



Managing Gen Y talent in Project Teams

The right approach for managing (IT) projects in terms of acquiring and retaining Gen Y talent, and getting ROI

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Technical Paper

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1 Abstract

IT industry being knowledge driven is highly human capital intensive. The proportion of Gen Y individuals in IT companies is significantly high, as the average age of the workforce is below 30 years, and this pool of talent is growing at a faster rate. Consequently, Gen Y has become an important stakeholder in any project. Hence, a systematic approach in managing this pool of talent is important for a high success rate in projects.

Today's Gen Y individuals have a different outlook towards their work. They set high expectations for themselves and work with great enthusiasm towards achieving their goals. Notable characteristics of Gen Y are a greater preference to working in teams, and a higher proficiency in working with social media tools and technologies. They are well educated, skilled in technology, self-confident and are capable of multi-tasking.

This article explores the current challenges faced while dealing with projects having a sizable Gen Y population and the best practices to manage Gen Y based on our experiences in large IT projects. The approach addresses Gen Y talent lifecycle management from a project management perspective, covering Gen Y induction into project teams, work allocation, monitoring, skill development and performance management. These lifecycle phases are analysed from the three crucial dimensions of technology, process and people. Critical levers are identified and explored in detail for each of these perspectives including the mechanism for effective governance.

2 Gen Y in the workforce

The workforce currently consists of four generations working together in the same workplace. As per a research article published by Steelcase¹, the workforce in India can be categorized into four generations namely Freedom Fighters (born before 1946), Traditionals (born between 1947 and 1964), Gen X (born between 1965 and 1979) and Gen Y (born after 1979).



2.1 The Generation Matrix

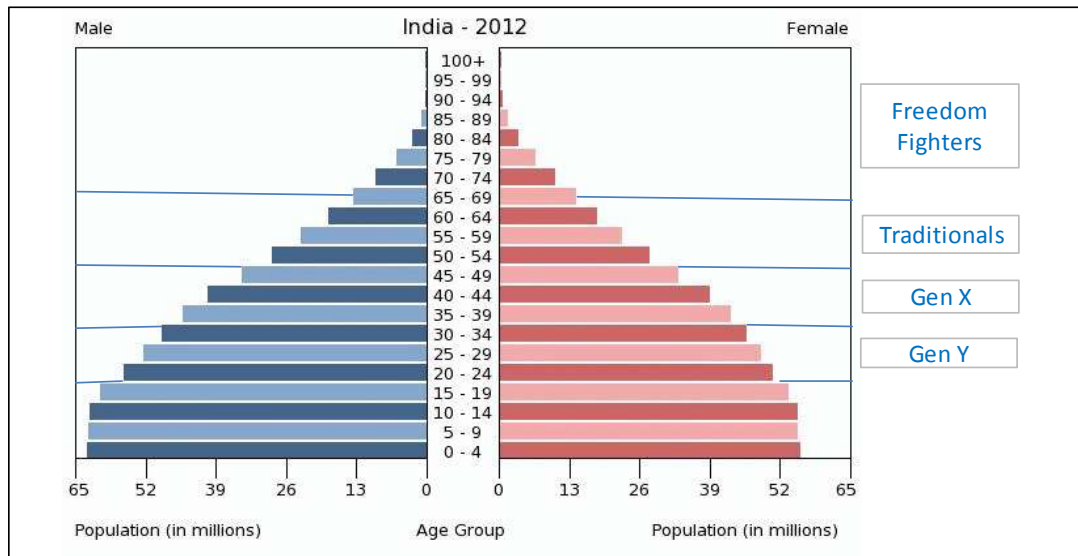


Figure 1: Demographic Distribution India's Population, 2012

Figure 1 illustrates the demographic distribution of population of India in 2012. Assuming that the working age group lies in the average age range of 18 to 65 years, it can be clearly seen that majority of the working population falls under the age bracket of 18 to 30 years, who constitute the Gen Y population. It can also be clearly deduced that with time the percentage of Gen Y in workforce will grow steadily as companies need to keep themselves ready for the opportunity and challenges associated with this trend, especially in the IT sector.

Currently, the IT/BPO sector in India hires over 2.8 million professionals. The percentage of Gen Y workforce in IT sector is especially large. TCS, India's largest IT Company in its annual report 2011-122 stated that almost 69% of its employees fall under the Gen Y category.

A survey was conducted among project managers in the PMI conference held in Chennai (India) on 22nd June, 2013 in the form of a questionnaire. The responses were received from Project Managers of leading Indian IT companies like TCS, Infosys, HP, IBM, Syntel, and Hexaware and so on. Based on the observations from the survey, on an average 49% of IT projects have a Gen Y population of more than 50%.

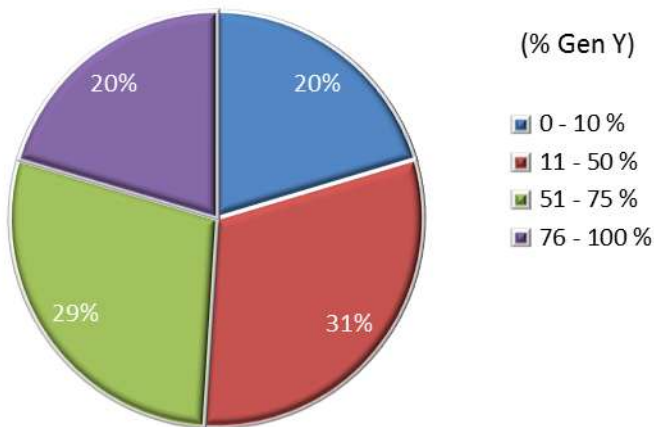


Figure 2: Gen Y population in IT projects

2.2 Why a different talent management approach is required?

2.2.1 Secondary Research: Gen Y traits in the Global Context

As per a research done by Susan Eisner³, Gen Y's entrance to the workplace presents many opportunities in today's competitive organizations in which high performing workers are an asset with demographic shifts pointing to impending labor shortages. They tend to be goal-oriented, and interested in self-development (both personal and financial success) and improvement. Managing these expectations of Gen Y workforce has been a challenge for most project managers.

Cisco recently published its Connected World Report⁴ about people under 30 from around 14 countries. This report states that approximately one in three said that they would prioritize social media freedom, device flexibility and work mobility over salary in accepting a job offer. Employees also expect employers to offer a flexible schedule and freedom to work remotely. Most of these expectations have been unheard in their professional life for project managers who now have to deal with them.

Some other notable observations of Gen Y are:

- They frequently change jobs and seek challenging jobs
- They need constant affirmation that their work is meaningful
- They seek organizations that follow 'business casual' dress codes, flexible work hours and schedules.
- They require instant feedback that is justified, immediate and gives a fair opportunity for corrective action.



2.2.2 Primary Research: Gen Y traits in the Indian IT context

A survey was conducted where project managers were asked to note the three major challenges they have faced in handling Gen Y individuals in the project. The following table lists some of the Gen Y traits found in the survey.

Lack of quality deliverable	Lack of accountability	Adjusting own and peers approach to manage them
Lack of process adherence	Need to switch jobs quickly	Making them in line with organization objectives and policies
Need for flexible working hours	Training requirements	Adapting them to the new project
Need for constant support of peer groups	Focus on social media	Need for continuous communication
Lack of responsibility	Need for perks	Sensitive to recognition and feedback
Lack of synchronization with team members above 35 yrs	Monday blues	Need for constant motivation
Managing escalations and Talent Management	Adaptability Issues	Commitment

Based on the observations from the primary research, secondary research and our personal experiences we can categorize the important traits of Gen Y under the three sections of Technology, Process and People as listed in the following table.

Technology	Process	People
<ul style="list-style-type: none"> Tech savvy – would work on latest technology Social media freedom Mobility and Device flexibility 	<ul style="list-style-type: none"> Need challenging job Open minded and Competitive Look for liberal HR policies in workplace. 	<ul style="list-style-type: none"> Goal Oriented and have high expectations to succeed personally, professionally and financially Need instant feedback Energetic and Ambitious

2.2.3 Need for change in talent management approach

The current project talent management and HR policies need to be enhanced to suit the needs of Gen Y which has been causing friction in workforce that is evident due to the high attrition rate in most IT companies and frequent job hopping among youngsters. As per a research done by a global HR consultancy Aon Hewitt⁵, Gen Y individuals tend to switch jobs 4 to 6 times before they hit their mid-30s, in a span of 10 years.



Above is a major concern for the project management and requires immediate attention towards improving the talent management approaches. This was substantiated by the findings from the survey conducted. 70% of the project managers agreed that there are challenges in dealing with Gen Y in projects. 88% of the project managers stated that there is a need to change the project talent management approach to handle these challenges.

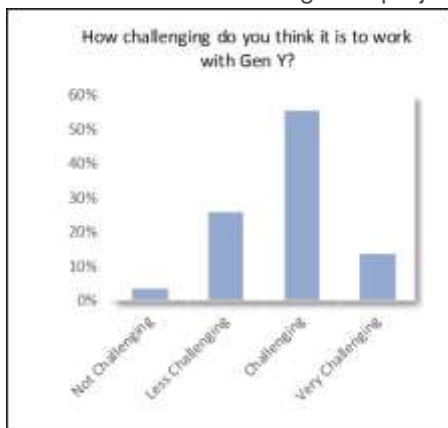


Figure 3: Survey Result – How challenging is it to Work with Gen Y



Figure 4: Survey result – Need to change project talent management approach to cater to Gen Y

3 Managing the Gen Y talent

3.1 Current talent management framework and its challenges

Most of the talent management frameworks follow the develop-motivate-retain-attract life cycle. The main functions covered under the cycle are compensation, performance management, employee engagement, career development and training. However as discussed earlier, though the methodologies are strong as far as processes are concerned, the people/employee orientation side especially when applied in the project management scenario, needs to be enhanced to suit Gen Y.

A severe talent crunch has already been realized in large PSU organizations. 20% of the staff in the PSU banks is expected to retire by 2015⁶. About a quarter of Coal India Ltd⁷. employees will retire in next four years.

IT, being relatively new, does not face the retirement issue, but the underlying issues of recruiting and managing Gen Y talent remains a challenging task for most projects. Additionally, the generation is causing communication related challenges in the workspace. This is compounded by the fact that large projects have different cross national teams spread across different locations worldwide. When generations fail to communicate or work together effectively, it impacts the organization's bottom line. Turnover rates and tangible costs such as recruitment, hiring, training and retention can be negatively impacted. Morale may also suffer which can result in



increased complaints, and perceptions of unfair treatment or inequity. All these challenges need to be addressed in the current talent management framework.

3.2 New approach to manage Gen Y talent

We have used the SNAC framework to analyze the major issues faced in IT projects and find possible solutions to it, when it comes to managing Gen Y talent. SNAC Framework is an acronym for Stakeholders, their Needs, the system factors which can be Altered and Constraints which come in the way of fulfilling the needs.

Stakeholders	Those who have an interest (a stake) in the operation and the performance of the organization. They may or may not be in a position to influence the organization directly.
Needs	The needs each stakeholder group seeks to fulfill through the organization.
Alterable	These parameters, events or processes that can be controlled or altered to fulfill the needs of stakeholders.
Constraints	The limitations imposed by factors that cannot be controlled by the organization

Based on our experiences in leading various IT projects, we have come up with the following SNAC analysis for that can be applied to a standard IT project.



Stakeholder	Needs	Alterable	Constraints
IT Company as organization	<ul style="list-style-type: none"> • Best skilled professionals • Availability of resources for projects • Low attrition rate 	<ul style="list-style-type: none"> • Investment in workplace • Investment in training facilities • Freedom to HR for rolling employee friendly policies 	<ul style="list-style-type: none"> • Competition • Infrastructure • Time • Cost • Availability of quality professionals • Attrition
Program/Project Manager	<ul style="list-style-type: none"> • Best skilled professionals • Project completion on time and with utmost quality 	<ul style="list-style-type: none"> • Work culture 	<ul style="list-style-type: none"> • Project deadlines • Manpower Budget
HR	<ul style="list-style-type: none"> • Develop niche skills • Keep the attrition low 	<ul style="list-style-type: none"> • HR policies for recruitment, reward and recognition, appraisal and skill development 	<ul style="list-style-type: none"> • Infrastructure • Cost
Employees (Gen Y)	<ul style="list-style-type: none"> • Opportunities for skill development • Open work culture • Future growth options • Challenging and rewarding job 	<ul style="list-style-type: none"> • Work culture • HR policies 	<ul style="list-style-type: none"> • Availability of project • Company policies and standards
Employees (Other)	<ul style="list-style-type: none"> • Communicate effectively with young employees and get the work done • Maintain a healthy work culture 	<ul style="list-style-type: none"> • Work culture • HR policies 	<ul style="list-style-type: none"> • Company policies and standards

The final objectives that any IT project strives to achieve from the above SNAC analysis can be concluded as follows:

- Attract, recruit and retain best Gen Y talent available in the market
- Consider the aspirations of Gen Y while devising HR and other work policies
- Motivate Gen Y to get the best out of them and decrease the attrition rate
- Integrate different generations in the work culture to have a productive and focused team

The implementation of these objectives requires coordination between project manager and various other units of the organization like HR. IT companies have been striving to achieve these objectives in a collaborative approach. Some of the best practices that have been implemented towards the same can be categorized across the talent management lifecycle and segregated among the three dimensions of technology, – process and people. The analysis is based primarily on our past experiences in working in large IT companies.



The Talent Management lifecycle comprises of the following processes:

A. Recruitment and Induction

- While recruiting people for IT projects, the project managers and HR need to work together in formulating the Job Description which should be clear and attractive enough to inspire and attract Gen Y professionals.
- After recruitment and before the final joining date, the company should stay in touch with the recruits. For example, TCS has its Campus Connect NextStep⁸ program where all hired recruits can log in and interact with other new joiners, HR and even the higher management. The look and feel of Campus Connect site is just like any social media site. This presents a digital savvy image of the organization among the future joiners and helps them to stay connected during the lean period when they are waiting to join.
- Use organization’s social media and portal to engage Gen Y to join project teams.
- The peer network can be leveraged attract Gen y talent to projects
- HR policies need to be liberalized to suite the demands of Gen Y. It has been observed that flexible HR policies will decrease the attrition in the projects.
- Digital medial needs to be used for Induction to facilitate any time anywhere learning. This will significantly reduce lead time for induction.

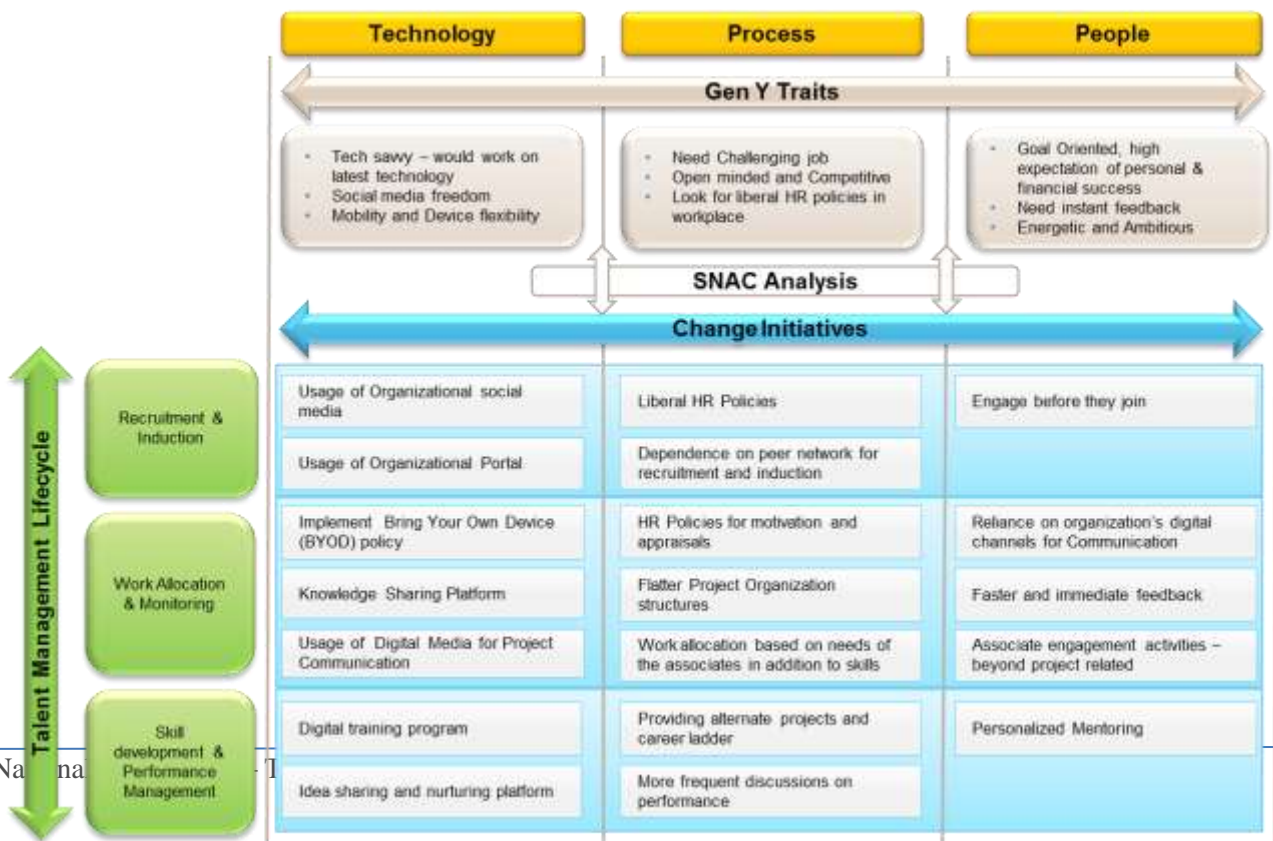




Figure 5: Approach for Gen Y talent management

B. Work allocation and monitoring

- Bring Your Own Device (BYOD)

A BYOD policy is very essential in today's work culture. A Large IT Company has evolved a unique BYOD policy. Now the associates can easily access the Company's Enterprise Applications on their personal smartphones and tablets.

Through this program, the Company brings an exciting platter of Enterprise Applications through which an associate can get real-time access to business critical information, connect with the Leadership team, stay tuned into the voice of the Company and speak one's mind when the idea first strikes! One can now save those precious minutes by filling timesheets and clearing your work lists without being confined to the workplace.

These Enterprise Applications are configurable on devices like (Smart Phone/Tablet) and are specially designed to enable the associates to ideate, innovate and collaborate more effectively and improve efficiencies.

- Workspace Culture

It has been observed that young employees prefer open space with their personal desktop instead of being cramped in tiny spaces and sharing common applications like desktop and telephone. Though resource constraints prevent full fledged liberal roll out of such policies, open workspace culture should be encouraged as far as possible.

- Deployment of an enterprise wide Knowledge sharing platform where each employee can share thoughts, blog, communicate and even follow their top leadership is necessary. A communication channel with higher management is also essential. Periodic sessions should be conducted through these mediums where higher management interacts with rest of the organization through WebEx and other medium.
- The current appraisal system needs to be revamped to incorporate a 360 degree feedback process. There should be an annual feedback process where positive inputs and areas of improvement in the appraisal and other important process directly impacting the associates should be surveyed and analyzed.
- More spot awards and instant recognition to budding talents should be distributed by HR at regular intervals.
- HRs should be more interactive and conduct various team building activities on the floor at regular intervals targeting the new Gen Y.



C. Skill development & performance management

- There should be a new generation social ideation platform, where associates are encouraged and rewarded for bringing in new ideas. Gen Y especially will come up with new ideas on emerging technologies that should be encouraged and also constantly reviewed in terms of business opportunities by the management.
- There should be constant encouragement for external and internal certifications with reimbursement options, so that associates can develop their skills based on project context.
- Personalized mentorship is very much required. In leading organizations usually, whenever new associates join, a personal mentor is assigned to induct them in the workspace about the culture of the organization and also to help them in the initial days of the project. This care and support gives constant assurance to new joiners.
- New opportunities within the organization should be shared so that associates can select the project matching their skill sets. Many organizations have internal job portals where new openings are displayed so that associates can choose new projects based on their interest.
- Digital-based training programs should constantly be rolled over by HR, keeping in mind the tech savvy nature of Gen Y.
- In case there is no major project work load, it is the project manager's responsibility to ensure that associates are engaged productively in other value added activities like doing addendum task or enhancing their knowledge/skill so that they do not feel ignored.
- Gen Y is socially responsible and look for an opportunity to give back to the society. An active CSR cell in the organization where associates can participate and contribute to the society is a positive initiative.

4 Future Direction

Companies need to rethink the way their employees work, and make major changes that will accommodate the unique work desires of Gen Y. Companies will increase employee performance by reducing turnover and have happier, and more productive Gen Y employees. A BPW Foundation's Gen Y study⁹ published in April 2011 also noted that by 2025, Gen Y will make up roughly 75% of the world's workforce. With this many millennial making up majority of the workforce by 2025 — only 12 years away — employers cannot afford to ignore Gen Y.

In our survey, 54% of the project managers agreed that Gen Y are highly significant for the projects, restating the importance of Gen Y in IT projects in coming days. 56% of the project managers have already made some changes to their talent management approach to cater to Gen Y needs.

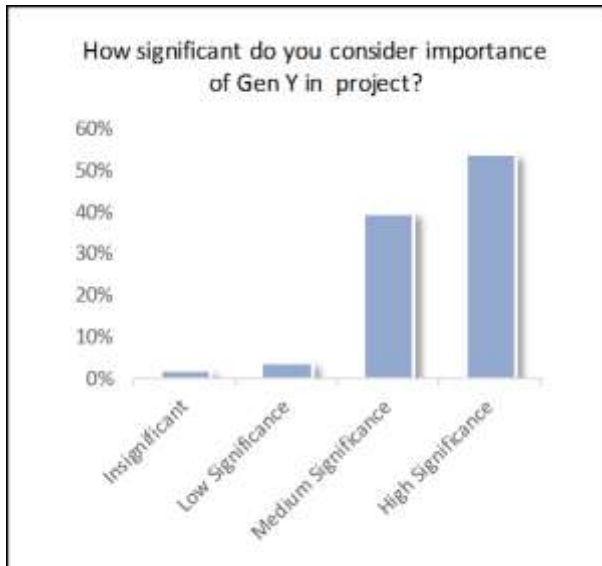


Figure 6: Survey result – Significance of Gen Y

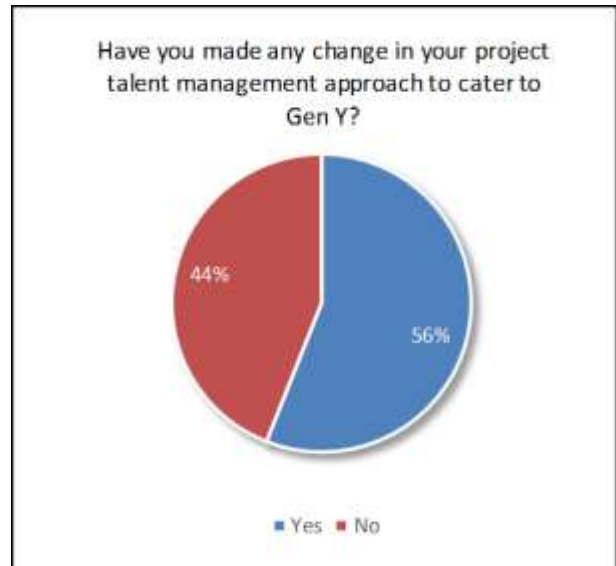


Figure 7: Survey result – changes to project talent Management approach

Based on our experiences and also on research done in this area, like that by Johnson Controls¹⁰ and Susan Eisner³, following are some of the key measures that the project managers can adopt in their organization:

- A. Create Culture of Creativity and Productivity
 - Encourage team work to boost creativity
 - Provide open workspace to support productivity
 - Provide the right technological support to achieve high productivity
 - Create a working environment which promotes interaction and bonding with team members
- B. Reinvent the Work Culture
 - Flexible Working should be the norm for the Gen Y
 - HR must consider the workplace as a recruitment factor. Employers must not neglect the impact of their workplace to attract, recruit and retain talent. The way of working is tightly linked to the way people prefer to live
 - The Gen Y privileges colleagues relationships rather than financial compensations
- C. Do not ignore the other generations
 - Freedom Fighters: They should be encouraged to share their knowledge of the past. They should be encouraged to assert their authority and demonstrate their track records.



- Traditionalists: On the other hand, traditionalists should be conveyed that they are important for the organization's success, and are valued for their unique and important contributions.
 - Gen X: They respond well to being told to do things on their own, and that there are minimal rules and bureaucracy.
- D. Ask yourself the following questions:
- How will you leverage the unique strengths of each generation in order to retain your key players, improve productivity, and maximize teamwork?
 - What are you doing differently to attract and retain the best talent?
 - Are you adopting the technologies that Gen Y professionals live with – and expect to use?
 - Are you leveraging Gen Y's behaviors to foster collaboration and innovation?

5 Conclusion




Gen Y is a highly educated and skilled generation. Their skills and potential are crucial for a business to move up the value chain. New innovation is required in today's business and we need to tap the Gen Y talent for the same. The current talent management approaches have to keep pace with the changing needs of Gen Y. The suggested approach in this paper provides the holistic approach covering life cycle of talent management from three perspectives - Technology, Process and People. This approach enables formation of cohesive and high performance team with Gen Y leading to significant ROI.

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7 Authors profile

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