

Few companies with under 100 employees have a dedicated human resources professional on staff, but all small- to medium-sized businesses and organizations deal with human resources issues, too. Often in smaller businesses in the name of economy, HR duties are left to someone in payroll, an operations manager, controller or office manager who is not trained in handling situations that may arise. The benefits of having a part-time human resources professional or outsourcing HR services can far outweigh the expense.

"Remember, smaller businesses cannot afford to make hiring or firing mistakes," says Fiorella Callocchia, President of HR Impact and President of the Halton Chapter of HRPAAO. "If even one person leaves, you feel the impact." Callocchia suggests that a part-time or outsourced HR professional can bring great value to the company. "We can help them create job descriptions, conduct effective interviews, make the right hires, develop simple HR systems to review performance, give feedback, determine benefits that make sense for demographics of employees, produce an employee handbook, dismiss people properly. It's more economical to spend money at the front end, not afterwards to fix a problem."

Lynn Brown, Managing Director of Brown Consulting Group, provides outsourced HR services to small- to medium-size companies. "A lot of people, particularly entrepreneurs, are good at creating business," she says, "but find it difficult to manage people. Plus, there are legal ramifications around people issues they may not be aware of. Employees today are aware of their rights and can be quick to sue. Having an HR resource to contact can save a smaller business time and help avoid legal issues."

Contrary to what you may think, HR services do not have to be costly, and can be arranged on a retainer or pay-as-you-go basis. "Some clients just want us to handle the basics," Brown points out. "They may need a good offer letter composed, or standard policies. Others may be downsizing, buying another small company or laying off. We help handle bringing people on board or terminating their employment – anything the business owners and managers don't have expertise in."

According to Brown, there is no magic number regarding when to hire an HR professional as a full-time staff member. "When you get to over 50 people, you start to need more policies and procedures, and should at least start to think about it at that point. As for outsourcing services on an as-needs basis, even businesses

with under 10 employees can benefit."

Pam Struwing, HR Manager at Strandgaard Consulting, which specializes in industrial paint automation, spends approximately two days per week in her part-time HR role at the company. "With fewer than 10 employees, there isn't a need for a full-time person," she explains, "but my being there offers the opportunity for employees to have someone to consult without having to approach the owner. I help with benefits problems, employment law issues, leaves of absence, salaries, pensions. HR professionals can help smaller companies attract and retain good employees."

Years ago, HR professionals were the first to be terminated in downsizing because they were deemed as non-essential to the bottom line. Today, it's the opposite – companies realize the value in what we do."

Growth poses additional people issues for small- to medium-sized businesses. "When businesses grow, at some point there's a loss of intimacy in dealing with employees," says Michael Salveta, Managing Director of HROI, a company that supplies human capital solutions to a variety of clients. "Small businesses owners usually have good relationships with employees, but at some point during growth have to introduce levels of managers, and the company's vision can get lost. The complexity of how to manage people starts to evolve, and things can fall apart. Internal or outsourced HR services are valuable in preventing that."

Salveta explains that the four core HR strategies are attraction, retention, motivation and risk management. "If a company does not have enough people with the right skill sets to grow, we can develop proper attraction strategies. Then retention becomes key. We help determine compensation strategies and benefits that will encourage employees to stay. Consistency and processes need to be set up to keep motivation high. Once a company has more than 70 employees, risk management becomes more important. If your company is growing, and you think people are a valuable resource that could contribute more, you might want to tap into those who have had expertise in implementing HR solutions."

Callocchia adds, "At the end of the day, it's not computers that serve your business the most, it's the people you hire." And HR professionals can help you hire and keep the right ones.

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## HUMAN RESOURCES

# A BIG help to small Business

