



WHAT YOUR HR CONSULTANT **DOESN'T** TELL YOU!

20 **QUESTIONS** TO ASK BEFORE HIRING A HUMAN RESOURCES CONSULTANT

According to the Society for Human Resource Managers (SHRM):
“HR Consulting is the practice of delivering all aspects of human resource management as an external provider, and with the professional and business issues associated with operating such a practice – including client development, contracts and client management.”



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In business, not much is more sensitive, confidential AND frustrating than dealing with your employees; mistakes can be costly in more ways than one –the average Equal Employment Opportunity Commission monetary settlement averages over \$292,000. Imagine the time that had to be put into internal investigations, external audits and settlement discussions (or, worse, court.) That’s time, effort and money that can be better spent on the needs and operations of your business – making appropriate with selections, managing expectations, establishing policies and severing relationships amicably to name a few.

So, how do you balance working in and on your business while dealing with day-to-day issues of a workforce? HR consulting has grown dramatically even since HR Resolutions opened their doors in 2005. And, hiring a consultant may be exactly the direction necessary to help you gain and maintain an advantage over your competition while staying out of trouble. Remember, you’re not only competing for market share with customers but you’re competing for talented employees too.

The questions below are designed to help you make an informed decision about the HR firm you choose to outsource this critical aspect of your business. The relationship should be a partnership that values how YOUR business operates, is convenient and able to provide you peace of mind while minimizing the issues, challenges and frustrations that you face when running your business.



1. DO YOU CARRY ERRORS AND OMISSIONS INSURANCE?

No one ever anticipates giving bad advice. However, mistakes do happen; a consultant that considers their practice a business and not just a “gig to the next job” will carry the appropriate levels of a variety of insurances but, most importantly, E&O.

2. WHAT IS YOUR GUARANTEE?

Hiring a consultant is not an inexpensive endeavor so you should be assured that you will be satisfied with the services and products. You may not always like what the consultant has to say or their guidance but you should always know that they will stand behind every piece of work they perform.

3. HOW IS MY DATA PROTECTED?

It is very likely that your HR Consultant will maintain some type of confidential, company related information – it’s the nature of the services provided. Be sure that data is backed up regularly, that a recovery system is in place and that “hard copy” information is protected as well.



4. DO YOU “MARK UP” ANCILLARY PRODUCTS LIKE JOB BOARD POSTINGS OR TESTING FEES?

Unlike many marketing firms, HR consultants generally do not make their profits from selling a particular job board, background check firm or testing company. If they have received “quantity discounts” with those companies, those savings should be passed along to the client. Your money should be invested in Human Resource work, not another company’s product or service – or you could go direct and save money.

5. DO YOU SAY “NO”?

HR is generally known as the people who say “no – you can’t do that”! A professional consultant should provide guidance, listen to what the client wants/needs to accomplish and help the client reach their goals. The ultimate decision rests with the client – it’s your business and if I’ve done my job properly, you are aware of the risk involved. That risk is yours to take, not mine to say “no” to.

6. DO YOU REPRESENT ME OR MY EMPLOYEES?

This is an age old question that plagues ALL HR professionals. Ultimately, we support the Company and should be making recommendations that are based on the risk and the health of the Company. In doing so, we are best able to serve as an advocate for both you and your employees. In the end, the work and recommendations should be made in the best interest of the entire company.

7. HOW LONG, AS A COMPANY, HAVE YOU BEEN IN BUSINESS? WHAT ARE YOUR FUTURE PLANS?

This question may indicate the difference between a talented HR professional and a talented HR consultant. What’s the difference? One is keeping busy and current until they land their next “direct” job; the other is committed to providing long-term services and solutions and has chosen consulting as their “direct” job.

8. DO YOU CONSIDER YOURSELF A SPECIALIST OR A GENERALIST?

An HR Generalist is a true career path within our profession. A Generalist has experience and exposure in all of the six core competencies of HR. A specialist is focused on only one of the 6 competencies such as Strategic Management, Organizational Development, Employee and Labor Relations, Employment Management, Compensation and Benefits or Safety and Health.

9. IF YOU ARE A GENERALIST, WHICH AREAS ARE YOUR STRENGTHS?

Don't let a generalist fool you – they should be “almost specialists” in at least two of the core competencies along with related work experience and exposure in the other areas. It is nearly impossible to be an expert in all six areas.

10. WHICH AREAS ARE YOUR WEAKEST?

Just like a job interview, you want to find out which areas the consultant considers their weak spots. A great follow up question would be to find out how they “compensate” for that weakness – it may be through subcontracting or through other staff within their company.

11. DO YOU SUB-CONTRACT OR DIRECTLY EMPLOY YOUR STAFF?

This question also ties into the very first question about E&O insurance. If the consultant does sub-contract, you should ask to meet with the person that will be performing your work as well as making sure the sub-contracted work offers the same protections as the direct employment.

13. HOW LONG AM I OBLIGATED TO USE YOU?

There may come a time that you are ready and/or able to move on or bring the work in house. Make sure you know what is expected and how long you may be under “contract” so there are no surprises when it comes time to move on. Also, ask about the transition plan that would be implemented to move work to another consultant or in-house.

14. MY PAYROLL COMPANY OFFERS HR SUPPORT – WOULDN'T IT MAKE MORE SENSE TO USE THEM?

Quite honestly, it might. However, you should find out the exact level of support you would receive from the payroll company. Remember, PAYROLL is their expertise – HR is the expertise of the HR consultant. Does the payroll company provide more than just phone support? Will they come on-site if necessary? And, many of the questions on this white paper should be asked of them as well!



15. HOW DO YOU APPROACH LEGAL ISSUES?

A few consultants are also attorneys – most are just well rounded, experienced practitioners. Most HR Consultants should be quick to answer that they are not an attorney and cannot provide legal advice. Their next sentence should be addressing the legal resources they utilize (and if/how you will be charged for those resources.)

16. WHAT SHOULD I EXPECT FROM YOU?

Your consultant should be able to provide realistic estimates as to the length of time projects will take or be willing to provide a reasonable time to better prepare an answer for you. Additionally, you should expect to be treated as a business partner to the consultant – not as an employee, not as a boss, but as an equal in the relationship. You should also expect to be listened to, provided honest answers (even if it's something you don't want to hear) and have a "safe" relationship where you can be honest if you make a mistake (without fear of being belittled or blamed.)

17. HAVE YOU EVER FIRED A CLIENT? WHY?

The "why" may be a little tough due to confidentiality issues but the consultant should be able to explain in broad terms why certain clients are not with them any longer. Additionally, sometimes a client just is not a fit and it takes more effort/energy to service that client – your consultant can not be true to their profession AND serve every business. The consultant should be true to the values of their own company and never compromise for the sake of having "XX" number of clients.

18. ARE OUR COMMUNICATIONS AND WORK PRODUCT "PRIVILEGED"?

This is a legal term and, unless your consultant is an attorney, unfortunately they cannot offer you "privilege." Having said that, they should treat your communication and work product as though it were – it is THAT important. Just remember that the consultant's work product is "discoverable" in legal actions.

19. IS YOUR APPROACH “BLACK AND WHITE” OR “GRAY”?

Is your consultant a rule dictator or a compromise seeker? This feeds back to the “say no” question as well. Your consultant should be able to help you find a minimized risk method of accomplishing what you need to do in your business. There are gray areas everywhere and your consultant should be able to help you find options as opposed to quoting regulations and policies. (Don’t get us wrong – regulations and policies are important and our work should be guided by those exact things, but…)

20. HOW DO YOU STAY CURRENT IN YOUR PROFESSION?

Our profession is organized by the Society of Human Resource Managers or SHRM (www.shrm.org). Your consultant should be an active member of this international association; further, they may be a member of a local “chapter”. SHRM and their affiliated chapters provide on-going training and regular meetings. Our profession is constantly changing and, those changes are exactly one of the reasons that it may make sense to use outsourcing. Furthermore, HR professionals have the opportunity to achieve professional designation through the HR Certification Institute (www.hrci.org) and SHRM as well. These designations have requirements for on-going, regular education in order to stay current.

Hopefully, these questions will enable you to make the best selection of a consultant that matches your specific needs. It simply isn’t possible to be an expert in every area of your business – find the right expert to partner with you: those that are successful in their own businesses and those that want to see YOUR success right alongside their own! Please contact us if we can provide further information about how outsourced Human Resource Management will grow and protect your business.

“Excellent firms don’t believe in excellence – only in constant improvement and constant change.”

- Tom Peters

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