

HR CONSULTING FIRMS

Checklist for SMB Leaders

A checklist of key points to consider when searching for the right HR consulting firm for your business.



Take Stock of Your Priorities

Before completing the checklist on the next page, take stock of your priorities and what you want to achieve by engaging an HR consulting firm. Rate your needs below.

Firm Structure and Approach to Work

I need to...

Resolve HR issues with minimal impact

HIGH	MEDIUM	LOW
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Manage the probationary period ahead of time

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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If you are looking for an HR consulting firm who does the above, you want to have "YES" ticked for most questions in section 1.

Firm Service Capabilities

I need to...

Streamline salary management

HIGH	MEDIUM	LOW
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you are looking for an HR consulting firm who does the above, you want to have "YES" ticked for most questions in section 2.

People Management Capabilities

I need to...

Gain insight into employee sentiment

HIGH	MEDIUM	LOW
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you are looking for an HR consulting firm who does the above, you want to have "YES" ticked for most questions in section 3.

Recruitment and Selection Capabilities

I need to...

Hire talent who suit our culture and the job

HIGH	MEDIUM	LOW
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you are looking for an HR consulting firm who does the above, you want to have "YES" ticked for most questions in section 4.

Risk and Compliance Capabilities

I need to...

Proactively minimise HR risks

HIGH	MEDIUM	LOW
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Ensure HR compliance is adhered to

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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If you are looking for an HR consulting firm who does the above, you want to have "YES" ticked for most questions in section 5.

Training and Development Capabilities

I need to...

Ensure managers remain productive when new employees join

HIGH	MEDIUM	LOW
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Clarify performance expectations

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Optimise training processes

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Develop leaders as the business grows

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Train staff in managing their workloads efficiently

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Build self awareness, resilience and communication skills

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Provide targeted development plans to help new starters thrive

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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If you are looking for an HR consulting firm who does the above, you want to have "YES" ticked for most questions in section 6.

Checklist

Use the below checklist to evaluate the capabilities of prospective HR firms.

1. Firm Structure and Approach to Work

	YES	NO
1a. Do they have a dedicated team for your business, not just a call centre?	<input type="checkbox"/>	<input type="checkbox"/>
1b. Are there HR consultants with different levels of expertise available in the firm?	<input type="checkbox"/>	<input type="checkbox"/>
1c. Do your staff know who to consistently contact within the HR consulting team?	<input type="checkbox"/>	<input type="checkbox"/>
1d. Do they handle tasks for you, not just set up templates for you to refer to when/if you need them?	<input type="checkbox"/>	<input type="checkbox"/>
1e. Do they offer adequate time to dedicate their service to your needs?	<input type="checkbox"/>	<input type="checkbox"/>

2. Firm Service Capabilities

	YES	NO
2a. Do they tailor their services to your business?	<input type="checkbox"/>	<input type="checkbox"/>
2b. Do they offer a full HR solution from recruitment onwards?	<input type="checkbox"/>	<input type="checkbox"/>
2c. Do they offer HR management services beyond compliance?	<input type="checkbox"/>	<input type="checkbox"/>
2d. Do they focus on developing your team's capabilities?	<input type="checkbox"/>	<input type="checkbox"/>

3. People Management Capabilities

	YES	NO
3a. Do they have an approach to support you through tricky employee issues?	<input type="checkbox"/>	<input type="checkbox"/>
3b. Do they proactively gain feedback from your staff?	<input type="checkbox"/>	<input type="checkbox"/>

4. Recruitment and Selection Capabilities

	YES	NO
4a. Do they hire based on assessment tools, not just resumes?	<input type="checkbox"/>	<input type="checkbox"/>

5. Risk and Compliance Capabilities

	YES	NO
5a. Do they proactively reduce your legal risk, not just act when issues arise?	<input type="checkbox"/>	<input type="checkbox"/>

6. Training and Development Capabilities

	YES	NO
6a. Do they offer career development programs?	<input type="checkbox"/>	<input type="checkbox"/>
6b. Do their career development programs actually involve both the employee and the employer and help retain employees?	<input type="checkbox"/>	<input type="checkbox"/>
6c. Do they follow up on the career development programs they implement?	<input type="checkbox"/>	<input type="checkbox"/>
6d. Will the development programs they offer be tailored to each employee?	<input type="checkbox"/>	<input type="checkbox"/>
6e. Do they provide leadership training for high-performing employees?	<input type="checkbox"/>	<input type="checkbox"/>

Checklist with Explanation

Refer to the checklist explanations below for more information on what you should be looking for in your HR consulting firm based on your priorities.

1. Firm Structure and Approach to Work

1a. Do they have a dedicated team for your business, not just a call centre?

Consider if the 'dedicated team' you'll receive from the HR consulting firm will be familiar with your business. While 24/7 employment relation advice centres have their benefits, businesses need to consider that their advice can sometimes feel generic and not tailored to the specific needs of small and medium business owners. A dedicated team that serves as an extension of your business, providing an integrated approach to HR from recruitment to training and development, will understand your specific challenges and offer more personalised support.

1b. Are there HR consultants with different levels of expertise available in the firm?

The ideal scenario is to work with an HR company that mirror what an HR team looks like in a large business, where there's three levels including an admin person doing manual compliance tasks, a mid-level professional dealing with senior advisory tasks and an HR director overseeing the SMB's goals and KPIs. In addition to this, an HR consulting firm that truly provides people at different levels would draw upon their resources and offer a specialist who can step into unique situations or needs an SMB may be facing, such as performance management questions.

1c. Do your staff know who to consistently contact within the HR consulting team?

Make sure you and your staff have direct contacts within the HR firm and can connect names to faces, whether online or in-person. Connect with the firm's assigned HR solutions manager on LinkedIn, catch up for a coffee if possible, or log into a Zoom or Google Meet if you're remote. Establishing a relationship with your HR team not only helps boost communication and trust, but it also allows the HR company to get involved, learn about your business in-depth through asking questions and become an extension of your team.

1d. Do they handle tasks for you, not just set up templates for you to refer to when/if you need them?

Check if the firm handles tasks for you or merely sets you up with systems and contracts to manage on your own. HR consulting firms that only provide systems and contracts may re-direct you to websites with pre-made templates and databases. Not only is this impersonal, but it slows managers down when new starters join. Asking and confirming with the HR company at the outset if they handle these manual tasks related to onboarding new starters is important.

1e. Do they offer adequate time to dedicate their service to your needs?

Consider the time the consultants in the HR company have available and their commitment to your business. Suppose they're a 1-2 person HR consultancy that charges an hourly rate. In that case, there's a chance that they'll be too busy managing other clients, their demanding schedules and doing lower-level admin tasks such as completing onboarding forms to dedicate time to provide advice on your unique or more complex people management needs.

2. Firm Service Capabilities

2a. Do they tailor their services to your business?

Business leaders can expect an 'effective' firm to have a more personalised approach to ongoing HR management responsibilities such as performance management and probation, KPI and goal setting and designing career pathways for employees. Through the HR firm looking at your business from within as opposed to an 'outside-in approach', working alongside you and your employees, the strategies and solutions they implement will become an extension of your business. Importantly, they'll also align the services they provide you around your business's unique needs, culture, and goals.

2b. Do they offer a full HR solution from recruitment onwards?

Look for an integrated approach to HR that goes beyond recruitment to ongoing HR management, training, and development. Through HR consultants designing and implementing tailored training programs to capture the knowledge and best practices of high-performing employees, and then integrating these insights into such programs, there's continuity in the business. Building a high-performing team doesn't stop with attracting people to the business and filling in contracts.

2c. Do they offer management services beyond compliance?

Check that the services offered go beyond compliance areas such as occupational safety and health, benefits and onboarding to include various other ongoing aspects of HR management. Confirm if they cover areas such as performance management and probation, position descriptions and organisational design (i.e. employee progression planning in-line with business goals of expansion or the owner stepping back), employee engagement, and KPIs / goal setting.

2d. Do they focus on developing your team's capabilities?

Look for a firm that prioritises people and their capabilities, rather than just focusing on compliance. Getting your contracts, policies and HR systems up-to-date is essential to avoid Fair Work cases and mitigate associated legal risks that cost leaders time and resources, but a true partner will also help you develop your team's potential. HR consulting firms that attract, select and retain the candidates who fit the SMB's desired culture and talent needs will be able to develop a high-performing team, allowing the leader to keep moving and free up their time.

3. People Management Capabilities

3a. Do they have an approach to support you through tricky employee issues?

Does the HR company offer personalised support tailored to the sensitive pain points that your small business leaders may be facing? This includes offering guidance during challenging situations such as staff leaving for 'shiny or new' opportunities elsewhere, toxic employee behaviours, employee burnout, and staff behavioural issues.

3b. Do they proactively gain feedback from your staff?

Human resource consultants who take the initiative to gain feedback regularly can positively contribute to your business's performance towards key goals such as increased profitability and growth in operations. Identifying if there's room for productivity to increase or toxic behaviours to be addressed through directly talking with employees, and making recommendations to management can expose potential areas for improvement.

4. Recruitment and Selection Capabilities

4a. Do they hire based on assessment tools, not just resumes?

Assess their recruitment processes to provide you with the peace of mind they can hire suitable candidates for your business. The candidate here must not only be fit for the role but also align with the culture and working environment of the business. Most small-medium businesses hire based on resumes and references and fire based on attitude and behaviours. Partnering with a quality HR consulting firm protects against this as they pick up the subtle nuances of your company and incorporate them into aptitude testing, behavioural interviews, and psychometric testing tools. Through a personalised and thorough recruitment process, the person will be better aligned with the business's true way of working and culture past just a 'tick-the-box' resume exercise.

5. Risk and Compliance Capabilities

5a. Do they proactively reduce your legal risk, not just act when issues arise?

Figure out their approach to reducing risks and enhancing your business performance, whether it's proactive in that the firm does its research or assessment beforehand to flag any upcoming changes to employment laws, or reactive in they only act when something goes wrong. Proactive external human resource consultants can reduce the likelihood of the small-medium business leader encountering legal disputes and Fair Work cases.

6. Training and Development Capabilities

6a. Do they offer career development programs?

A career development program is a template for an employee and a manager to fill in together which covers their current position in the business, where their leader envisions them progressing in the future, and the steps to get there. Career development offerings may also consist of guidance to the SMB leader as a 'middle man' who doesn't get directly involved but provides a document/guide of things to consider when career progression planning, and activities to include in the plan.

6b. Do their career development programs actually involve both the employee and the employer and help retain employees?

Make sure that the HR consulting firm proactively encourages the employee to be involved in creating their own development plan. Not only will this allow the plan's needs, steps and actions to be tailored to the specific employee, but they'll also be more motivated to stay in the business. In contrast, involving only the employer will lead to the employee feeling dissatisfied with their career growth and trajectory. They also won't have clarity and may end up looking at jobs elsewhere and leaving for a shinier new opportunity.

6c. Do they follow up on the career development programs they implement?

There's no point in a career development plan if nobody is checking up on it. Another common scenario for small-medium businesses is that they don't check up on how the individual employees' unique plan is progressing and if any updates are needed. HR consulting firms that provide proper support in this area encourage and initiate follow-ups between the employer and the employee directly.

6d. Will the development programs they offer be tailored to each employee?

There's no use in a 'one-size-fits-all' approach to career development programming, make sure it's reflective of where your employees are at in their career. If the different aspirations of employees are not acknowledged in career development programs, business owners will once again find their time consumed by addressing dissatisfaction and resignations.

6e. Do they provide leadership training for high-performing employees?

Investing into creating strong leaders is important for not only guiding your team and driving your business forward to greater profitability, but it also minimises unnecessary staff churn. By providing direction on career development opportunities through leadership training, staff will also be motivated to stay. It's not just about lifting up underperforming or average employees, it's about engaging and retaining your best performers.