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Alleged Author: hcm idealist

Lessons from a Power Outage

As millions of people come out of the dark the phrase "*wake-up call*" has been used by many to reference the need to update an antiquated infrastructure. The power grid system was built to support an era of black and white TVs and today's increasing demands from a wired society strained the system to a point of collapse. The system found its tipping point and in nine seconds 9300 square miles were without electricity. The cost of overtime to support emergency crews and other city workers in NYC alone was estimated at \$6.5 million, and the cost to the NYC economy is estimated to exceed \$800 million. The power outage systematically shut down the economy of the most populated area of the U.S. Transportation systems were shut down, water supplies were compromised, and millions of lives were disrupted.

So why bring this discussion into the HCM space? The lesson lies in the similarity of both electricity and talent as critical resources to insure business continuity. Both are often taken for granted and can potentially cripple businesses and impair our economic system.

Let's look at the collapse of the infrastructure in place to support electrical power in comparison to the coming talent shortage. A "*wake-up call*" to the looming talent shortage has been issued (see the June 22nd post on [talent shortage](#)). Roger, as well as others, has brought the coming labor shortage discussion to the table. Whether attracting talent from the outside or retaining talent within the organization, the importance of talent to business continuity cannot be overlooked and is often taken for granted. This is perhaps more true today than ever as companies falsely believe they are back in command of the employment contract. Not only have many organizations failed to take advantage of the current down cycle to strengthen recruitment strategies and invest in talent at competitive wages but have failed to protect talent resources already onboard.

How many companies have identified proactive strategies to address competency gaps in managing talent? I heard a story this week of a company going after a competitor's talent pool and willing to pay \$15.0 more in base salary (over a current base salary of \$45.0) for entry-level talent! Can this company sustain itself if this is its strategy for acquiring entry-level talent? What does this say about their strategy and ability to attract, develop and retain talent? In fact this company is in a region with an unemployment rate higher than the national average!

What will be the cost of overtime to support daily business processes? How will a company's clients/customers be impacted if there is not sufficient talent, or appropriately skilled and trained talent, available to manage business transactions and relationships? If a company's current infrastructure is outdated and does not strategically support talent management initiatives and lacks congruency across the organization to recognize and protect valuable resources how will the coming shortage be approached and managed?

It's relatively easy to attract talent today by building a career section on a corporate website, post jobs on the Internet, and even secure recruitment technology to manage applicant flow. The art is in the implementation and execution of the talent strategy. Establishing a talent mindset across an organization, of any size, by deliberately and persistently shaping the culture to support the talent strategy is where competitive differentiation and sustainability begins. If recruitment technology is in place to support a strategy what is the adoption rate across the User group? How skillfully are recruiters attracting talent to your organization today to build relationships that will support your needs tomorrow? Are you diluting your employment brand or strengthening it during times when a little respect shown to job seekers goes a long, long way?

Although the exact cause and extensiveness of the power outage have not been fully understood the impact is clear. So I wonder, what will happen when talent as a scarce resource finds its tipping point? Michehl Gent, chief of the North American Electricity Reliability Council stated, "We never anticipated we could have a cascading outage of this magnitude and speed". What has your company anticipated future needs to be? Is there a corporate infrastructure in place today which supports a talent mindset, business continuity and a sustainable competitive advantage?