WHITE PAPER
Millennial
Shift

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Preparing for the *Millennial Shift*

IT infrastructures adapt to the changing workforce with "millennial-friendly" technologies

It's hardly news that the millennials are coming, bringing with them joined-at-the-hip technology and new attitudes about careers and employment. In fact, the millennials are already in the workforce, and soon will dominate it. As of 2013, one of every three employees was a millennial. Within 10 years, they are expected to constitute 75 percent of the workforce.

That's a massive shift in the labor market, and IT departments are preparing for it by investing in millennial-friendly technologies — primarily mobility, cloud, big data, and social media. These technologies are what millennials use to get their jobs done, and they will enable other changes in the labor market as well. The technologies will accommodate retiring Baby Boomers who want to stay active, perhaps through part-time employment. What's more, these technologies embrace emerging independent and contract workers who collaborate on projects rather than sign on to traditional full-time jobs with one company.
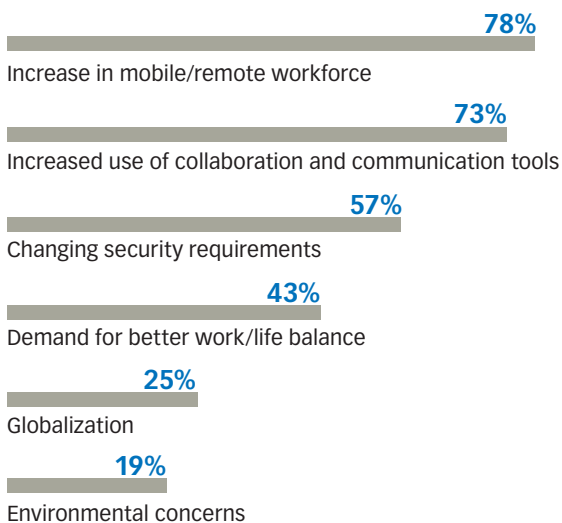
Welcome to the New Normal

Historically, IT departments supported nine-to-five office workers who sat at their desks most of the day. That's no longer enough. Millennials, defined as people born between 1980 and 2000, have grown up in a digital society. They live and communicate 24 hours a day using smartphones and the Internet. They have never known a world limited by wireline communications, non-networked computers and paper-based information. Having rarely had to wait minutes for a computer to boot up, they favor easy-to-use apps over complex operating systems and enterprise-level software.

Millennials' lifestyles and attitudes toward work are different, too. They want a better balance between life and work than their parents had. They are motivated by inspiring or interesting work as much as by money. Millennials want to make a contribution to society. They are less concerned about financial security, jumping from job to job to follow their muse. Wherever they are, millennials crave collaboration and feedback, preferably all positive.

Companies whose IT infrastructures don't support these needs could find themselves at a disadvantage when it comes to hiring new talent.

TRENDS RELATED TO "MILLENNIAL SHIFT" THAT ARE SHAPING BUSINESS STRATEGY OVER NEXT 12 MONTHS

78%
Increase in mobile/remote workforce

73%
Increased use of collaboration and communication tools

57%
Changing security requirements

43%
Demand for better work/life balance

25%
Globalization

19%
Environmental concerns

SOURCE: IDG Research Services

So IT is focusing on technologies that will enable millennials to work the way they want – with information instantly available to them anywhere at any time.

To get a clearer picture of how IT departments are preparing for this shift, IDG Research Services recently surveyed IT managers across a range of U.S. company sizes and industries. The survey defined "millennial shift" as the reshaping of everything from communication and technology to innovation, both inside and outside of an organization, driving new social and operating norms in line with the expectations of the millennial generation. The most significant finding: Although many IT departments say they are preparing for the shift, there are major gaps.

"I think we have a quiet crisis developing," says Rob Hubley, delivery director with a special focus on mobility and applications at Randstad Technologies. "There is a gap between what IT can provide and what users want. And I don't think it's being discussed on a regular basis."

More than 70 percent of survey respondents say the millennial shift has impacted them to some extent. Two-thirds say they either already have (24 percent) or are formulating (43 percent) a strategy to address the needs of these employees from an IT perspective. One-third admit they are not yet addressing workforce changes in any formal way.

To be sure, the shift is happening at different paces at different companies, depending upon the industry, how many millennials they've hired, and the rate at which their Boomers are retiring. "A lot of our customers are aware of this, but I don't think many are adequately prepared for it," says Alisia Genzler, executive vice president at Randstad Technologies. "It will be a work in progress as millennials become a larger part of the workforce."

Preparing, but not Prepared

IT managers see that millennials are reshaping the nature of work. First, the most obvious aspect: Mobile technology has become essential. Seventy-eight percent of respondents see an increase in the mobile/remote workforce, and some 60 percent plan to increase investment in mobile within the next year.

Those that aren't already investing in mobile, including adopting a bring-your-own-device (BYOD) policy, should start now. Not only do millennials want to use their own smartphones everywhere, soon wearable technology such as smart watches will make these workers and their technology even more inseparable, Hubley says. "Within the next five years, BYOD will be standard policy at most companies."

Second, there is some evidence that meeting the security requirements of the millennial generation is problematic. However, IT has started to consider how the needs of millennials are changing security requirements. The survey shows that IT thinks security management is important, with 51 percent of respondents saying they will increase

investment over the next year. Less than a third rated formulating a security strategy in general as a challenge, and more than 50 percent of respondents said they were confident they were providing good data security and consistent, reliable service. At the same time, however, only 37 percent were confident of their ability to provide access to data anytime, anywhere, which is extremely important to millennials.

These results reflect the fact that the move to mobile complicates security requirements. Companies are adopting BYOD policies and creating their own mobile apps, which drives the need to integrate these new technologies into their existing infrastructure, says Genzler. "IT departments are confident of the security for today's technology, but as they roll out BYOD they are wondering whether they have the right security measures in place," she says. "Companies have their foundations set, but the question is, how quickly will they need to evolve?"
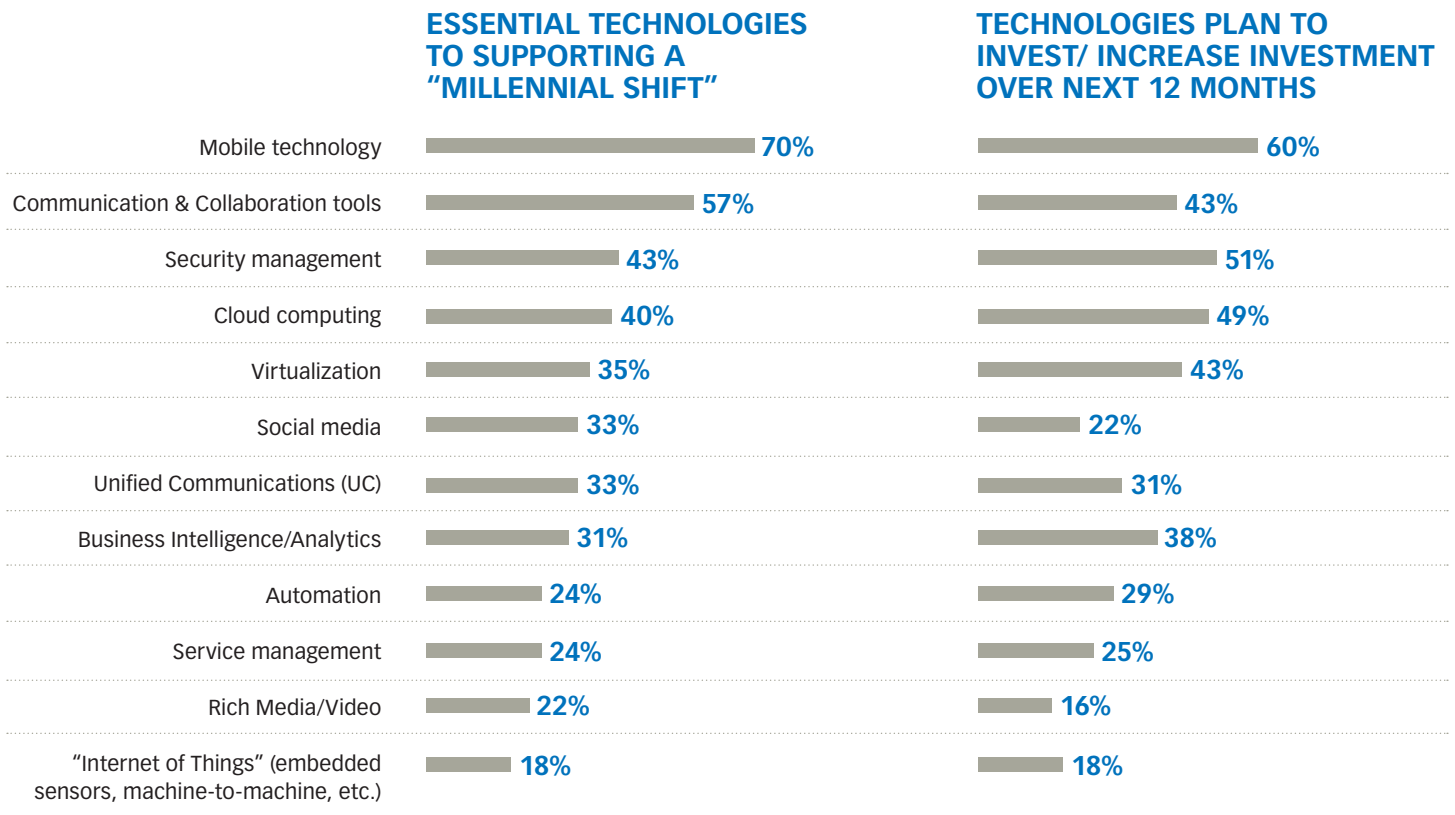
It's understandable that IT will not fully embrace BYOD and cloud-based apps until it can ensure company data is safe in those environments. However, IT managers should make mobile and cloud security a higher priority. If millennial workers aren't allowed to use the mobile devices and apps they want, they may move on to another employer.

Third, IT managers recognize the importance of developing communications and collaboration tools. Some 73 percent see increased use of collaboration and communications tools, and 43 percent say

they will increase investment in the next year. Such tools, along with a more flexible IT infrastructure, will support not just young employees who favor working in teams, but also Boomers who may want to remain in the workforce as part-timers or consultants, but only if they can work from home. (Indeed, companies may want to keep some of the Boomers around. Only 22 percent of respondents say they have integrated technology to handle knowledge transfer to the upcoming generation of workers. Of the 78 percent that have not, 47 percent either have no immediate plans to do it or are not interested in doing it at all.) In addition, there appear to be significant structural changes going on in the overall labor market. As noted in a recent Forbes column, 34 percent of the workforce is now contract labor, and the percentage could reach 50 percent within the next five years, according to a survey commissioned by The Freelancers Union.

"IT needs to prepare for this increasing use of contractors," says Hubley. "Full-time employees and contractors will all have to be able to connect and work together."

Millennials already use cloud-based e-mail, collaboration tools, and project-management systems, thus will likely favor companies at which they can use such tools rather than learn complex, proprietary systems. Contractors also likely use these common tools and won't need training. By enabling people to work anywhere, anytime, IT will accommodate the growing freelance contingent of the workforce as well as millennials.

	ESSENTIAL TECHNOLOGIES TO SUPPORTING A "MILLENNIAL SHIFT"	TECHNOLOGIES PLAN TO INVEST/ INCREASE INVESTMENT OVER NEXT 12 MONTHS
Mobile technology	70%	60%
Communication & Collaboration tools	57%	43%
Security management	43%	51%
Cloud computing	40%	49%
Virtualization	35%	43%
Social media	33%	22%
Unified Communications (UC)	33%	31%
Business Intelligence/Analytics	31%	38%
Automation	24%	29%
Service management	24%	25%
Rich Media/Video	22%	16%
"Internet of Things" (embedded sensors, machine-to-machine, etc.)	18%	18%

SOURCE: IDG Research Services

However, the survey reveals some uneasiness about adopting new tools. Respondents lacked confidence in their ability to provide access to the latest technology (37 percent) and to provide an enjoyable user experience (36 percent), both of which are important to millennials. Some companies are bound by traditional enterprise software with outdated user interfaces, at which young employees may balk, says Hubley. "Millennials are impatient and will be quickly frustrated by tools like that," he says. They may simply choose to move on to an employer with more modern technology, Hubley adds.

Part of the problem seems to be shortages in staff and relevant skills. Confidence in IT staff levels and skill sets was low, with no more than a third of respondents reporting confidence in either area. In fact, most organizations expect to supplement their IT staffs by using outside contractors. The skillsets in most demand: security, data analytics, cloud, and data integration.

The Flexible Workforce

To narrow their millennial preparedness gap, IT (and, indeed, the entire company) needs a plan for rapid adoption of technologies that will help it attract and retain millennials. Companies may need to rethink their human resources policies. Millennials are constantly seeking new and interesting work, so companies that enable young employees to create their own career paths have a greater chance of retaining talent.

"Encourage employees to be proactive and ask for new roles and challenges," says Hubley. "Rotate them in and out of different jobs." Provide online education and training to enable "anywhere, anytime" ways for millennials to upgrade their skills. Give employees more control over their time, with policies like flex time, and empower them to work with other employees and outside contractors. Create opportunities for workers to contribute to the broader society, offering days off for volunteer work.

Millennial employees are no longer something to anticipate. They are here, now. Those IT organizations that are vigilant and nimble enough to provide the right technologies will be able to attract the best talent and build competitive advantage. However, "those that do not address this could lose out," says Genzler. "This is the wave of the future."

Millennials Drawn to Contract Work

IT managers realize they have neither the staff nor all the skill sets they need to support the millennial shift, according to the survey. No more than one-third reported that they were very or extremely confident in either area. To address the problem, most organizations expect to use service providers to some extent.

The growing use of contractors, combined with millennials' tendency to hop from job to job so they can work on the latest and greatest technologies, makes external providers a great source of millennial talent. Often, young IT professionals with the types of skills that are

HOW TO EMBRACE MILLENNIALS

- Implement a BYOD policy.
- Adopt cloud-based e-mail, collaboration tools and project-management systems.
- Make mobile and cloud-based security a top priority.
- Provide ways for employees to build their own careers based on their interests.
- Provide high-quality online training.
- Use collaboration and communications tools that empower employees (and contractors) to work together.
- Offer opportunities to "do good" on company time.
- Use service and staffing providers to supplement your workforce and fill skills shortages.

in short supply, such as security and mobile app development, prefer the short-term assignments that external staffing firms can provide them, says Genzler.

"We are seeing that type of talent base want to go contract to contract rather than taking full-time jobs, especially among the millennials," she notes. "It's part of the millennial personality. They want to develop the latest cool mobile app and then to move on to the next cool thing. They don't want to stick around in a full-time capacity to maintain it or enhance applications."

As IT departments develop their internal skill sets, existing full-time employees could take on such roles. Also, as millennials grow older, their attitudes about full-time jobs may change. "It depends on how quickly technology evolves, how quickly millennials adapt to new technologies, and whether they crave more stability and security as they get older," Genzler says. In the past, certain skills would be hot for a time, but eventually those most experienced in that technology settled in to full-time employment. Will millennials do the same? "Only time will tell," she says.

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