

Strategic HR Insights with Kelly Mitchell

Introduction and Guest Welcome

Linda Ostovitz: Hello everyone and welcome to Real Talk Real Growth. I'm Linda Ostovitz and I am very pleased to have as my guest today Kelly Mitchell, who is the owner of Impact HR. And Kelly and I, I think, first crossed paths in connection with our respective roles of the Howard County Chamber of Commerce.

Kelly Mitchell: Yes.

Linda Ostovitz: And we were board members together for a number of years and have bounced off of each other in various capacities. I've asked Kelly to speak to my Rotary Club of Columbia Patoxin on several occasions in connection with her role at Impact and her expertise in HR. We have a small business committee, or we call it Business Round Table, where some of the Rotary Club members gather, and Kelly has graciously come to join us on a couple of occasions to help educate us on what to her is her expertise that we all need, and we know it and we need it.

Linda Ostovitz: And Kelly, thank you for joining me today in sharing some insight.

Kelly Mitchell: Yes. Hi everyone. And Linda, thank you so much for the invite. Looking forward to having this conversation. I'm always excited when I have an opportunity to chat with you.

Linda Ostovitz: Well, good . I was looking forward to it myself and here we are.

Kelly Mitchell's HR Journey

Linda Ostovitz: So Kelly you have been in business, I think, for yourself for about 20 years now, but you've been in the HR field for double that amount of time. Is that right?

Kelly Mitchell: That is, and now you're just kind of showing everybody my age, I guess. But yes, I've been in HR for quite some time. I started in corporate HR obviously, and various different companies, various different industries. And I guess the last six years or so, being in corporate HR, I had an opportunity to go into the consulting field.

Kelly Mitchell: And so I've been in consulting since then. So in consulting, I would say probably closer to 26, 27 years.

Linda Ostovitz: Now look, we'll show your age. If you'll show yours, I'll share mine. Okay. So I've been practicing for 44 years. I'm not gonna leave you hanging out there, my friend. You know, we have experts in these conversations and, to be an expert, you've been around a while.

Kelly Mitchell: Yes. Yes.

Linda Ostovitz: That's how we're gonna measure that, right?

Kelly Mitchell: That's right. That is right.

Evolution of HR Over the Years

Linda Ostovitz: So you've been in the industry for 40 years. What has changed over the course of those 40 years? We use the term HR now, but I remember a day when it was personnel

Kelly Mitchell: my goodness. Yes.

Linda Ostovitz: had other names associated with us. What have you seen in terms of the transition? What does HR become over 40 years?

Kelly Mitchell: Right. So you're absolutely correct. When I first started in the world of hr, it was not called hr. It was personnel department. And the mindset back then was very administrative, right? It was ensuring that people got all of their benefits and payroll set up properly. Very, very administrative. That still continues.

Kelly Mitchell: The world of hr, you can't get away from the administrative tasks, but I have seen over the years as we transition into providing more value to the companies and so it then transitioned into human resources management, right? And the assets being called human resources. Now I'm seeing the trend that it's more people and culture.

Kelly Mitchell: Because again, that shift of understanding that it's not just about the administrative function, but really understanding the organizational culture and how do you keep people motivated and productive and having the culture that really sets people, the companies apart from each other. And encouraging to having those cultures that make sense for them.

Strategic Role of HR in Modern Business

Linda Ostovitz: Sounds like it's a much more strategic role nowadays. And I would assume knowing you and knowing your industry a little bit, that the more involved you are in the culture and the future and strategic planning and so forth, the more benefit you can provide to your clients. Would that be true?

Kelly Mitchell: Yeah, absolutely true. I still think there's still this, misunderstanding in some ways that business owners or companies still view HR as still kind of part of the administrative function. And I think as I mentioned, the world of hr, we're never gonna get away from all of that.

Kelly Mitchell: Because we do manage benefits. And we work closely with payroll, so we need to make sure all of the taxes and deductions and all of those things are correct. But again, the shift I'm seeing is the true value that HR professionals can provide is being able to strategize, work with the leadership team to understand workforce planning.

Kelly Mitchell: Companies go through different phases, of organizational development and HR needs to be a big part of that. Because we are managing human resources for those companies. So yeah the shift is existing and it's continuing to grow that way. And the true value is providing that strategic level of support.

HR's Role in Times of Uncertainty

Linda Ostovitz: And I would think that, with the world becoming more complicated with covid, with remote work and, we could list the million things I guess, that are battering business owners right now and affecting and challenging their ability to have a strategy and implement a strategy that the role of an HR professional becomes even more significant.

Kelly Mitchell: Oh, absolutely. And especially in times of uncertainty. Like HR people based on our education and all of our trainings, it is tied primarily to the compliance piece of things. We need to understand what is it that we need to do to minimize risks and liability for the employers. But in times of uncertainty that's where truly HR professionals need to do more.

Kelly Mitchell: They need to step up more to provide some level of certainty for the employers and for the organizations. And yeah. During all of, throughout covid. Even now with changes in some regulations under the new administration, it's just times of uncertainty is when HR needs to step up. And they need to provide and step into that strategic role so that they can be ahead of the game and be able to advise and consult and guide the leadership team.

Linda Ostovitz: Being a lawyer, I get to say this, in this litigious society that we're in, I would imagine employers are always looking over their shoulder, especially when it comes to firing somebody or cutting a benefit or changing a policy, or always looking over their shoulder with, do I have liability? Am I gonna get sued? And I would imagine you're the first phone call when somebody's considering that.

Kelly Mitchell: Yeah, absolutely. Now, granted there are some companies out there that. Do it anyway without any advice or guidance. And unfortunately for those employers that what happens is that then something comes back, right? And it hurts them because they didn't get that advice upfront to ensure that whatever decisions they wanna make or policies they wanna implement, they didn't get that insight and to do it right right outta the gate.

Linda Ostovitz: So let's talk about that in a minute.

When to Hire an HR Professional

Linda Ostovitz: I know I have found in my 44 years of business being in the business of practicing law that as businesses grow, there's always a moment in time and maybe more than one moment in time where a business owner says. Gee, is it time for me to hire someone? Is it time for me to bring in the HR expert?

Linda Ostovitz: Oh my goodness, it's gonna cost me money to do that. And there's this real balancing act that goes on with a business owner to know when it's time to spend that money on the professional that they need. Which first of all, moves them out of a space where they don't have the business being, 'cause they don't have the skillset.

Linda Ostovitz: But secondly, frees them up to go do what they're really good at and let the HR professional do his job or her job. So my question to you, Kelly, is, for our listeners out there who are saying, gee I'm a one person shop or I'm a 10 person shop, is it time for me to engage an HR professional? What advice would you give to those individuals?

Kelly Mitchell: Yeah. When an employer hires their very first employee they, there's obligations and requirements for them. Because they're now an employer of an employee. So, it starts from the time that they hire that first person at understanding what they need to be in compliance with.

Kelly Mitchell: But as they grow, certainly there's that time when they go, okay, it's just too much for me. I can't wear this HR hat, right? Because there's too many people, there's too many laws, there's too many things that I just don't know what I don't know. To answer your question, in the HR profession we've grown up under this premise that you know, every 100 employees, you should have an HR professional, knowledgeable, HR professional. I personally think, my opinion only that has changed over the years. And I really think it dependent upon the size of the organization. Where they are in their business cycle, what industry that they're in, because based on that industry, there's other requirements and other regulations that apply to them and not just from a E-E-O-C basis, if you will.

Kelly Mitchell: I always like to tell employers that when they're going through this question about when is that right time for us to either consider hiring someone or even outsourcing this, I always share with them to really look at, not just in the moment of their business, but where do they wanna go with their business. What does that growth look like for them? Certainly, yes. You can have an HR person write a handbook for you if you've never had one or update it. And those are easy enough things to do that you can outsource. You can get attorneys like yourself, right? Or someone from your firm to do that, but that ongoing advice and consulting and developing and implementing and executing the necessary policies and procedures, it really is to say, okay where do we wanna go if our strategic goal or objective is to double the size of our organization in the next 12 months, well, you know what? We wanna be ahead of that eight ball. So it's really in my personal opinion, I don't think that there's a magic number for that. I think that it really depends on the organization and where they are.

Linda Ostovitz: So we come back to, again, this is my word, strategic.

Kelly Mitchell: Yeah. Mm-hmm.

Linda Ostovitz: You gotta look at the organization and all the things that you've mentioned to figure out where they wanna go. And it's a plan. It's not an action. It's a plan.

Kelly Mitchell: Yeah, absolutely. Absolutely and that plan is, all around when is it the right time to start hiring people. I mean, looking at that process to say, are we doing all the right things to identify and hire the right people? And of course, how we're actually onboarding them to engage them from day one and really focusing on that new employee experience from day one because we wanna engage them from day one.

Kelly Mitchell: So it's, it is the planning aspect of all of that. Again, the administrative part of HR is really okay. Now we wanna develop. We wanna implement, and that comes with some of the, administrative tasks to get that done.

Staying Current with HR Legislation

Linda Ostovitz: You made reference a few minutes ago to one of the functions of an HR professional is to be up on the laws and obviously the legislature is a constant hotbed of

activity. Sometimes well thought out, sometimes not so well thought out. But what is the obligation? What is your handling of as an HR professional knowledge of what's coming down the road in terms of legislation, what employers can expect to see and how do you help them plan, strategize for what's coming down the pike?

Kelly Mitchell: I think that every HR professional, whether there are consultants like us or in-house HR professional, they should always be staying current with what's happening. And I would say, and I would bet that all HR professionals are doing that. The challenge is there's so much of it, right, Linda?

Kelly Mitchell: You just get bombarded with what might be happening. And then to top that off, it's not just at the federal level. We also need to understand state level. We all need to understand local. And so it does get challenging, but every HR professional needs to stay current to your point.

Kelly Mitchell: And the way to do that is, especially if we're certified. My team and I, we're all certified HR professionals and what that means, just like CPAs and other professions out there that we need to keep up with our continuing education credits. And through that, we are able to stay current.

Kelly Mitchell: We're able to know what we need to know so that we're advising our clients to be prepared for anything that's happening. And then for us, what we appreciate the most are our relationships with what I like to call our strategic partners. Employment attorneys, other firms that need to also stay current like benefit brokers, insurance companies.

Kelly Mitchell: And so we're able to share information with these strategic partners because as soon as they know of something that affects them in their industry, they're allowing us and their clients to know about it. We know something, we're sharing that out with everyone, our partners, our alliances, our clients as well.

Kelly Mitchell: So it is staying current, finding ways to stay current, finding those relationships to stay current, and then being able to use that information for the employers so that they can do the right thing. I always tell my team that our goal is always to help our clients be ahead of the eight ball and not chasing it all the time. And I think what happens, generally speaking in my experience is that especially for HR professionals that are internal, like they're part of an HR department, they're so bogged down in the day to day that it does become challenging for them to stay current, and or to find out what is down the pipe to know what might be coming and when it's gonna be coming. And so our job as consultants is to advise them and try to get them to be ahead of that eight ball. So that going back to being strategic, to know what to plan for, as those things are happening.

Kelly Mitchell: And in our crazy, crazy world. We get laws that are, or bills that are executive orders that come out and then all of a sudden we're told, well, wait a minute. I don't think it's gonna happen. So it may change or it may not even go through or not be agreed upon.

Kelly Mitchell: And so it's all of that uncertainty. But yet, the law comes out, or this executive order comes out and it says, okay, it's gonna be effective July 1st. So now all HR professionals are scrambling to say, okay, we wanna be ahead of the game. We wanna start doing all of these things. And then all of a sudden, a month before July 1st, like June 1st, we're told, oh,

nevermind. Hold off on doing anything right now. So it's just that chasing all the time. It's also important being at ahead of the game and knowing what is coming down the pipeline. I know it's kinda long-winded to answer your question.

Linda Ostovitz: But you know, it's interesting because of being an attorney, it is not uncommon to see that legislation has passed. A law is passed that is intended to accomplish some goal, but the law passes and the regulations, which is how you actually carry it out. Nobody's thought about. We have a law, okay? This is supposed to happen.

Linda Ostovitz: And as we know, in the last several years, there have been a lot of things that have hit employers, in terms of hours and, minimum wage and a whole lot of things that have hit employers. But the meat of how you're supposed to carry it out doesn't get addressed by the legislature in the form of recommendations until long after the effective date of the statute, right?

Linda Ostovitz: Which I guess then puts everybody in a posture to rely on you, all the experts for how you think the best way exists to effectuate and to carry out the goal of the statute. This is not a word I use in my normal parlance, but I feel like you are part of an ecosystem. Again, not a word I use regularly.

Linda Ostovitz: I probably shouldn't even use it. But that you're part of something so much bigger than Impact HR because you do have these other experts and professionals that you interact with on a regular basis, and you share information so that you together have the collective benefit of all of you, like you say, to put your customers in the best position to be able to plan for things.

Kelly Mitchell: So I wanted to go back to what you mentioned about the regulations part of it, and these laws and not really understanding the regulatory requirements behind that law. And I was just in a meeting yesterday and that's exactly what I had said.

Kelly Mitchell: I said, the problem and the challenge is that these laws get passed, but no one's thought about how is it gonna be executed?

Kelly Mitchell: And so then that creates all of this additional burden for small businesses to try to figure it out so that they can be in compliance because no one's really thought about the impact of the execution.

Kelly Mitchell: And the regulations and how to comply with those regulations, and when just recently with a lot of these changes to your point about us being that resource and allowing our clients to know what is happening and how are they gonna execute? Because these laws have come into play.

Kelly Mitchell: We do get, as soon as it hits, we're just getting bombarded because again, there was no clear definition about how businesses move forward with that new law. So I just wanted to make that comment.

Linda Ostovitz: And you go back to that word, compliance, which was a word we started with early on in this conversation. And I'm sure there is a fear. Okay, wait a minute, I've gotta do this, but you haven't told me how.

Kelly Mitchell: Right.

Linda Ostovitz: So we turn to Kelly Mitchell and Impact HR. We say, okay, give me your best advice based on your extensive experience for how I should work to be compliant.

Impact HR Services and Client Engagement

Linda Ostovitz: How long has your company been in existence, Kelly?

Kelly Mitchell: So I launched Impact HR in 2006, and when I launched it, I had a business partner. So she and I grew it. Then in 2012, I believe it was, she decided she wanted to retire and go live her personal vision and good for her. So since then I've been a sole member and I have a team of, right now there's a total of 11 of us.

Kelly Mitchell: And then I have a team of wonderful, wonderful partners with some independent contractors, senior level HR professionals. So we are coming up to our 19th year in June.

Linda Ostovitz: Congratulations.

Kelly Mitchell: Thank you. Thank you. I have a wonderful team. They're just incredible and knock on wood, we've been very fortunate to have the clients that we have and being able to do what we do.

Linda Ostovitz: And I would imagine, again, as we hinted at previously, there may be people who can hire you full-time, hire you for a project, hire you for particular advice. What are the types of services that you offer to your clients?

Kelly Mitchell: Yeah. Thank you for that. So there's kind of three primary ways that we get engaged by our clients. And when I say clients, our clients are in every industry you could possibly think of at every size and location. And I think that's one of our strengths is that we are able to do that.

Kelly Mitchell: We're not limited to industry, we're not limited to the particular size. We're not limited to just Maryland based employers. But there's three primary ways that we get engaged. The first is, as you mentioned, projects. So they have a specific project, they need extra hands to get that project completed and delivered.

Kelly Mitchell: So some examples of projects. We do a lot of compensation work. We do a lot of training and development. We do HR assessments, audits, employee surveys. So they're very specific. It meet a specific need that the client might have. And then the second way that we can engage is what most people might refer to as this outsourced model or this fractional model.

Kelly Mitchell: Like fractional CFOs and fractional, CTOs. We are fractional hr, so we go in and help our clients on an ongoing basis. To help them to look at what is happening in the HR world. We do the strategic part of it, and then we also roll up our sleeves and we get some of the transactional work done as well for them.

Kelly Mitchell: And then the third way that we get engaged, primarily geared for our smaller clients is that unlimited access to somebody that they can just pick up the phone and call. And just serving as that sounding board. So you, I think you just mentioned it. The ability for someone to say, I just need some advice.

Kelly Mitchell: I just need someone to tell me am I on the right path or am I gonna get in trouble for doing something that I want to do, but not quite sure if I should do. So that is our HR Express model.

Linda Ostovitz: And that's interesting because we had the discussion about when is the right time. And perhaps some people struggling with when is the right time don't recognize that there are a number of different levels at which an HR professional, such as Impact HR can be engaged.

Kelly Mitchell: And just to add to that, when is the right time? And unfortunately hr, especially for us in the consulting world, we tend to be a response to it's very reactive. Something is going on in an organization or something's happening in that company and they're like, oh my gosh, we need to talk to an HR professional. Which is, it's a great way 'cause they do need that advice and they need that support.

Kelly Mitchell: Ideally companies that are looking at it, not necessarily as a reactionary way to engage HR services, but really looking at it from being proactive. To say, going back to my point earlier is when they're looking at their entire infrastructure and saying, okay. We want to get to X where we need to build our workforce, or we need to be looking at succession planning. Or career development opportunities. That is for me, a good trigger sign that they might need to have someone more than just being able to come in and fill out benefit paperwork. They need that, but they also need to be looking ahead, down the road.

Linda Ostovitz: The more we talk Kelly, the more it is apparent to me that, just like any business person needs, I don't know, pick any industry, an IT person, a banker, again, we could list a whole lot of different disciplines and occupations that are part of a good collective whole. And hr, it's so interesting because again I was around in the days when personnel was the word that was used, and that meant time sheets and paychecks and benefits and all that.

Linda Ostovitz: Nothing strategic like what you're talking about. You're talking about engagement, retention, the employee experience, which is so much broader than what you know personnel used to be. Can you tell us a little about your clients?

Kelly Mitchell: Well, as I mentioned they're in every industry, right? Different sizes. We work with clients that are startups and helping them actually hire their first employee to some pretty larger organizations where they might have a really good HR infrastructure in place. They just need some additional support and maybe primarily on that project side.

Kelly Mitchell: Our ideal clients if you will are companies that are probably around that 50 employees to a couple hundred. It's not to say we wouldn't support clients less than that, but the reason I say that is because in our experience, they're the companies that are looking at both.

Kelly Mitchell: It's time to be looking at on that, some of that strategy side. And so we're able to bring both the value of making sure things are getting done on a day-to-day basis, but really being able to work with the leadership team and identifying other ways to keep people from that recruitment, retention, productivity, engagement, all of those things that's gonna be important for the companies.

Linda Ostovitz: So you've been around a while in terms of this industry, and you've described how it's changed in the last 40 ish years.

Future of HR and Outsourcing Trends

Linda Ostovitz: What do you see for your industry going forward?

Kelly Mitchell: It's a good question. In my opinion, I do think that more and more companies will consider this outsourced model. And I'm not saying that because I'm in it. But I was just doing a presentation and I was doing some research for that presentation and I found that between now and 2030 that outsource HR is expected to grow by another 72% or so across the country.

Kelly Mitchell: And I think it, it's a good way just like, companies that outsource their IT services. Or they might be outsourcing their finance or CFO function. I see the trend of hr, especially on that strategic level, maybe being outsourced more because it's giving them that option to utilize those services or that knowledge. On an intermittent or maybe times that they really need to start developing and implementing a certain things across the organization. So again, my experience of just being in this industry and then of course just some of the trends that I've seen I do think that it'll, it will continue to grow.

Linda Ostovitz: Look, I asked you to look in your crystal ball, and that's what you've done for me. So I thank you for that.

Kelly Mitchell: Yeah, I just, I don't want my peers that are and there's some great HR professionals out there. I don't want to scare them with my comment. I, yes, I do think outsourcing is gonna continue and it may, it's gonna grow, but I strongly believe that companies cannot be successful without having the right HR professionals to support them. For sure.

Linda Ostovitz: That makes perfect sense to me. As we've explored the depth of what an HR professional can do. And again, I think a lot of people think of, like you say, the compliance, I'm gonna fire somebody. How do I handle this? They look at those things rather than the strategy piece of it, which we keep returning to.

Linda Ostovitz: Makes me wonder do you ever go into a business, Kelly and facilitate the development of a strategic plan? Do you ever perform in that function?

Kelly Mitchell: Not formally. My consultants, my team and I, we have supported our clients with the development of what that would look like. And then maybe partnering or bringing someone else in that is an expert in that space. So we're a part of it, we participate in it, we help facilitate it, but we would not actually develop that process for them, we would partner with someone that is an expert. And I think that's the other thing is that we just know. Where, what our limits might be in some of the needs that our clients have. And yes, we're all generalists by trade. Meaning that over the 40 years of, we've all been in a senior HR professional, we've had our hands in a lot of different things, but we also know what our limits are.

Kelly Mitchell: And that's usually when we do reach out to our strategic partners, our alliance partners, and then bring them in to support our clients because we know that they're gonna be doing a better job than we would.

Linda Ostovitz: The sign of a true professional who knows her limitations.

Kelly Mitchell: Oh thank you. Yeah. And my team they certainly know that as well. And we do collaborate as a team to say, Hmm, you know what, we could do that. Certainly we're innovative enough to do that and resourceful enough to be able to do that, but is it really the best for our clients to do that? Or should we bring in someone that we know that could be doing such a better job?

Linda Ostovitz: A true professional knows how to say that.

Kelly Mitchell: It took some time, Linda, for sure. When I first started it was like, oh God, does that fall under the HR umbrella? Of course it does. Let's figure it out and we're gonna get it done.

Kelly Mitchell: And truth be told. Probably back then we might've been better off bringing in a partner 'cause we spent a lot of time and energy to make sure that we were delivering it at that level we wanted to. But so it took us took me some time to get more comfortable in my own skin to be able to say no, I don't think we're the right fit for that.

Linda Ostovitz: Look, we are both seasoned professionals and that is a sign of maturity to be able to say, wait a minute, there's somebody who can do it better, more cost effective. It's their wheelhouse. I'm not gonna lose my client because I've brought in somebody else who's got a little better developed skillset in a particular area.

Linda Ostovitz: That's the sign of a professional, not somebody who says, yes, I can do everything and anything, and they manage to get their way through it.

Kelly Mitchell: And our pitch to our clients is that, when you're looking at your human resources which is the most expensive, outside of your salary, our job, whether we're a consultant or whether we're an internal HR professional, is ensuring that everything that touches across that employee lifecycle is aligned with what the company wants to do, where they wanna go. And so we're always looking at that entire process, and not just from compliance standpoint, but the efficiency, the effectiveness, all of that. And there may be areas along that way, along that process where we need to raise their hand and say, you know what I, I

think we, yes, we could probably do this, but there's people out there that could do this better than us. So those partnerships are very, very important.

Linda Ostovitz: Sure.

Conclusion and Final Thoughts

Linda Ostovitz: Kelly, you have always been so generous with your time and sharing your expertise and trying to educate us oftentimes at my request for what we should be thinking about and when we should be thinking about it, and today is no exception to that. So thank you so much for sharing your time and your expertise with all of us.

Linda Ostovitz: To our audience, Kelly Mitchell, Impact HR. She is a local Howard County business with a wonderful reputation. And as I say, Kelly and I have been on the board of directors of the Chamber together, and I don't invite anybody to come to my space who I don't respect. Anyway. So Kelly, thank you so much.

Linda Ostovitz: Appreciate you being with us today. Follow, subscribe to Real Talk Real Growth. Next month, we will have another conversation of interest that'll get us all thinking.

Kelly Mitchell: Yeah. Thank you so much. It was a lot of fun.

Linda Ostovitz: It was a pleasure. Thank you.