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SERVING ALL OF THE DESERT CITIES AND UNINCORPORATED AREAS OF RIVERSIDE COUNTY IN THE COACHELLA VALLEY

Small firm helps big corporations manage their employee relations

By KEN ALAN

What do major firms like AAA Life Insurance, Samsung Electronics, Royal Caribbean and the Hallmark Channel all have in common? They're just a few of the clients who rely on a small, research firm in Rancho Mirage to help them manage and improve employee relations.

Business partners Rick Sherwood and Joe Manjkow started Innovative HR Solutions (IHRS) in a bedroom 14 years ago. Sherwood had worked in human resources management for more than 20 years and saw an opportunity to help companies be more proactive with employee relations. "By the time I would get an employee relations issue, it was already on its way to court," he said. Manjkow, the computer expert of the duo, had worked for Advanced Micro Devices for 16 years.

IHRS targets firms from 250 to 5,000 employees, consequently most of their clients are out-of-market; however, they have been retained for local engagements by the Coachella Valley Water District and the city of Cathedral City.

Their business model revolves around four basic survey products that are customized for each client: a comprehensive employee opinion survey, a company checkup (that's more single-topic focused), a new hire survey and its counterpart the exit interview questionnaire. For the most part, surveys are taken online through password protected websites—very much like consumer satisfaction surveys. Sherwood tries to limit the survey to about 15 minutes for 65 multiple-choice questions plus about five open-ended questions. As they serve many international clients, surveys can be prepared in multiple languages, including Arabic, Ukrainian, Japanese, Chinese, Spanish, Portuguese, French and German, to name a few. "Obviously, Arabic has been a new language for us. We started that three years ago, but that was a big difference because everything is read right to left," he said. IHRS uses outside translation services to prepare the surveys as well as the responses to qualitative questions. All of the final reporting is presented in English.

With 14 years of a "fly on the wall" view of employee and management relations at a variety of large firms, what insights has Sherwood gathered? "Leadership starts at the very top. It's important that employees understand the strategic direction of the company. All, employees—not just the management team or the leadership team. We've found,

in our surveys that many leaders fail with respect to communicating their short-term and the long-term vision of the company. They're more concerned about board relations, products, increasing revenue and so on. When those individuals are connected with their customers and understand the challenges their employees face on a daily basis, productivity is higher and employees have a better understanding of what the future holds. As you can imagine, over the last couple of years, job security has been a real challenge. Many of the employees have seen their fellow coworkers be let go...the bottom line is there has been tremendous upheaval and change."

Sherwood said the economic downturn has also led to deterioration in employee collaboration and interdepartmental communication as employees became more concerned about protecting their own turf and job security. "They stopped meeting the needs of the customer and became less innovative and collaborating. Now, this has started to turn around a little bit," he said.

These survey highlights may come as no big surprise to any seasoned manager, but IHRS has also helped one company identify more subtle personnel issues. "Their mission statement didn't reflect how the organization actually operates. They had areas of the company where mothers were supervising sons, daughters and even husbands. Family units were working in entire departments and this creates problems with respect to holding people accountable, effective management practices and ensuring that as opportunities present themselves that everyone is given an opportunity to apply. When they received (our) report they had absolutely no idea they had a problem like this."

For large firms, employee surveys are an invaluable management tool. "The CEO of a 5,000 person company cannot have an open door policy. They would never get anything done," he said.

Sherwood and Manjkow prefer to keep their operation small—just the two of them—partly because the business is very discretionary. "When the economy is going great people are more apt to spend money on this type of the service than when the economy is in the dumps," he said.

Most IHRS clients have no idea they're working with a home-based business. "They think we're in some big office building. A few local clients know, but they don't care."

IHRS uses "virtual employee model" to add staff when



Rick Sherwood (left) and Joe Manjkow (right) started Innovative HR Solutions in a bedroom 14 years ago. Today their high-tech company creates employment surveys for major corporations worldwide, from their home-based business in Rancho Mirage. Here, they're working their booth at the Society of Human Resource Management trade show.

business is good. "We don't really want to get into the business of having a payroll. We have consultants that we use in Boston, Los Angeles, San Francisco and here in the valley, but they are independent contractors. We also have people that review employee comments (in the surveys). I used to do this myself but it just takes too much time now."

Marketing is equally lean and efficient. Most of the new business comes from its advertising in nine national human resource association buyers guides. IHRS also invests in Google ad words, they take a booth at the annual Society of Human Resource Management trade show and Sherwood is a frequent public speaker.

The firm was recently recognized in a supplier spotlight by the National Gay & Lesbian Chamber of Commerce (www.nglcc.org). "It's another avenue for us to market the business. Many of the NGLCC's members (may be looking for a company like ours) to provide survey services," he said, adding the exposure lead to inquiry from PepsiCo, which employs 297,000 people worldwide. Sherwood and Manjkow have been life partners since 1989 and were recently married.

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