



## Randy's Work *and You*

May Edition

Dear clients and colleagues,

### **Executives say lives out of balance:**

NFI Research, a U.S.-based business research firm, surveyed 2,000 senior executives and managers globally every two weeks for seven years. It chronicled the transformation of business and countless workplace issues. NFI Research's membership represents many Fortune 100 companies.

Research findings include:

74 percent say they are not successfully balancing work and home life

Less than one percent of senior executives and managers thought most people in business today were balanced when it came to work and personal life

When analyzing themselves, 57 percent say they are balanced, with 14 percent being extremely balanced. The larger the company, the more the executives and managers viewed business people as unbalanced and themselves as balanced (according to a survey of 285 executives and managers)

Source: Business Examiner Daily, Puget Sound, WA, May 11, 2006

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This month's topics:

- 1. An M.B.A. Is Not Enough**
- 2. The Top 6 Interview Screw-ups Candidates Make and How You Can Avoid Them.**
- 3. Boomer Corner: Five Questions Before You Retire**
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### **1. An MBA Is Not Enough**

Real-world experience matters more for top jobs, a survey of executives finds

By Andrea Coombes, MarketWatch

Apr 9, 2007

SAN FRANCISCO (MarketWatch) -- An M.B.A. provides the strong general education that an executive needs but it doesn't teach the skills needed in the day-to-day operation of a business, according to a survey of international executives.

Only 20% of the executives surveyed said that an M.B.A. prepares people to deal with the real-life challenges that a manager must face, according to the survey of 133 top executives at firms in the U.S., U.K., France and Germany by Egon Zehnder International, an executive search firm. Among the executives surveyed, 40% hold an M.B.A. themselves.

What's the message for job seekers?

"Don't think an M.B.A. alone is a ticket to the executive suite," said George Davis, a U.S. co-managing partner with Egon Zehnder International. Davis is based in Boston.

Job seekers need both "functional experience and managerial experience, including managing people and

projects," Davis said. "You get [graduates] out of leading institutions, they think they can walk right in and know how to do it" -- but that's not always the case, he said.

An M.B.A. is "a launching pad. It's a necessary prerequisite, but it does not give you [the means to handle] all the experiences that managers face today," Davis said.

Only 14% of U.S. executives, 14% of British executives and 15% of French executives agreed with the statement that "during an M.B.A., you are trained to deal with the real challenges faced by a manager (e.g. handle crisis, act politically, communicate)."

Still, 36% of German executives agreed with that statement.

"M.B.A.s are valued highly, but it's not the panacea. Get real work. Get real expertise," Davis said. "Make sure you have a functional skill set."

Meanwhile, 24% of U.S. executives agreed that "an M.B.A. provides excellent and adequate preparation for a leadership position," while 29% of the British executives, 54% of the French executives and 45% of the German executives agreed with that statement. The survey instructed respondents to consider an M.B.A. from a renowned institution, such as Harvard.

On a related question, 74% of the executives overall agreed with the statement that "if all you know about is business, then you know nothing about business either."

When asked to point to activities best suited to avoiding tunnel vision in business, "talking to interesting people," "my family life," and "reading" were among the top methods, the executives said.

While about 20% of the executives from the U.K., France and Germany agreed that "deliberately letting myself drift" is an important way to avoid tunnel vision, just 6% of U.S. executives pointed to that as a strategy.

While the survey's sample size is small, in-person interviews were conducted with each of the top executives or directors, and all work at leading, Fortune 500-type firms in their respective countries, Davis said.

The survey also offers a message to managers who make hiring decisions, Davis said. "Don't let an M.B.A. determine your hiring selection, he said.

The survey also found that U.S. universities and colleges are more highly regarded than schools in other countries, with 73% of U.S. executives, 69% of French executives, 55% of German executives and 39% of British executives pointing to the U.S. as the ideal place to educate college-aged students.

Ethics are highly valued

When asked to assess executives based on characteristics other than their professional qualifications, 97% of U.S. executives, 86% of U.K. executives, 85% of German executives and 69% of French executives said ethical behavior was extremely or very important.

For the U.S. and U.K. executives, ethical behavior topped the list of key attributes for an executive.

But personal charisma topped that list for German and French executives, with 95% of German executives and 100% of French executives noting that charisma is an extremely important characteristic for an executive. End of Story

Andrea Coombes is MarketWatch's assistant personal finance editor, based in San Francisco.

## 2. "The Top 6 Interview Screw-ups Candidates Make and How You Can Avoid Them."

By Joe Turner

Based on my recruiting years experience, here are 6 of the most common interviewing mistakes candidates make and an easy fix for each of them.

**1. Lousy non-verbal communication.** This means things like lack of eye contact, weak handshake.

Women, don't let yourself fall into this trap. Male interviewers especially look for this one. This is about demonstrating confidence - things like standing straight, making eye contact, and connecting with a good, firm handshake. Your first impression can either be a great start or sudden death to your interview.

**2. Poor clothing choice.** Today's casual dress codes in the office, don't give you permission to dress like the natives when you interview. It's better to over dress rather than under dress. When in doubt, you will not lose points for calling ahead to the HR department and simple ask what is appropriate wear for the interview. The last thing you need to worry about is whether or not your clothing is appropriate.

**3. Rambling.** Telling your interviewer more than they need to know could be fatal. This is usually a sign of lack of preparation. The easy fix is to research the company beforehand. This way you'll come armed with a number of facts that you can use plus questions that you can ask about the company and the job. Answer only the question that was put to you, and if possible, always try to follow it up with a question.

**4. Being overly familiar.** A good interviewer will be skilled enough to put you at ease within the first 10 minutes of the interview. That doesn't mean that they have become your best friend. Don't let your guard down now, you've come too far. Use your research and pre-interview prep to carry you through the rest of the interview. That means you're there to interview them and get answers to your questions. The interviewer, no matter how friendly, is not your best bud. Treat this from start to finish as the professional business meeting that it is.

**5. Not asking questions.** Here's a big Interviewing faux pas - a missed opportunity you will surely regret. When asked if they have any questions, too many candidates answer, "No." This shows lack of interest, lack of curiosity and just plain lack of research. At this point, you should still have about 10 questions you would like answers to. Several of them may have come up during the interview. Now is your big chance to ask them. And by the way, questions such as "why did you decide to work for this company?" as well as "what happened to the person who was previously in this position?" are perfectly appropriate questions to ask at this point as well.

**6. Appearing needy or desperate** - This just screams "Won't you please, please hire me!" It may be a tough job market, and sure, you need a job! But, always remember, you don't need THIS job. When you approach any interview, remember to have your stories ready, your research done and your questions in hand. You're an equal, not a subordinate.

### **Summary**

People constantly screw up in interviews. But you don't have to let them be showstoppers. When you plan ahead, you can plan also to avoid the major pitfalls you can fall into. When you prepare, you maintain coolness, calmness, and confidence. You already know you can do the job, now, make sure the interviewer knows you can, too.

As a recruiter, Joe Turner has spent the past 15 years finding and placing top candidates in some of the best jobs of their career. He makes it easy for anyone to find and land the job they really want all on their own in the shortest time possible. Discover more insider job search secrets by visiting <http://www.jobchangesecrets.com>

## **3. Boomer Corner:**

### **Five Questions Before You Retire**

By The Wall Street Journal  
Apr 14, 2007

You had 40 years to prepare. But are you really ready?

Make no mistake: Retiring is hard work. You have to figure out where you will live, whether your nest egg is big enough and what you will do with all that free time.

About to call it quits? Before you hand in your notice, ponder these five questions.

#### 1 Do you have enough saved?

Add up your sources of income. You will have Social Security. Maybe you will have a pension.

On top of that, there's the income from your savings. You might start retirement with a 4.5% annual portfolio withdrawal rate, meaning you would pull out \$18,000 if you have \$400,000 saved.

In subsequent years, you would step up your annual withdrawals with the inflation rate. If annual inflation runs at 3%, you would pull out \$18,540 in year two, \$19,096 in year three and so on. These sums would include any dividends and interest you receive. Keep in mind that part of this money would go toward taxes. There's a good chance you won't have as much retirement income as you would like. To give yourself some financial breathing room, you might trade down to a smaller home, move to a less-expensive part of the country, take cheaper vacations and eat out less. If that doesn't make the numbers work, maybe you need to stick with your job a little longer or work part time in retirement.

#### 2 How will you cover major expenses?

With a little belt-tightening, your projected retirement income may cover your monthly costs. But that isn't enough. You also need to budget for major expenses, such as replacing the car, the furnace and the roof. And then there's the really scary cost, long-term care. A majority of seniors will, at some point during their retirement, need help with activities like bathing and dressing. For most folks, the costs involved will be fairly small.

An unlucky minority, however, will get hit with truly horrendous costs. A study in the winter 2005-2006 issue of Inquiry, authored by academics Peter Kemper and Harriet Komisar and consultant Lisa Alecxih, estimated that 16% of today's 65-year-olds will incur expenses of over \$100,000. This sum represents the amount you would need at age 65 to cover projected long-term-care costs.

How will you cope if you are walloped with expenses like these? You need to head into retirement with some sort of plan.

Maybe you are willing to deplete your assets and then fall back on Medicaid. Maybe you can cover the costs with pension income, Social Security and portfolio withdrawals. Maybe you will tap these income sources -- and supplement them with a long-term-care insurance policy.

#### 3 How will you generate income?

A fat nest egg, a balanced portfolio of stocks and bonds and a modest withdrawal rate, like 4.5%, are good starting points. But you also need a system for extracting cash from your investments. Your goal: To

generate an income stream that lasts as long as you do, that rises with inflation and that doesn't get derailed by bad markets.

To that end, you might take your dividends and interest in cash, and then garner extra income each year by selling either stocks or bonds, depending on which has lately performed better. Alternatively, for extra safety, you might draw your spending money from a cash reserve equal to three or even five years of portfolio withdrawals. To replenish the reserve, you would occasionally sell stocks and bonds.

Meanwhile, for further protection against bad markets, you have Social Security and any pension income. These will provide a base level of income, while also offering a safety net in case you outlive your savings. If you want additional protection, you might delay Social Security to get a larger benefit. You could also use a slice of your savings to purchase an immediate annuity that pays lifetime income.

#### 4 Is your mortgage paid off?

Call me old-fashioned, but I have always thought that paying off the mortgage was a key step on the road to retirement. Yet more and more seniors are quitting the work force with their mortgage still outstanding.

In theory, if you have enough pension, Social Security and investment income to service your mortgage, there's nothing wrong with carrying that debt into retirement. In practice, making those mortgage payments will likely crimp your retirement lifestyle -- and leave you in a nasty tax trap.

What trap? To pay the mortgage company, you will probably have to make larger retirement-account withdrawals, which will be taxable. This extra income could, in turn, trigger taxes on your Social Security benefit.

To be sure, this double tax whammy will be partly offset by the mortgage-interest tax deduction. But if you are near the end of your mortgage, your monthly payment may include relatively little mortgage interest, so the tax benefit will be modest.

In fact, your itemized deductions may be barely above your standard deduction. That standard deduction, of course, is available to all taxpayers -- including your mortgage-free neighbors.

#### 5 What will you do?

As you approach retirement, it's enticing to think about waking up a little more slowly and breezing through the rest of the day at a similar pace. But in truth, if your notion of retirement is confined to vague thoughts of relaxing, playing golf and traveling, it is likely to be a disaster.

The reason: Upon retirement, you lose not only the daily structure that a job offers, but also the social, physical and intellectual stimulation that comes with heading to work five days a week. If you don't replace that, both your physical and mental health may rapidly deteriorate.

What to do? You need an exercise schedule. You should make a point of seeing friends regularly. Most important, you need to find a new purpose.

That might mean taking college courses, volunteering or working part time in a job that's always intrigued you. The litmus test: When people ask what you do, your answer shouldn't be, "I'm retired."

## **4. Success Story**

Ron Age 59

Ron had a very successful career in advertising and marketing. He held senior positions with J. Walter Thompson and McCann-Erickson advertising. He made a reputation building brand value through customer acquisition programs based on measured Return-On-Investment from Integrated Marketing.

He lost his job in 2001. Despite being nationally known, he was having a difficult time finding a position.

With vision and a good sense of the possible - and in the true spirit of "networking" - he hooked into an interim revenue stream; a company called Excel Telecommunications in the \$28 billion Network Marketing industry. He has successfully transferred his talents and his business is exploding.

## **5. Humor Department— Why is business so absurd?**

Here are a few examples:

- A major technology company simultaneously rolled out two new programs: (1) a random drug-testing program, and (2) an "Individual Dignity Enhancement" program.

- A company purchased laptop computers for employees to use while traveling. Fearing they might get stolen, the managers came up with a clever solution: permanently attach the laptop computers to the employees' desks.
- A freight company reorganized to define roles and clarify goals. Management decided to communicate the changes by ordering each department to build floats for a "Quality Parade."
- A manager at a telecommunications company wanted to reinforce the "team" concept in his department. He held a meeting to tell the assembled "team" that henceforth he will carry a baseball bat with him at all times and each team member will carry a baseball while at work. Some team members found a way to hang the baseball around their necks so they don't have to carry it. Others fantasized about wrestling the bat away from the manager and using it.
- A company decided that instead of raises it would give bonuses if five of seven company goals were met. At the end of the year the employees are informed that they have met only four of seven goals, so no bonuses. One of the goals they missed was "employee morale."

## 6. Words that Inspire

"Success supposes endeavor."

--Jane Austen (1816)

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