research goal: *How to implement enhanced recruiting, hiring, onboarding, and retaining practices for Glenwood State Bank.*



Figure 6: Research Goals

Primary Research Methods

The research team determined specific goals by observing GSB's practices on hiring, recruiting, onboarding, and retaining. We created and listed primary research methods in Table 1.

Table 1: Primary Research Methods		
Primary Research	Description	Rationale
1. Surveys 1.1 Employee Survey	1.1 Created a Google Form to send to all bank employees digitally.	1.1 Gathered quantitative and qualitative information on the GSB employee experience.
2. Interviews 2.1 Peter Nelson 2.2 Abby Kleinschmidt 2.3 Jim and Jen Lamb	2.1 Conducted an in-person interview with the current president, Peter Nelson. 2.2 Coordinated an in-person competitor interview with the branch manager at the Alexandria Bell Bank location, Kleinschmidt. 2.3 Arranged an in-person interview with the owners of a local business that maintains a banking relationship with GSB.	2.1 Gain information on the intricacies and nuances of each branch. 2.2 Acquire information on the operational practices of other local banks in the area and how unique retention techniques are implemented. 2.3 Understand how GSB employees interact with customers, along with comparing business methods across various industries.
3. Focus Groups 3.1 Entry-level Employees 3.2 Upper-level Employees	3.1 Led a panel of entry-level employees to gather qualitative data on employee experience. 3.2 Guided a panel of upper-level employees to share leadership perspectives on positive and negative aspects of the company.	3.1 Explore comprehensive insights into company practices from the perspective of employees. 3.2 Learn more about long-term employees' viewpoints regarding GSB's implementation of its values.
4. On-the-Job Observation 4.1 Employee Shadowing	4.1 Spent a day shadowing various employees at GSB, including observing and conversing regarding career paths and company culture.	4.1 Obtain an unbiased account of how employees feel about business protocols, communication, and morale.

1. Surveys

1.1 Employee Survey: An anonymous survey was distributed to employees at all five branches to obtain information regarding employee demographics and overall workplace experience. The survey included questions regarding job title, longevity, number of hybrid work hours, and job satisfaction. It was designed and formatted to include multiple-choice questions, rating scales, and fill-in-the-blank. Responses were imperative to receive qualitative data from employees at every level of the company.

Interviews

2.1 Peter Nelson: Peter Nelson currently serves as the President of GSB, incorporating banking expertise and experience into his role. He holds a Bachelor of Arts in accounting from Concordia College and worked as an auditor at Ernst and Young Law Company. Nelson has been the President of GSB for 18 consecutive years.



2.2 Abby Kleinschmidt: Abby Kleinschmidt is the branch manager and vice president of the Alexandria location of Bell Bank. Bell is one of GSB's largest competitors. Interviewing Abby gave insight into Bell's hiring, recruiting, onboarding, and retaining processes. Each of the four aspects listed was discussed regarding their current effectiveness at Bell Bank.



2.3 Jim and Jen Lamb: Jim and Jen Lamb own Center Logistics. This interview provided valuable insights to the research team regarding employees' daily interactions with customers. It was critical to understand the areas in which the GSB training process lacked. The interview included questions on interactions between GSB employees and Center Logistics.



2. Focus Groups

3.1 Entry-level Employees: A group of eight employees of various age ranges was gathered to discuss their opinions regarding GSB's recruiting, hiring, onboarding, and retaining practices. Each employee contributed valuable and honest insight from their unique perspectives and positions.

3.2 Upper-level Employees: The focus group comprised seven participants, all holding upper-level positions or managerial roles within the organization. These experienced employees offered valuable insights to enhance the research team's understanding of GSB's hiring, recruitment, onboarding, and retention processes. Entry and upper-level employees were separated into two groups to ensure that open feedback was given.

3. On-the-Job Observation

4.1 Employee Shadowing: Three team members dedicated a full business day to an on-site visit at GSB's Alexandria location. During this visit, we had extensive discussions with numerous employees across different hierarchical levels. These interactions provided a more comprehensive understanding of GSB's fundamental values and culture.

Secondary Research Methods

After gathering primary research methods, secondary research was conducted and listed in Table 2.

Table 2: Secondary Research Methods

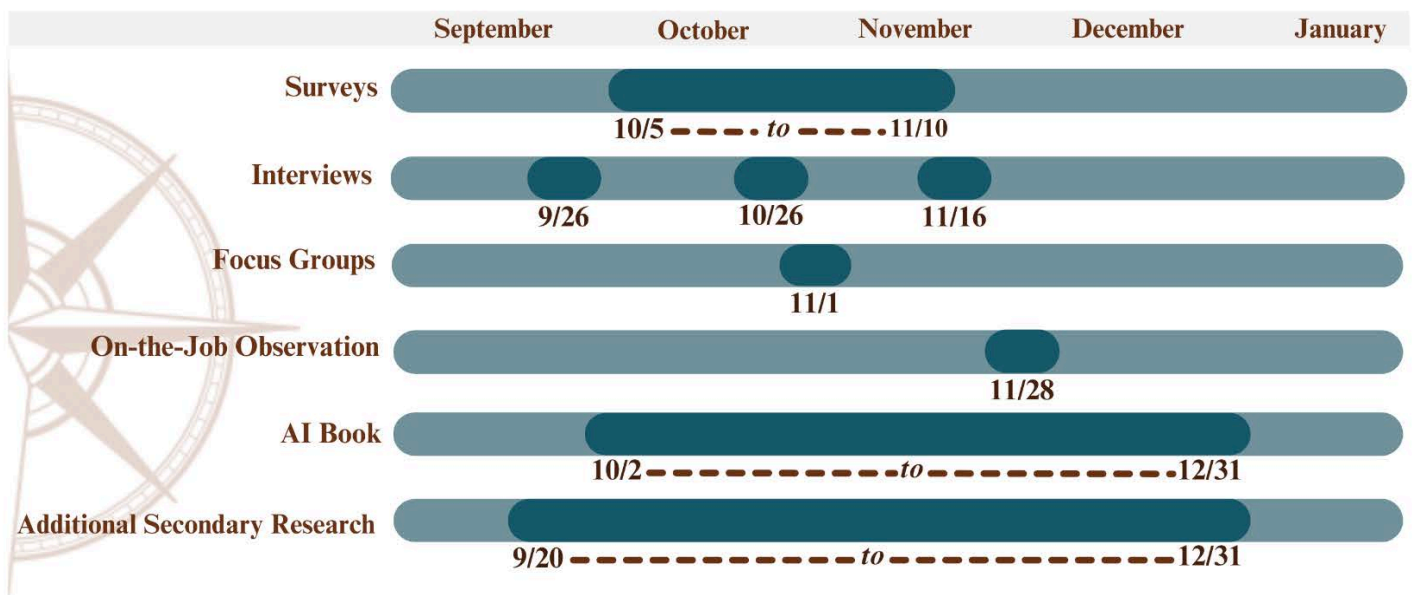
Secondary Research	Description	Rationale
5. Industry-Related Book 5.1 AI in Talent Acquisition - Recruitment	5.1 Accessed information about artificial intelligence in talent acquisition and recruitment.	5.1 Gained knowledge about artificial intelligence and how GSB could utilize it to increase the number of compatible applicants.
6. Previously Conducted Interviews 6.1 Exit Interviews	6.1 Retrieved three employee exit surveys conducted by Pashen, each with unique circumstances for the employee's leave.	6.1 Examined each exit survey to better understand areas for improvement within GSB's processes.
7. Previously Implemented Survey 7.1 Employee Personality Survey	7.1 Gathered employee personality evaluation data conducted by GSB.	7.1 Assessed current employee personality types to identify what makes an ideal employee.
8. Online Sources 8.1 Douglas and Pope County Factbook 8.2 Arya by Leoforce	8.1 Observed demographic statistics in the factbook. 8.2 Viewed the Arya—by Leforce—website.	8.1 Rationalized employee demographics. 8.2 Understand Arya's methods and how to implement finance-tailored AI into GSB's hiring and talent acquisition processes.

B. The process used to conduct the selected research methods

The research team created an eight-step innovative plan to conduct, identify, implement, and evaluate.

	<i>When</i>	<i>What</i>	<i>Strategy</i>
1	September 2023	Conducted background research	Created four specific goals that would help guide the research.
2	September 2023	Recognized research goals	Met with Sarah Pashen, Kari Nelson, Lisa De Krey, Tim Olson, and Kirsten Nelson, at GSB on September 26th. This gave insight into the GSB company and its values.
3	October 2023	Identified primary research method	Identified beneficial ways to research the current recruiting, hiring, onboarding, and retaining methods—identified individuals who could give valuable information about GSB and the hiring process.
4	October 2023	Identified secondary research methods	Utilized online sources, previously completed surveys, and an industry-related book to give perspective and information on the GSB hiring process.
5	October 2023	Began conducting research	Generated anonymous surveys to digitally mail employees, planned two employee focus groups, and conducted interviews with Peter Nelson, Abby Kleinschmidt, and Jim and Jen Lamb.
6	November 2023	Compiled and studied research	Gathered secondary research and compiled primary research into graphics and charts.
7	December 2023	Give advice based on statistics collected	Compiled all information and findings to develop suggestions for improving the recruiting, hiring, onboarding, and retaining of GSB employees.
8	January 2024	Evaluated and assessed	Created, then used key metrics to evaluate the strategic plan's success.

Research Timeline



IV. FINDINGS AND CONCLUSIONS OF THE STUDY

A. Findings of the research study

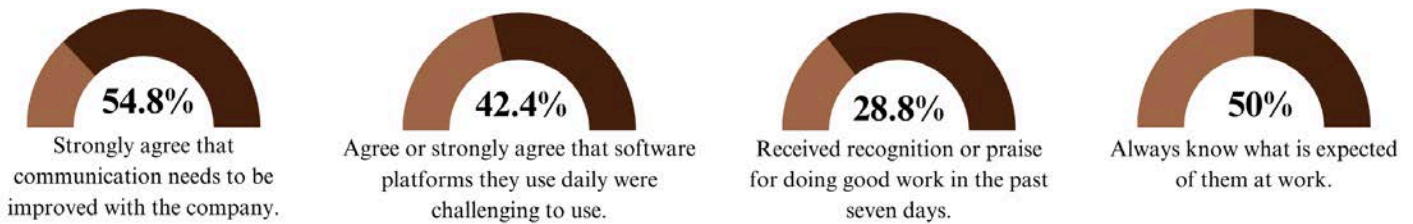
In a community of **26 FDIC-insured banks** and **NCUA-insured credit unions**, maintaining competitiveness as a company is crucial to recruiting, hiring, and retaining quality employees. A seamless onboarding process is essential for a family-owned bank to align employees with their roles. GSB must optimize each of the four identified categories' to maintain a strong standing among the local banking landscapes. The research team outlined specific findings to create five core conclusions and a *SWOT analysis*.

Primary Research Findings:

1. Surveys

1.1 Employee Survey Findings: Based on 76 employee respondents:

Figure 7: Employee Survey Charts



QUESTION:

What would you like to see improve at Glenwood State Bank?

EMPLOYEE QUOTES:

“I would like to see our managers step up in the role of developing their team and departments.”

“More organized and planned training especially for new employees, training for customer service staff to have more employees that can provide new account coverage, accountability.”

“Speed up our core system. I wait a lot for the computer to spin and think.”

2. Interviews

2.1 Peter Nelson: President Peter Nelson provided the team with genuine feedback directly from an upper-level position within the company. Nelson was asked what training programs are in place to help employees develop the necessary skills for their roles. His direct response was, **“not enough, it is definitely a deficiency of ours.”** He also mentioned **“effective communication”** as something GSB could work to improve better. Additionally, Nelson mentioned he could **“better connect with employees”** and acknowledged that as an opportunity area. He also mentioned, **“Paylocity could be better utilized within the company.”**

2.2 Abby Kleinschmidt: Bell Bank, with assets nearly 43 times the size of GSB, has many innovative programs within its company. Bell Bank conducts a Pay It Forward program, which allows each employee to choose a charity to support monetarily. The program allows employees to impact our society. Kleinschmidt also shared the *How Bell of You* recognition award ceremony. Employees can nominate other employees for going **above and beyond in any capacity**. At the end of the fiscal year, an award ceremony is held, and the winner receives a 1-week all-expense paid vacation to any destination. Incentives are crucial in employee recognition at Bell Bank. Below are quotes from the team's interview with Kleinschmidt.

Figure 8: Abby Kleinschmidt Direct Quotes

“The CEO hand writes birthday cards for 2,000 employees and spouses, doing things like this makes us feel recognized and important.”

“It is not the big benefits that get people interested in Bell Bank, it is the little things.”

“Everyone is given an entire turkey for Thanksgiving which is also very special and demonstrates how much effort our CEO puts into his employees.”

2.3 Jim and Jen Lamb: Center Logistics has been banking through GSB for four years with minimal discontent. However, the nature of their business creates a frequent problem of fraudulent charges. This has been very frustrating for the Lambs, with Jen Lamb stating that the bank “**did not know how to handle the [fraud] situation.**” While this may seem inconsequential for some businesses, fraud greatly prohibited the company's ability to do their work efficiently.

3. Focus Groups

3.1 Entry-level Employees: The research team conducted a 45-minute discussion with five entry-level employees. The findings are categorized by job progression, technology (tech), and communication.

	Question:	Quoted Response:
Job Progression	Do you feel like you have the opportunity to advance your job position within Glenwood State Bank?	“I think some people can, but I do not think others are, and I don’t think it’s consistent across the board.”
	Would you say that you believe that GSB tries its very best to promote within the company rather than hire new ones?	“I wouldn’t agree with that,” and “There will be people that have gotten hired, and it hasn’t been internally posted when current employees are interested in the position.”
Tech	Are any facets within GSB hindering you from executing your responsibilities efficiently?	“I had an internship in Minneapolis, and the technology was way more advanced.” “The technology is slow and hinders you from efficiently doing your job.” “The phones will go out, and the WIFI will crash.”
	What do you think is the biggest weakness at GSB?	“Communication and transparency are greatly lacking and need to be addressed because things happen, and they don’t share it with the rest of us.” “We’ve grown to a point where many don’t know what is happening at the bottom/front lines.”
Communication	In response to the previous question, the research team asked, “Is there a large disconnect between upper-level and entry-level employees?”	“I think sometimes they make the decisions before even consulting the people who do the jobs, and as the support people, we know what we need, and they are not willing to listen and have already made the decisions.”

3.2 Upper-level Employees: The team then conducted a 30-minute discussion with seven upper-level employees. Categorized responses highlight findings on entry-level employees, technology (tech), and AI.

	Question:	Quoted Response:
Entry-Level	Do you feel like employees at GSB have the opportunity to advance in their job positions within the company?	“Yes, there is a lot of turnover at the entry-level positions, for example, tellers. It is important to emphasize the importance of addressing this concern for the overall growth and stability of the company.”
	What do you think is the biggest weakness at GSB?	“We have a harder retention of our entry-level employees.” <i>Seven out of seven participants agreed with this statement.</i>
Tech	Does the technology at GSB allow you to complete your responsibilities?	<i>All seven employees unanimously agreed that the technological infrastructure utilized within the bank could be improved.</i>
AI	Could you foresee AI being implemented at GSB?	“AI is going to play a huge role in how we market to people.” “As of now, we don’t have any AI in place at Glenwood State Bank”

4. On-the-Job Observation

4.1 Employee Shadowing: The shadowing experience gave us insight into the culture and day-to-day work life at GSB. We shadowed an employee in these four jobs, Customer Service, Personal Banking, Loan Processing, and the Commercial Lending/Market President. The employee's previous job experience came up in multiple conversations. Most employees we spoke to came from corporate bank positions and highlighted that they are more content at a family-owned bank. It was mentioned that the skill-based training provided in corporate banks was significantly more efficient than what is provided at GSB.

Secondary Research:

5. Industry-related Book

5.1 AI in Talent Acquisition - Recruitment: Several critical findings were identified from studying the book *AI in Talent Acquisition - Recruitment*. The book included numerous pieces of information by highlighting that employees with thorough training can surpass their colleagues in earnings by as much as 20%. It also stated that AI can **“study [employee] interactions, and the insights provided can help HR take necessary action.”** A proficient onboarding process contributed to an approximate 4% increase in net income within the initial year of an employee's tenure with the organization.

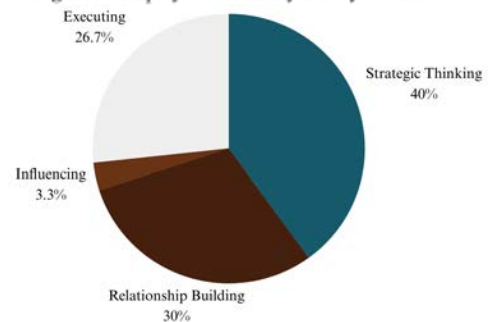
6. Internal Interviews

6.1 Exit Interviews: The research team discovered numerous findings from the three anonymous interviews. When asked the biggest challenge this organization faces, one interviewee responded with **“[the] rate of pay and culture negativity.”** An interviewer asked, what does your new job offer that your job with this company does not? The respondent discussed the **“constant location, more customer interaction, and better pay.”** When asked what could be improved, a respondent answered with **“better communication.”** One ex-employee even mentioned **sacrificing time with loved ones because she was not granted the flexibility to work from home 2 to 3 days per week. She “didn’t feel like she was appreciated.”**

7. Previously Implemented Survey

7.1 Employee Personality Survey: The personality test that GSB requires all employees to take is the Clifton Strengths Assessment. This assessment identifies and categorizes employees' top five strengths by strategic thinking, relationship building, influencing, and executing. Of all employees' top five strengths, 40% had strategic thinking as their top strength, while 30% had relationship building, and 26.7% had executing.

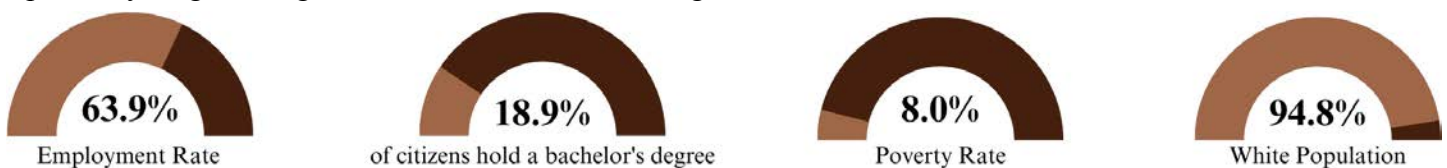
Figure 9: Employee Personality Survey Pie Chart



Online Sources

8.1 Douglas and Pope County Factbook: The research team has gathered that these counties have a total population of approximately 50,641. The factbook also shows that the financial services industry holds the top weekly wage average at \$1,766. Additional findings are as follows:

Figure 10: Douglas and Pope County Charts



8.2 Arya by Leoforce: Arya findings and direct website quotes are found below.

“Tech-minded talent acquisition and retention is a key objective for hiring in the finance industry, and the competition for those employees is intense. To overcome this challenge, banking and finance recruiters must rely on AI recruiting tools that go beyond conventional hiring software.”

“Arya helps your finance organization meet its diversity, equity, and inclusion (DEI) goals with less expense and time.”

ARYA FINDINGS:

- 850 million active and passive candidates.
- 90,000 clients & client companies.
- 16,000 recruiters supported globally.

Over **850 million** Talent Profiles

This allows the integration of existing internal talent and subscribed sources.

B. Conclusions based on the findings: Following the compilation of data, the team created five key components. A *SWOT analysis* was then developed to enhance the conclusions.

Conclusion 1: There is a deficiency of communication between entry-level and managerial employees.

Conclusion one was made based on findings 1.1, 2.1, 3.1, and 6.1. The anonymous survey emphasized managers improving communication and progress checks. Direct quotes listed in 2.1 and 3.1 emphasized that more efficient communication needs to be established between all employee levels. In the examined exit interviews, each past employee also mentioned communication as an aspect of leaving their position.

Conclusion 2: Recognizing employees for their work is important for employee satisfaction.

Conclusion two was based on findings 1.1, 2.1, 2.2, and 6.1. 1.1 Employee feedback showcased a need for recognition, a crucial aspect of retention. President Peter Nelson acknowledged that he could better establish connections with his employees. Bell Banks' practices, found in 2.2, are stronger at recognizing employees. Quotes provided from the exit interviews, in 6.1, showed an apparent lack of employee recognition.

Conclusion 3: AI and updated technology are essential tools for attracting high-quality candidates and streamlining employee responsibilities.

Conclusion three was based on findings 1.1, 2.1, 3.1, 3.2, 5.1, and 8.2. Quotes from employees in findings 3.1 and 3.2 indicated a need for stronger technology. Upper-level employees also acknowledged not utilizing AI, and searching to implement it in future processes. Reading the book gave the research team an extensive scope of AI in talent requirements. Finding 8.2 then gave insight into how to implement finance-tailored AI.

Conclusion 4: It is vital to internally post openings to enhance job progression.

Conclusion four was made based on findings 3.1, 3.2, and 4.1. Direct employee conversation was found to be most valuable in the research process. Findings from the focus groups (3.1 and 3.2) indicated that multiple job openings were not internally posted before a new hire was brought. This led the existing employees to share that they felt undermined as an employee, during 4.1 employees also made mention of this factor.

Conclusion 5: A organized skilled based training process is important to create effective employees.

Conclusion five was based on findings 1.1, 2.1, 2.3, 4.1. In 1.1, many employees expressed the need for more valuable training programs. From the interview with Peter Nelson, GSB can better prepare employees for their jobs. The Lambs interview (2.3) highlights employees' unpreparedness when dealing with fraud. During employee shadowing, finding 4.1, multiple employees mentioned corporate training was more efficient.

SWOT Analysis



Strengths:

- The intricate hiring process
- Strongly promote company values
- Emphasize work-life balance



Weaknesses:



- Lack of effective communication
- Outdated technology
- Absence of formal employee recognition



Opportunities

- Embrace remote employees
- Utilize AI to recruit employees
- Fully take advantage of Paylocity



Threats:



- Over 20 other banks in the area
- Employees look for flexible scheduling
- Competitor benefits not offered at GSB



V. PROPOSED STRATEGIC PLAN

A. Objectives and rationale of the proposed strategic plan

The **LOAN** *the Future* campaign aims to improve the recruiting, hiring, onboarding, and retaining practices of GSB. We aimed to create hyper-realistic solutions to each problem addressed in our research. This campaign includes eight activities to foster enhanced communication, cultivate a more engaged workforce, and implement AI.



LOAN *the Future*
Leverage - Optimize - Adapt - Navigate

LEVERAGE

communication between entry and upper-level employees.

Benefit

Short-Term Benefit

Create a reliable communication channel between employees.

Long-Term Benefit

Employees are fulfilled by knowing they are equally informed.

Rationale

Strong communication channels are vital to maintaining employee satisfaction.

The GSB employee survey made it clear that communication between entry-level and upper-level employees needed to be improved.

OPTIMIZE

current recognition programs.

Benefit

Short-Term Benefit

Boosted employee morale and engagement leading to a dynamic workforce.

Long-Term Benefit

Employee retention rates will increase by fostering a positive and motivating work place.

Rationale

Recognizing and rewarding employees develops outstanding performances.

GSB's current competitors use a reward system to enhance employees production rate and incentivize healthy competition.

ADAPT

to evolving banking processes.

Benefit

Short-Term Benefit

Ensure that GSB remains familiarized with current banking practices.

Long-Term Benefit

Staying agile and proactive maintains relevance and sustainability in the finance industry.

Rationale

Continuously updating and evolving to different operational practices gives GBS a competitive advantage.

GSB has been around for 100+ years and it is vital that it continues to improve in the 21st century.

NAVIGATE

new, and existing personnel through professional advancement.

Benefit

Short-Term Benefit

Increased employee production and contentment levels.

Long-Term Benefit

Employees will feel secure knowing that they are able to advance within the Bank.

Rationale

Promoting within the Bank gives employees a goal to work towards.

GSB will be able to develop skilled employees along with reinforcing the Banks culture, easing managerial roles.



B. Proposed activities and timelines



Leverage

*communication between entry
and upper-level employees.*

The team's first objective outlined in the **LOAN the Future** campaign is to **Leverage communication between entry and upper-level employees**. A comprehensive analysis of the findings concluded that communication is the primary area requiring enhancement.

Activity L.1: Two-day Team-building Workshop

Activity Description: On the initial day, all 106 employees will gather at the Alexandria conference center for the *Fintech* (financial technology) *Shark Tank Workshop*. Staff will be grouped according to their job positions; the "sharks" will be the GSB board of directors. Outsourced staffing will also be brought in to facilitate the workshop. Each member of the winning team will receive a wellness package. On the second day, a local expert on a topic such as cybersecurity will provide invaluable insights into contemporary scamming trends and offer practical methods for detection and resolution. Following this informative session, employees will actively engage in a mock scenario involving an employee dealing with a potential scammer. Teams of individuals in various positions will navigate and respond to the situation. A whole group debriefing will close the workshop.

Activity Rationale: The day-one activity encourages collaboration between different departments (and locations) to develop a comprehensive proposal. This workshop allows for employee insight to be integrated into the activity. Day two improves company culture in various positions. Many findings (1.1, 3.1, 3.2) introduced a need for financial solutions. A debriefing after each activity allows employees to understand the demonstrated concepts. Furthermore, it allows high-position individuals to understand the underlying problems of lower-level employees. The workshops create a coherent environment for all employees.

Goal: Establish strong employee connections geared towards retaining lower-level employees.

Activity L.2: Informal Employee Check-ins

Activity Description: President Peter Nelson and board members will visit each location during the first week of the month. Check-ins will be integral to maintaining a relationship between employees and company leaders. During check-ins, questions such as, "What are your highs and lows of the week?" and "Is there anything I can do for you to better complete your job going forward?" will be asked. Board members can also address concerns and provide positive reinforcement. Informal check-ins can occur in various settings, including an office, over coffee, or virtually for remote employees.

Activity Rationale: Conducting employee check-ins will enable company leaders to cultivate stronger relationships with employees. This fosters rapport and facilitates more open communication channels. The check-ins will provide an opportunity to reinforce the bank's values and ensure employees remain aligned with its ethos. The informality creates an honest time to focus on feedback rather than evaluating employees based on statistics from an annual review. Informal check-ins allow employees to build personalized relationships.

Goal: Facilitate personal connections to enhance retention.

Figure 11: Employee Check-in Example

*A scheduled visit
to the Lowry
location on
March 4th 2024*



Hey Mindy, how has the transition to head teller been?

Hi Peter, thanks for asking! I've had some trouble navigating team dynamics, and really fostering a positive team culture.





The second objective the team outlined and included in the **LOAN the Future campaign** is to **optimize current recognition programs**. After completing the research, it was evident that recognizing employees is integral to employee retention. Hence, the research team developed the second phase of the campaign incorporating the North Star Award and Performance Display, to contribute to employee retention efforts.

Activity O.1: North Star Award

Activity Description: The *North Star Award* is a monetary award given out twice per year. The award established its name from the compass in the company logo. Employees can nominate other employees representing the core values of GSB: Compassion, Commitment, Diversity, Balance, and Virtue. Every six months, a North Star Award ceremony is held during staff meetings, and the nominee with the most votes wins the award. The prize is a \$800 bonus and recognition among coworkers and the community.

Activity Rationale: This award carries intrinsic value, such as recognition, validation, and a sense of accomplishment. Findings from exit (6.1) and competitor (2.2) interviews indicated the need for increased employee recognition. The North Star Awards allow individuals to recognize other employees' achievements. The accolade will promote positive workplace habits and reinforce company values by ensuring employees understand the significance of their peers. The award enhances an employee's professional reputation within the organization and the industry.

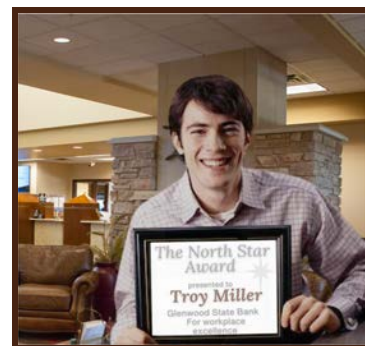


Figure 12: Troy Millers North Star Award

Goal: To recognize employees and reach higher retention rates.

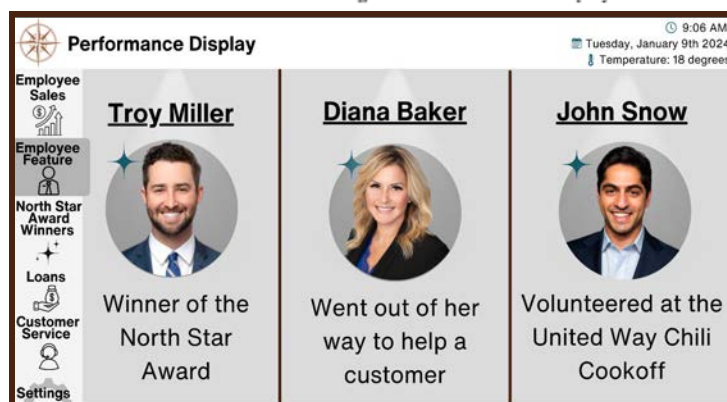
Activity O.2: Performance Display

Activity Description: The performance displays present each employee's value in any capacity. The display shows volunteer hours completed, the North Star Award winner, and individual sales made. The displays will allow employees to be connected across locations and see positive actions made by their coworkers. They will be acknowledged during the bi-weekly staff meetings conducted at each branch. Screens will also be displayed for the customers to view in the lobby of each branch location and will only highlight employees' community achievements.

Activity Rationale: The display promotes transparency by showcasing individual and team achievements. It reinforces aligning individual and team goals with GSB's primary objectives. This addition to the workplace culture will encourage employees to be active in the community and incentivize them to grow. By allowing customers to view the screens, they can also see that the employees are active in the community. However, not showcasing specific sale numbers to the public allows employees to feel valued as more than a number. Managers can also access data and make changes to allocate resources better.

Goal: To celebrate employees for their work while upholding the values of GSB.

Figure 13: Performance Display Home Screen





Adapt

to evolving banking processes.

The team's third objective in the **LOAN the Future** campaign is to **Adapt to evolving banking processes**. Adapting to changing practices is important for GSB in the finance industry. AI and Professional Development Opportunities are vital in *Adapt*.

Activity A.1: Arya Implementation

Activity Description: *Arya Quantum* by Leofroce will be implemented at GSB. Arya is integrated directly into GSB's current applicant tracking system (ATS). When a candidate can not be hired internally or locally, GSB will pay a \$599 fee to have Arya utilize all search methods. GSB accesses 800 million passive and active candidates from over 70 platforms once the fee is paid, as shown in the finding section (8.2). HR can access a communication dashboard to manage talk, texts, chatbots, and emails. Arya also provides access to multiple costless webinars once downloaded. All HR personnel will attend an *Improved Recruiting Efficiencies With AI*, provided by a panel of recruiting experts.

Activity Rationale: Implementing AI at GSB will help find top-quality candidates and forward its hiring process. The automation powered by Arya will significantly reduce the time and resources spent on manual recruitment tasks. This indicates cost savings and a decrease in HR personnel hours. Arya's AI algorithms aid in increasing the number of higher-quality hires, one of GSB's DEI goals. Arya operates on an individual fee rather than a monthly subscription. With GSB having limited yearly openings, not all positions necessitate AI. The webinar provides HR with a comprehensive overview of AI's impact on recruiting efficiency.

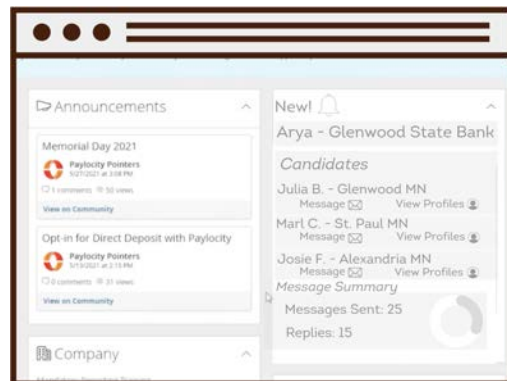


Figure 14: Steps of Integrating Arya

Goal: Implement AI into GSB's recruiting and hiring processes.

Activity A.2: Professional Development Opportunities

Activity Description: Enhancing GSB through establishing a well-organized *Professional Development Program* is a strong initiative. Employees will be allowed to attend job or industry-specific training during their workday. Any employee can request to attend virtual or in-person training. Employees will have the option to select the program of their preference. Completion of the training and demonstration of the skills learned will be added to Paylocity, the organization's performance platform. At an employee's annual performance evaluation, consideration will be given to additional skills learned and may impact compensation.

Activity Rationale: Professional development opportunities foster continuous learning and employee engagement. Employee focus groups highlighted a need for job postings to be internally shared before the hiring process begins. This approach can contribute to a more dynamic and adaptable team, benefiting employees and the bank. Innovation projects allow individuals to acquire new skills, tackle challenges, and expand their professional capabilities. Employees can make meaningful contributions while gaining skills essential for a long and prosperous career at the bank.

Goal: Allow employees to progress internally to increase retention, largely in entry-level positions.

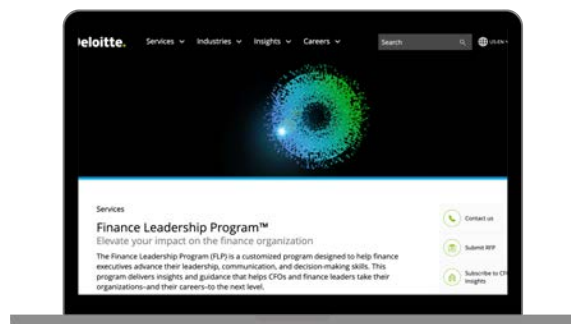


Figure 15: Example of an Employee Professional Advancement Opportunity (Deloitte Financial Leadership).





Navigate

current employees up the corporate ladder.

The fourth objective of the **LOAN the Future** campaign is to **Navigate new and existing personnel through professional advancement**. This is attainable through detailed Mentorship Programs. As well as Potential Advancement Meetings to progress exciting employees.

Activity N.1: Establish Mentorship Program

Activity Description: Primary research from employee focus groups (3.1, 3.2) and internal interviews (6.1) revealed that GSB does not currently have a mentorship program. Once employees have reached a certain tenure at GSB, they are effectively on their own because they lack resources. The *GSB mentorship program* will assign every new employee a mentor to guide them through their first few months. Feedback sessions will be scheduled every three weeks to maintain consistent communication. Then, they will continue to meet once every few months to ensure they remain satisfied in their position. Topics of conversation may include training/professional development, motivation, advice, setting goals, and support for any personal endeavors. Goal setting and achieving success will serve as the mentorship guidelines.

Activity Rationale: An employee mentorship program will allow all employees within the company to feel valued. This program provides a strong avenue for receiving feedback from all staff. Regular feedback sessions can help identify and address concerns before they lead to a disgruntled employee. With an individualized approach, the activity aids employee growth within the company and ensures they remain with GSB.

Goal: Aid in onboarding practices to alleviate the challenges associated with the modern workforce.

Activity N.2: Potential Advancement Meetings

Activity Description: When a job opening at GSB occurs, the human resource and organizational development (HROD) team will inform the entire staff of the opportunity. The HROD will open their offices to consult with employees wanting the newly opened job position. If the HROD feels that the employee is not ready for the position, they will use outside resources to recruit (including Arya). Before the meeting, the HROD will utilize test scores from the Predictive Index (PI) software to create their *ideal employee vision board*. The PI is an assessment all employees take to show work ethic and attitude within GSB. This visual representation outlines a job's responsibilities, completion methods, and objectives.

Activity Rationale: Potential Advancement Meetings allow all employees to advance in their careers. Even being considered for a position motivates employees to excel within their particular job. Employees can enhance their understanding of their workplace, seek opportunities for advancement, and better appreciate their jobs. Creating a vision board encourages employees to align their personal career goals with the broader objectives of GSB. This allows employees to envision themselves in the specific role, increasing their longevity at the bank.

Goal: Increase retention rates by utilizing the current workforce.

Figure 16: Mentoring Visual

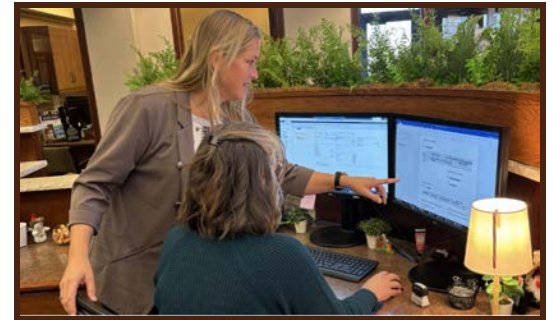
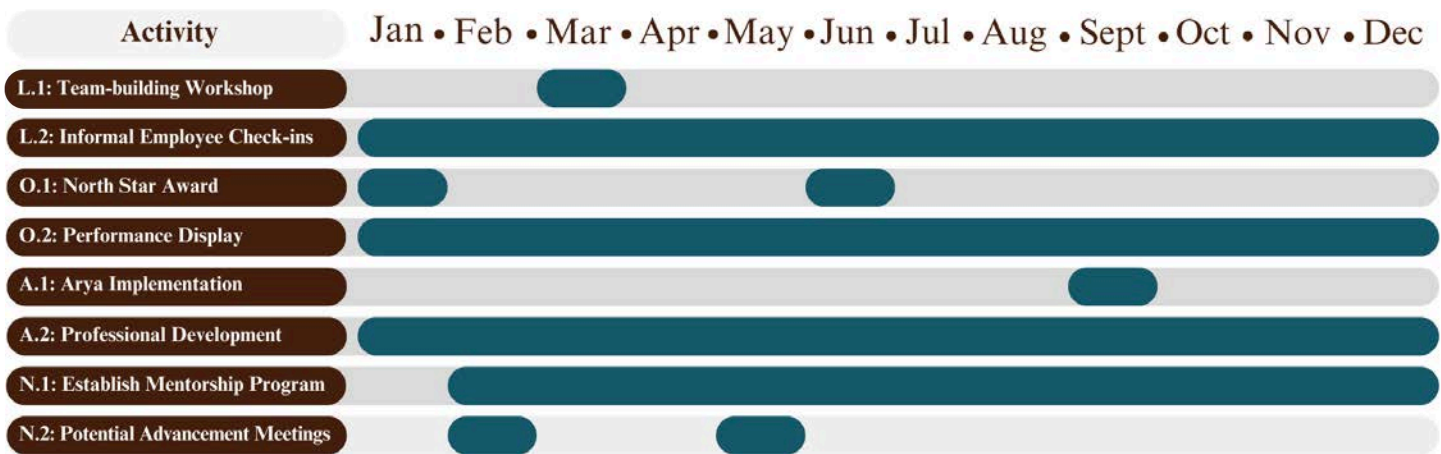


Figure 17: Ideal Employee Vision Board



Activities Timeline: The *LOAN the Future campaign* takes place over the 2024 fiscal year. Along with the activity recommendations, the research team created a timeline of activities. Each campaign activity from **Leverage, Optimize, Adapt, and Navigate** is listed below.



C. Proposed metrics or key performance indicators to measure plan effectiveness

Key Performance Indicators (KPI's):

To measure the success of the *LOAN the Future campaign*, three tool methodologies were utilized, including the PDCA, the ELTV, and END.

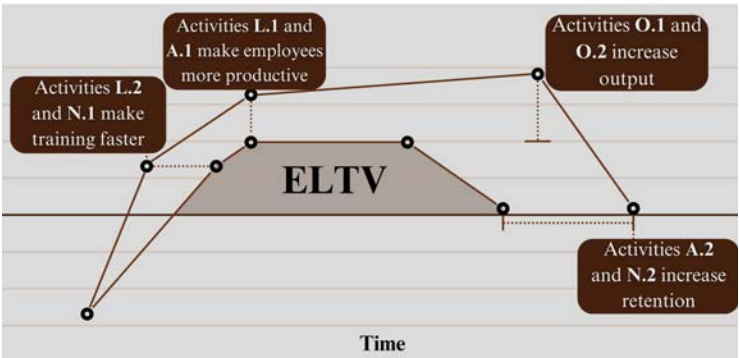
Plan-Do-Check-Act Cycle (PDCA): The first tool is a Plan-Do-Check-Act cycle. This PDCA cycle allows the research team to evaluate and make corrections to activities to support the success of GSB. The first component of the cycle is to **Plan**. This was completed following the research findings and conclusions and included designing activities of the campaign. The next section of the PDCA cycle is **Do**. This is where all activities are enacted at GSB. After six months, the **Check** section of the PDCA cycle will begin. A **Check** evaluates each activity to determine which activities are the most successful and viable improvements. After analyzing the results from the **Check**, the team will then move on to **Act** and identify constructive enhancements to the campaign. The cycle then repeats with a modified plan for the future.

Employee Lifetime Value (ELTV): The second tool used to determine the success output of *LOAN the Future* is an ELTV chart. The shaded portion of the ELTV graph in Figure 19 indicates the average employees' output throughout their careers. With the implementation of the activities listed in the *LOAN the Future campaign*, the output will increase, as shown by the solid line.

Figure 17: Plan-Do-Check-Act Life-Cycle



Figure 19: Employee Lifetime Value Chart



Employee Network Density (END): Employee connections foster a coherent and positive work culture, enhancing retention rates. Pre-existing connections also ease *ideal employees* in the onboarding process. The Network Density table, illustrated below, measures these intangible factors and evaluates the effectiveness of **LOAN the Future**. The table below details the process of finding current possible connections post activities and the calculation of the density values. The *END* values lie between 0 and 1 (Table 4, final row). When 1 represents a fully connected network, 0 represents a completely disconnected network.

Table 4: Employee Density Network for the LOAN the Future campaign		
Description for calculating employee density network		
Number of Possible Connections	Let n (nodes) represent all 106 Glenwood State Bank employees. Let -1 ensure each pair is counted only once. Let /2 ensure no connections are overcounted. Formula: $n(n-1) / 2 = x$ [106 (employees) * (106 - 1) / 2] = 5565 (# of possible connections)	
Current Actual Connections	Let n represent all 106 employees. Let c (connections) represent the average number of strong employee connections. Formula: $n(c) = x$ [106 (employees) * 10 (average strong connections)] = 1600 (# of actual connections)	
Possible Connections Post Activities	Let n represent all 106 employees. Let c represent the new average number of strong employee connections based on an employee after the first year of proposed activities. Formula: $n(c) = x$ [106 (employees) * 30 (average strong connections)] = 3180 (# of connections post activities)	
Employee Network Density Value	Let AEC represent the number of actual employee connections. Let $APEC$ represent the number of all possible employee connections. Formula: $AEC / APEC = \text{Density Value}$	
Employee Density Value Prior to Activities: 1600 (# of actual connections) / 5565 (possible connections) \approx .2875		Employee Density Value After Activities: 3180 (post activities #) / 5565 (possible connections) \approx .5714

To accurately evaluate this performance indicator, a survey would be distributed one year following the campaign activities' completion. It would prompt employees to give a number of how many **strong** connections they have with their co-workers. The survey would detail what is considered a 'strong' connection.

VI. PROPOSED BUDGET

Costs Associated with Proposed Activities

The budget allocation for **LOAN the Future** was created to optimize GSB's existing resources. The expenses for each activity (years 1-5) are listed below in Table 5.

Table 5: LOAN the Future campaign Expenditures		
Activity	Description of Expenses	Recurring Expenses Year 1-5
L.1 Team-building Workshop	\$150 (per winner) * 9 (winners) + \$2400 (event staffing) \$2400 (expert speaker) + \$400 (event site) \$21 (catered lunch per plate) * 106 (employees) * 2 (days)	\$11,002
L.2 Informal Employee Check-ins	\$44 (per hour of board member time) * 1 (board member) * 106 (employees for 30 minutes)	\$4,664
O.1 North Star Award	\$800 (bonus) * 2 (per year)	\$1,600
O.2 Performance Display	\$1,500 (software)	\$1,500
A.1 Arya Implementation	\$599 * 4 (job openings per year that Arya was used for)	\$2,396
A.2 Professional Development	\$44 (per hour) * 8 (hours) + \$200 (stipend) * 55 (employees)	\$32,780
N.1 Established Mentorship Program	\$36 (per hour of unproductive labor) * 28 (total hours) * 3 (new hires)	\$9,072
N.2 Potential Advancement Meetings	\$44 (per hour of board member time) * 4 (hours) * 12 (meetings per year) + \$20,000 (predictive index assessment software)	\$22,112
Total Expenses:		\$85,126

Expected Revenue

The table below details the factors contributing to increased revenue due to the LOAN campaign. Each description is based on the most prominent factors related to GSB: recruiting efficiency, mis-hiring, net income, and company culture. The Glenwood State Bank HR Director, Sarah Pashen, provided assumptions for each revenue factor, including nine being the approximate number of employees hired each year. The term at-risk employees is used to label employees who are considering leaving the company. In this case, it is estimated that seven employees are at risk each year.

Table 6: Revenue of **LOAN the Future** campaign

Revenue Factors	Description for Calculating Revenue	Recurring Revenue
Recruiting	Recruiting Efficiency: Calculating the revenue made from a more efficient recruiting process is based on the time the HROD team spends recruiting for job openings. The activities will increase the recruiting process efficiency by approximately 2.7% per employee.	\$77,946
	9 (employees) * 8,433 (Net Income Per Employee) * 1.027)=	
Hiring	Mis-Hiring: Calculating revenue involves considering the annual contribution per employee entering the workplace. Well-trained employees can outperform their peers' income by up to 2.5%.	\$77,794
	9 (Predicted Well-trained Employees) * [8,433 (Net Income Per Employee)* 1.025]=	
Onboarding	Net Income: By establishing a new mentorship program, employee net income in 12 months will increase from 4% (current net income percentage after the first year of employment) to 8%. The value listed to the right depicts the 9 new employees' net income.	\$78,932
	9 (Employees) * 8,433 (Net Income Per Employee) * 1.04=	
Retaining	Company Culture: Company culture's impact on the employee's lifetime can add two or more years to the time an employee stays at the business. Hiring new employees costs 20-25% of an employee's salary. The better the culture is, the less often new employees need to be hired.	\$89,600
	7 (At-risk employees)*[(Average Employee Salary(\$64,000)* .2)]=	
Total	---	\$324,272

Projected Return on Investment

The return on investment (ROI) is the ratio between net income and investment. By year one, the estimated ROI investment percentage reaches approximately 280%. The table to the right breaks down revenue, expenses, ROI, and ROI percentages for years one through five.

Table 7: Projected Return on Investment

	Annual ROI Year 1-5
Total Revenue	\$324,272
Total Expenses	\$85,126
Return on Investment	\$239,146
Return on Investment Percentage	280%

VII. BIBLIOGRAPHY

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