



Randy's Work *and You*

September Edition

Dear clients and colleagues,

From the employer's side, our featured article tells why this CEO is not hiring. We read about discuss branding oneself in their current job. In Boomer Corner, Michael Fertik gives his thoughts on how to manage the older manager. The NETSHARE event in September focuses on careers in the private equity business.

Copies of all past E-zines are archived on my website. Feel free to pass this E-zine on.

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1. Why I'm Not Hiring—The employer's side.

When you add it all up, it costs \$74,000 to put \$44,000 in Sally's pocket and to give her \$12,000 in benefits.

With unemployment just under 10% and companies sitting on their cash, you would think that sooner or later job growth would take off. I think it's going to be later—much later.

Here's why.

Meet Sally (not her real name; details changed to preserve privacy). Sally is a

terrific employee, and she happens to be the median person in terms of base pay among the 83 people at my little company in New Jersey, where we provide audio systems for use in educational, commercial and industrial settings. She's been with us for over 15 years. She's a high school graduate with some specialized training. She makes \$59,000 a year—on paper. In reality, she makes only \$44,000 a year because \$15,000 is taken from her thanks to various deductions and taxes, all of which form the steep, sad slope between gross and net pay.

Before that money hits her bank, it is reduced by the \$2,376 she pays as her share of the medical and dental insurance that my company provides. And then the government takes its due. She pays \$126 for state unemployment insurance, \$149 for disability insurance and \$856 for Medicare. That's the small stuff. New Jersey takes \$1,893 in income taxes. The federal government gets \$3,661 for Social Security and another \$6,250 for income tax withholding. The roughly \$13,000 taken from her by various government entities means that some 22% of her gross pay goes to Washington or Trenton. She's lucky she doesn't live in New York City, where the toll would be even higher.

Employing Sally costs plenty too. My company has to write checks for \$74,000 so Sally can receive her nominal \$59,000 in base pay. Health insurance is a big, added cost: While Sally pays nearly \$2,400 for coverage; my company pays the rest—\$9,561 for employee/spouse medical and dental. We also provide company-paid life and other insurance premiums amounting to \$153. Altogether, company-paid benefits add \$9,714 to the cost of employing Sally.

Then the federal and state governments want a little something extra. They take \$56 for federal unemployment coverage, \$149 for disability insurance, \$300 for workers' comp and \$505 for state unemployment insurance. Finally, the feds make me pay \$856 for Sally's Medicare and \$3,661 for her Social Security.

When you add it all up, it costs \$74,000 to put \$44,000 in Sally's pocket and to give her \$12,000 in benefits. Bottom line: Governments impose 33% surtax on Sally's job each year.

Because my company has been conscripted by the government and forced to serve as a tax collector, we have lost control of a big chunk of our cost structure. Tax increases, whether cloaked as changes in unemployment or disability insurance, Medicare increases or in any other form can dramatically alter our financial situation. With government spending and deficits growing as fast as they have been, you know that more tax increases are coming—for my company, and even for Sally too.

Companies have also been pressed into serving as providers of health insurance. In a saner world, health insurance would be something that individuals buy for themselves and their families, just as they do with auto insurance. Now,

adding to the insanity, there is ObamaCare.

Every year, we negotiate a renewal to our health coverage. This year, our provider demanded a 28% increase in premiums—for a lesser plan. This is in part a tax increase that the federal government has co-opted insurance providers to collect. We had never faced an increase anywhere near this large; in each of the last two years, the increase was under 10%.

To offset tax increases and steepening rises in health-insurance premiums, my company needs sustainably higher profits and sales—something unlikely in this "summer of recovery." We can't pass the additional costs onto our customers, because the market is too tight and we'd lose sales. Only governments can raise prices repeatedly and pretend there will be no consequences.

And even if the economic outlook were more encouraging, increasing revenues is always uncertain and expensive. As much as I might want to hire new salespeople, engineers and marketing staff in an effort to grow, I would be increasing my company's vulnerability to government decisions to raise taxes, to policies that make health insurance more expensive, and to the difficulties of this economic environment.

A life in business is filled with uncertainties, but I can be quite sure that every time I hire someone my obligations to the government go up. From where I sit, the government's message is unmistakable: Creating a new job carries a punishing price.

Mr. Fleischer is president of Bogen Communications Inc. in Ramsey

2. Career Management: Building Your Brand (and Keeping Your Job)...

This is the fourth article in a series

There was a recent article written on Branding on the job in Fortune magazine. If you think that personal branding is meant only for job seekers, think again.

Building Your Brand (and Keeping Your Job)...the right and wrong way to establish your brand while employed.

According to five case studies cited in the recent article in Fortune (Aug. 16, 2020), building your personal brand means carefully finessing and balancing how you do it and what you say when you do.

Building a personal brand within a larger brand requires a different set of skills from those of a free agent. When you work for a corporation, there is a fine line between promoting your brand and the company's brand. In the example of Scott Monty's recruitment to Ford Motor Company, he already had an established brand and credibility through blogging and social networking prior to hire, and Ford realized how the value for them. Monty already had more than 3,500 Twitter followers, and now has 41,000 followers. That said, while he is

employed at Ford, Monty astutely kept his social media activity as a two-way street.

Case highlights:

Don't be overeager. In the case of a veteran operations manager at Home Depot, his personal branding on Twitter came back to bite him-- so hard he lost his job. Why? Even though he had permission from his company to run a Twitter town hall meeting to offer feedback about Home Depot management at his store, corporate management saw it as a competition between promoting his success in management versus promoting the company, creating a clash of cultures, and swiftly shut down his social media activities and terminated his position.

Takeaway: According to organizational psychologist Lucia Erwin, be hyper-aware of workplace values, making sure your values align with company values when moving up the ladder.

The Brand Rehabber. A former corporate strategist at BMC software originally built a brand that did not go over well with anyone at the company. He was entirely focused on what he could find wrong with a system, process, or information. Fortunately, he was self-aware enough to realize he needed to change his approach. He shifted to associating his observations with how it would affect what we do, what changes could result in our timeline, and costs." He credits the shift with earning him a promotion in 2006 to running the software-as-a-service division. After BMC, when he moved on to the retail-development industry as a CIO, his more refined approach enabled him to work better with consulting partner IBM.

Takeaway: People can't see your intentions. They can only judge you by your observable behavior.

Branding, Not Bragging. A talent sourcer at Microsoft had sought to develop his own brand. He was a major voice at recruiting-industry conventions, in trade groups, and on blogs, but didn't have his own brand portal. He created a blog, and in short time he became successful outside Microsoft, but it was hurting him at the office. He noticed people were not listening when he spoke in meetings, and thought he was name dropping. He learned that it's best to choose discretion over self-promotion. To accomplish that goal, he pursued certain activities on his own, and carefully selected speaking engagements and publishing opportunities.

Takeaway: Be a good corporate citizen on behalf of the company where you work.

Edit Thyself. Twitter and other social media venues can be great places to promote your company, as well as a tempting place to vent your frustrations about events or issues with your company. Such was the case of a former interactive specialist at a marketing firm. She posted a low-key comment expressing her frustration about a recent interaction with her boss. She was promptly fired for violating a communications policy. At her next job, having learned from her mistake, she used more discretion in the content of her tweets,

and became the Twitter voice of the company.

Takeaway: When you are having a bad day, call a friend instead of publicly venting on social media sites.

Be sensitive to changing priorities. A different twist on personal vs. corporate branding occurred in the case of former senior staff product manager at Synopsys. When the company asked if anyone wanted to blog, he said yes and signed up for the course offered by the company. He launched a corporate blog about topics related to the type of chip design they manufactured. He quickly built traffic, and created tags for search engines to index. The value wasn't just in the content, but the writer he said. Eventually, he was let go as company executives complained about him wasting time blogging.

Takeaway: Companies want to exploit social media, but they face a paradox with employees who put their identities out there. Is the relationship symbiotic or parasitic?

Final Takeaway: Monty Scott represents the endgame. He takes his identity and brand with him when he leaves companies. He focuses on sharing what he knows, and has been recruited at three companies for his credibility and his personal and online brand. He learned to balance his own identity and that of the company; and to offer his expertise that corporations desperately need. Employees need to find their middle ground, too.

Source: <http://bit.ly/8X1iRw>

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Randy brings expertise in executive search as a certified career coach. He has guided all levels of professionals in the areas of career transition: changing careers, choosing a career direction, evaluating/negotiating offers, executive career marketing, finding jobs, getting organized, as well as finding opportunities. randy@randyblock.com <<mailto:randy@randyblock.com>> and <http://www.randyblock.com> <<http://www.randyblock.com>>

3. Boomer Corner: Managing Older Managers:

A Guide for Younger Bosses

August 25, 2010

by Michael Fertik

HBR

You already know that winning depends in no small part on hiring people better than yourself. If you are a youngish entrepreneur or boss, that will entail hiring older and more experienced people, especially in top roles for your organization. Managing a colleague with ten or fifteen more years of experience than you can present unusual challenges of motivation, boundary-setting, and leadership. Here are some ways to get the most out of your hires and your collaboration with them.

Load them up on context. Even more than with other colleagues, you should over-communicate your company vision, industry objectives, and company-wide targets. This should be the number-one focus from the first recruiting day and should remain so for the duration of your relationship. Senior managers, no matter their level of experience, will look to you as the leader to set and communicate the vision. Without it, they will perceive the ship to be rudderless. Remember that the definition of vision is the ability to connect a big goal with the intervening steps required to attain it. You must be able to communicate in broad strokes how the overall objective depends on the performance of each senior manager's sphere. Ideally, you will make this connection so clear as to communicate that the entire company's fate is in her hands.

Avoid getting too granular. The excellent senior manager will take it upon herself to apply the context you provide to the mission with which you have charged her. Expect as much, and she will feel respected and fired up. Giving her wide berth to define operating details is the best way to get optimal performance. Ask her to set her own divisional targets or metrics. Inviting a senior manager to do so is an essential trust-building step. You can and should feel free to tweak her draft, but letting her set out the first iteration is a best practice.

Conversely, if you find that one of your senior managers is not performing, the most effective way to communicate that is to tighten your grip on operating metrics and methods. Senior, experienced people like nothing less than having you interfere in their day-to-day work. You should therefore avoid this lever until you can't, but don't be afraid of it when it comes time.

Let them know that you are working long and hard. Even accomplished, self-motivated senior colleagues won't work harder than you will for very long. Send emails early and late. Invite meetings on weekends and at odd hours. Be in the office or online all the time. Dial into meetings at insane hours during overseas travel. Understand that managers older than yourself may have families that require them to live by different rhythms from yours — they may need to be offline from 6 to 8, for example. But expect them to be working long and hard, whenever it is, and make sure you are always doing more than they are. Because you have less natural authority when working with older people, reinforce your "moral right" to demand hard work by showing that you demand even more of yourself.

Show that you are calm in a storm. Good senior managers will follow people they think have good ideas, good judgment, and good cool under pressure. They're likely to believe that a young, entrepreneurial boss has good ideas, but they may be skeptical that good judgment and calm wits accompany them. If you think you may be prone to anxiety in a pinch, practice whatever Obama-style mind-over-matter Zen control thing you need to do to keep your voice steady, your humor at hand, and your body language relaxed. That doesn't mean you can't wake up

your team at midnight when the website goes down, the key account blows up, or the factory machine line stops. You should. But keep the coolness and light in your voice when you do.

Seek their opinions, even when you don't really need them, especially on topics that aren't within the reach of their roles. As a younger boss, you have an implicit perceived deficit to overcome that you will be territorial about decision-making. A simple workaround is to ask for opinions often. Your senior managers will trust your process and feel that their experience is valued. Seeking their opinions on topics not in their immediate jurisdiction — asking the business development guy how to handle a personal issue or the operations gal her view of the sales team's customer segmentation model — will give them a confirmed glimpse of how your generation manages. They will feel part of the whole company. If you're a start up, some will likely be excited for the general management adventure that they didn't get in their large company careers. Seeking cross-functional insight will also yield unexpected wisdom more often than you might think. Exception: No need to invite too many opinions on "everybody's got one" topics like marketing copy, company naming, and logo design.

You have a natural perceived advantage when it comes to dynamism. Leverage it. Make sure your energy level sets the pace for the business. Demonstrate your zeal for your industry, and take the time to explain why your business is hugely important for your customers, for your category, or for the economic development of your country. Many younger bosses with high integrity are afraid that talking about the greater promise of their business will be an imposition on their colleagues, especially more seasoned ones. On the contrary, they will look to you to do it, and they will respond to the infectiousness of your passion.

Don't be afraid to pay them more than yourself. Especially in the early days, when cash is at its highest premium, don't stand on current compensation ceremony. If it takes more scrip to recruit a key senior colleague, don't sweat signing up for it. You can explain that you're paying her more than yourself; doing so will signal the value you place on her experience.

At the end of the day, remember that this is your business to lead. You should invite the insights of your colleagues and benefit from their experience. But do not defer to their judgment when it contradicts your instincts. After you have solicited debate and considered the evidence, trust your instincts, no matter how senior your colleagues are. The biggest decision-making mistake I see younger, high-integrity managers make is betraying their own instincts in deference to a more seasoned person's perspective. It's your organization (or unit), and you're the one holding the bag for the consequences of good or bad decisions. There's a reason you are in charge. You must value the experience and insights of the senior people you hire. But you mustn't shirk the responsibility of making the final call.

Michael Fertik is a repeat Internet entrepreneur and CEO with experience in technology and law. He founded ReputationDefender <<http://www.reputationdefender.com/>> in 2006 with the belief that citizens have the right to control and protect their online reputation and privacy. Michael recently co-authored Wild West 2.0 <http://www.amazon.com/Wild-West-2-0-Reputation-Frontier/dp/0814415091/ref=sr_1_1?ie=UTF8&s=books&qid=1282051083&sr=8-1> which quickly gained acclaim as an Amazon.com Number 1 Bestselling Internet book.

4. NETSHARE September Event

The Private Equity DNA - Do You Have What It Takes? Be Considered for Private Equity Searches

Guest Speaker: Mary Kier, CEO of Cook Associates Executive Search.

Date: Wednesday, September 22, 2010

Time: 4:00-5:30 PM Eastern, 1:00-2:30 PM Pacific

Class Description: Let's face it, the allure of Private Equity is pretty "sexy". Many executives dream of finding the perfect Private Equity firm portfolio company so that their future is paved with big bucks and the elite status of working in an un-traditional model.

After 20+ years of placing executives in Private Equity portfolio firms, we have seen the type of DNA needed to truly be considered a viable candidate. Just wishing to be an entrepreneur doesn't cut it.

This presentation will focus on "what it takes" to join the Private Equity world and what strategies you can implement to help you get ready for your interview

In this 90 minute session you will learn:

- The top characteristics every executive should have before considering the private equity world.
- What private equity firms look for and why.
- What is different in scope and scale - private equity vs. public / private / family held companies.
- What skills should you highlight?
- Is the interviewing process different?
- How to gear your resume.
- After you've landed in a private equity portfolio firm – what is expected.
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About the Speaker:

Mary Kier began her search career at Cook Associates Executive Search in 1984 and has been promoted several times to her current position as CEO. In addition

to her own search practice in Consumer Products and Services, Mary leads the Consumer & Retail practice, managing an integrated team of consultants specializing in Consumer Services, Consumer Durables and Non-Durable Goods, CPG and FMCG. She also serves as the firm's Diversity & Inclusion practice leader. Mary is actively involved in the firm's partnership with InterSearch – one of the top ten worldwide executive search consortiums. She coordinates relationships with the international search partners and speaks at annual global summits. Her search work encompasses CEO's, COOs, CFOs, CMOs, Divisional Presidents as well as functional heads of Sales, Marketing, Finance, HR and Operations. Mary earned her BS degree in Management and Industrial Relations, graduating with honors.

Register now! <http://tinyurl.com/28ls28n>

6. Humor Department: Casual Fridays

Week 1 - Memo No. 1

Effective this week, the company is adopting Fridays as Casual Day. Employees are free to dress in the casual attire of their choice.

Week 3 - Memo No. 2

Spandex and leather micro-miniskirts are not appropriate attire for Casual Day. Neither are string ties, rodeo belt buckles or moccasins.

Week 6 - Memo No. 3

Casual Day refers to dress only, not attitude. When planning Friday's wardrobe, remember image is a key to our success.

Week 8 - Memo No. 4

A seminar on how to dress for Casual Day will be held at 4 p.m. Friday in the cafeteria. A fashion show will follow. Attendance is mandatory.

Week 9 - Memo No. 5

As an outgrowth of Friday's seminar, a 14-member Casual Day Task Force has been appointed to prepare guidelines for proper casual-day dress.

Week 14 - Memo No. 6

The Casual Day Task Force has now completed a 30-page manual entitled "Relaxing Dress Without Relaxing Company Standards." A copy has been distributed to every employee. Please review the chapter "You Are What You Wear" and consult the "home casual" versus "business casual" checklist before leaving for work each Friday. If you have doubts about the appropriateness of an item of clothing, contact your CDTF representative before 7 a.m. on Friday.

Week 18 - Memo No. 7

Our Employee Assistant Plan (EAP) has now been expanded to provide support

for psychological counseling for employees who may be having difficulty adjusting to Casual Day.

Week 20 - Memo No. 8

Due to budget cuts in the HR Department we are no longer able to effectively support or manage Casual Day. Casual Day will be discontinued, effective immediately.

NOTE - A colleague recently suggested that I write an article about casual dress for this blog as there seems to be a lack of clear guidelines in certain sectors.

Look for something soon. In the meantime, **please post a comment** and let us know what think about casual dress in the workplace - What is acceptable? What is not acceptable?

6. Words that Inspire:

The sad news is, that nobody owes you a career. You won it as sole proprietor. You have one employee: yourself. You need to accept ownership of your career, your skills and the timing of your moves.

-- Andrew Grove-- former CEO of Intel

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