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A D V I S O R S

HR Advisors – Helping Businesses with HR and Compliance Issues, Documentation and Utilizing Best Practices when Managing Employees



**Ed Peterson
President & CEO**

HR Advisors, Inc.
<https://www.hradvisors.com/>

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**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

“Companies that embrace a practice of reasonable documentation of employees are in a position to not be fearful, but manage with best practices ... Our focus is to keep our clients safe.” Ed Peterson

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CEOCFO: Mr. Peterson, HR Advisors, Inc® has a 30-year history, rather stellar these days. What is your focus right now at HR Advisors?

Mr. Peterson: Lynn, our focus is to keep our clients safe. This is such a highly-regulated and litigious time; it seems to get a little worse every year with regard to employment law. Just as any HR department, our major responsibility is to assist our clients with HR issues and utilize best practices relating to managing employees. Whether you are a huge Fortune 500 company, or a small family-owned business, the rules are basically still the same, and you need to make sure that you are doing the best you can to stay in compliance and stay healthy as a business.



CEOCFO: *How do you help your clients? Would you tell us about the different types of relationships you may have?*

Mr. Peterson: Absolutely. Every company has Financial Resources and Human Resources. Most companies understand, with regard to their financial resources, every transaction is important to document or record to operate on a sound financial foundation. The better the tracking systems, the better the transparency for success and good decision making regarding these resources.

On the human resources side, the same safeguards should be in place. Unfortunately, so many companies do not follow through with the documentation of every employee transaction. It is important to document the good or bad on-going. Managers helping or counseling employees to improve at their jobs; little memos in regard to something that did or did not get accomplished on a project. Employees need to know how to do a little better the next time for their professional development. The documentation of a plan to help that employee get better for the future is important. Too many times Managers may communicate verbally to the employee, but forget to get the transaction in writing and most importantly, signed by both the Manager and employee. All of those things need to be documented along the way. It is good for the employee, and it is also good for the employer, to keep them safe.

How we best serve these clients is by basically advising them on how to pay attention to what is going on in their company, and one big thing is employee documentation. If there is anything that we've seen over the years that employers probably need the most help with, it is making sure that employee files are current. That a written record of what goes on, from day-to-day, the week-to-week work, documented in that employee's file as they are being coached, counselled and evaluated on their performance. Managing employees is really critical for every organization. It is a key area that we actually help our clients focus, ensuring that the documentation is in place, and recorded in a concise, contemporaneous, and accurate manner.



CEOCFO: *With all of the documentation that is needed and all of these interactions, how do you help companies do it? Is it mostly technology?*

Mr. Peterson: I would say that it is the whole spectrum of memos, emails, official evaluation processes to performance improvement plans. For larger the companies, there are entire, what are called, HRIS systems, which could be simply software to help managers keep track of employee records and so on. This has to be done. Some companies still do it as a paper process, because unless they are a large enough, it is hard to invest in the amount of technology that is needed to go totally electronic. We have to be able to help our clients, whether it is paper, media files, assisting them with the proper documentation in whatever format works best for each client. We are a professional resource to managers assisting them with strategies for success in daily management of employees. A key to success is consistency at all times when managing employees.

CEOCFO: *With the day-to-day encounters, when an employee is told, "Gee, that was great, I'm glad you got that to me quickly," or "gee, I really needed it an hour ago." I am guessing that some or all of these things should be documented. How are you able to impress upon your clients how much of this really needs to be recorded in case something comes up?*

Mr. Peterson: First thing, let me qualify that we are a consulting firm. We have a program called HR On-Demand. This service provides a resource for a lot of smaller companies that cannot afford to have an HR professional on site all the time, or an entire HR department due to budget constraints. We actually become the "phone call away to the HR department down the hallway". That company could be in New York, they could be in Atlanta, or right here in Southern California, where we are located. We are able to provide this service virtually. We might get a call from a manager that says, "Oh gosh, one of my employees just informed me that they are needing to go on maternity leave in the next month or so. What do I need to do?"

There are all kinds of issues around this scenario. For example, what is the company policy, what is FMLA, Family Medical Leave Act, what are the requirements for that particular state. This would just be the beginning of a conversation of how we would be guiding that manager and that company. We even talk with the employee over the phone, to understand and be able to help guide in that situation, including critical documentation. Sometimes, it is just a simple memo of understanding, "This was our conversation, that you are going to be on leave at a certain period of time, going on this day and returning at this time." Simple documentation becomes critically important months down the line when memories might be faulty.

We provide on-going communication to help educate our clients on the importance of documentation. A simple memo or email can have a profound effect on clarifying a past interaction with an employee.

CEOCFO: *Are companies getting more comfortable with the concept that so much needs to be documented? How do companies, big and small, not be fearful that every word, every phrase, every interaction, can be a problem, because that does seem to be the way it is these days?*

Mr. Peterson: It is interesting, as there are two different cultures today, but I do not know if it is a whole lot different right now than it was even 10, 20, or 30 years ago. I have to think that it is getting better. Unfortunately, there are still companies that are saying, "I do not really want to document anything, because then something is said in writing, and they might hold my feet to it." The problem with that is as soon as an issue does arise, if no documentation exists, the company has lost credibility and the employee prevails. The first thing that the state employment department or judge or attorney is going to say: "I need to see a copy of the employee's file."

If there is nothing in the file, immediately the employer has already probably lost any chance for a decision in their favor. The state will likely say, "There is no documentation to refute the employee's assertion, so we need to take the employee's word for it," especially here in California, in New York, Illinois, and various other states where there are significant employee protection statutes.

Companies that embrace a practice of reasonable documentation of employees are in a position to not be fearful, but manage with best practices.

CEOCFO: *Yes, it goes back a long way.*

Mr. Peterson: It does.

CEOCFO: *What about the recruitment services side of HR Advisors? Who is turning to you for services? How do you recruit in a better and more effective way than others?*

Mr. Peterson: Most people are aware of contingency recruiters out there in the marketplace, or search firms that are going to charge contingency fees. They will say, "We will not charge anything, to provide resumes". But as soon as you decide that you are going to hire one of the people from a resume to the manager, then the fee can be anywhere from 20%, 25% or even a higher percentage of the whole base salary. That is a lot of money! For instance, if it is a manager, a one hundred-thousand-dollar base compensation, at 25%, is \$25,000 just for that one hire.

We work as an extension of the client company, like an extension of their HR department. We are working as consultants. We are not contingency recruiters. We are acting as consultants and in constant communication with the hiring manager. We are assisting the client with everything from creating the job spec, the job description, to know exactly what we are recruiting for. We have many of the tools in place. Today, media platforms such as LinkedIn have become very important over the last several years. It is probably the leading edge for connecting, especially with business level, manager level.

We have the tools to be able to reach out and connect with passive candidates. We are able to search for those specific skill sets that are needed, and then present those fully screened candidate resumes, to the company, just like an internal HR department. We are giving much more service than just a "contingency agency" that passes over resumes and may be more singularly focused on the commission versus the quality or fit of the candidate.

CEOCFO: *Do you do much outreach to clients on both sides of the business? Are you known in the industry these days? Are you getting many referrals?*

Mr. Peterson: Are 30-year history has been built and a wonderful professional network of strategic partnerships with other professional service providers. We appreciate the trust our clients have in our services. Especially in the last year or so, coming out of COVID and the pandemic, we find that we are getting many referrals. The largest amount is actually from current clients, and strategic partnerships, such as attorney firms. For instance, we do work with employment attorneys. Some of our relationships go back over 10, 15 years with multiple labor and employment law firms. They trust us, we trust them, we are able to refer business back and forth. As an HR consulting firm, we are only going to give compliance guidance with the law, and the regulations, since we are not attorneys that have been engaged to provide a legal opinion to the employer. There is a very distinct line as we work with our clients. Our referrals come from labor/employment law firms, senior HR consultants in the field, benefits/payroll companies, etc. These are relationships that we have built over the last 30 years and are very strong. Therefore, the majority of our business does come from referrals. We are very proud of that.

You were asking whether companies use both of our services; absolutely! Not everybody, but many do. There are some companies that do not need help with their internal HR department but need recruiting assistance. There are other companies that are small and just looking for HR guidance. We actually have many of our HR consultants that work on-site with clients in the area of Southern California. The HR Consultant serves as the HR interface, or the face of HR with a client. Our on-site consultants might provide one, two, three days a week, ongoing. However, there are clients that use both the HR and recruiting sides, and it works very well.

CEOCFO: *How do you stay on top of all the changes in labor laws?*

Mr. Peterson: Well, it is certainly a challenge. It is something that we are committed to, and our clients are looking to us for that guidance. Our HR team is constantly being updated with all the latest compliance changes and information. We utilize a whole spectrum of professional HR resources including SHRM, Professional HR associations, Employment Law firms' updates, etc. We have on-going communication with the clients. This was especially true during the pandemic when state, federal and local regulations were being enacted what seemed like weekly. With laws and regulations that are constantly changing, as you just said, every couple of weeks we are sending out HR updates, compliance updates, that basically are to call the client management's attention to something new on the business horizon. The bulk of our business is here in California. However, we are guiding clients in 20 other states as we speak.

We have to be current with all changes in the compliance arena to ensure we can advise our clients of new developments. If a client is located in California and in 4 other states, there are tweaks that need to be done to a supplemental handbook, for instance, for New York, or for

Illinois, of whatever the state happens to be. We are ready to assist with all these areas.

CEOCFO: *What are the biggest challenges you face in coordinating HR Advisors, both as the CEO and also in terms of technology and services?*

Mr. Peterson: Ensuring that clients understand that we provide consultants, as opposed to being an internal employee or part of their HR department inside. We are a classic consulting firm model. As a boutique firm, our focus is on providing the highest level of HR guidance and expertise. Being a consultant, you need to be able to walk into the client's site or get on a conference call, and you are the expert.

Our whole company is like one huge HR department, let us say, that you might find in a mega-company with thousands and thousands of employees. However, our company would even be stronger than that scenario, given the vast spectrum of HR experience we bring to the client.

Every consultant in our company has, at a minimum, 10 to 15 years of HR experience, within a variety of industries from large companies to small companies. The challenge that you ask about is really keeping our company strong to be able to provide an expert in every situation that we come across, because our clients are relying on us for that.

CEOCFO: *What is next for HR Advisors?*

Mr. Peterson: Certainly, staying current with the ever-evolving workplace. We have just seen such a profound change in this space over the last few years. Everyone was happily going along, and then suddenly in early 2020, a pandemic hit that no one saw coming, and literally closed the world down. It caused many clients to go virtual, 100%. Others had to close their businesses; what a profound change to the workplace. Now, we have come out of the other end of the tunnel so to speak, but there are already changes that have happened in the workplace relating to COVID issues. For instance, the whole concept of working virtually and remotely.

There are now companies that are saying, "we would like everyone to come back into the brick-and-mortar workplace now, we want to see your face". At the same time managers are challenged and different levels of employees that are saying, "Oh gee, I was working just fine from home, I want more of a work/life balance. I only want to come in 2 days a week, or maybe 3, and then I want to work from home," and this is causing a real push and pull. For some companies, it is working fine. For others, they are really dealing with some challenges at the moment.

Everyone is a little different here, but there are people that actually need more structure around them for success in their position. Some employees need that interface, or they are not as productive without it. Therefore, I believe, there is going to be a lot of evolution and change with this whole issue that has been created by the COVID time from which we are now, finally emerging.