

Information Technology

Does your company have an IT generation gap?

By Gary A. Curtis, Kelly Dempski and Catherine S. Farley

Surrounded by technology all their lives, the newest members of today's workforce want a big say in the tech tools they need to do their jobs. They also say they want to pick their employers based on the "coolness" of the technology available to them. Those are just some of the challenges that business leaders must respond to now—before the Millennials' kid brothers and sisters start joining the workforce.

After a birthday celebration, Jake leaves his unlocked iPhone in the bar. The person who finds the phone thinks it will be great fun to make a prank call to a number in the directory. But the US Department of Homeland Security official who gets the "Greetings from Guantanamo!" call isn't amused. Jake's employer—a Homeland Security contractor—finds itself under investigation.

Elsewhere, team members at another company use free Google Apps and e-mail to communicate among themselves and with a top client.

Team members decide to do this because it's a cheap and easy way to share documents across firewalls, even though it is against their company's policies about data protection. And why not? The team is productive and the client is happy and engaged. Nonetheless, the team is clearly breaking policy and exposing confidential client information on the open Internet.

Meanwhile, a worried business unit leader calls the CIO's office because someone in the company has posted a caustic online video about a customer that has cut back its orders.

The video has “gone viral,” and now alarm bells are going off around the company.

In another case, a young software developer at a large retailer uses his credit card to provision a database on Amazon’s cloud services, instead of provisioning a virtual server running Oracle from the data center. A few hours’ work and a few dollars later, he has a fully operational database—but it contravenes his employer’s established data management policies and exposes confidential data outside the retailer’s firewall.

These are the kinds of scenarios that keep chief information officers awake at night. One of them we know to be true; the other three are hypothetical. But they’re all uncomfortably close to the real risks that business leaders increasingly have to face these days.

In fact, the likelihood of such nightmare scenarios occurring is considerable. New research from Accenture into how young people think about and work with information technology clearly shows how blurred the boundary between business and personal use of technology tools has already become. The findings confirm the fears of many managers about data privacy and data security. They question the assumptions of IT leaders who believe they must control what technology is used and how it is used.

Discomfiting truths

Most important, perhaps, the research findings demonstrate how important it is to recognize and accommodate the attitudes and expectations of the so-called Millennial Generation—loosely defined as those between their mid-teens and late twenties—which includes today’s young employees and the high schoolers who will very soon join them in the workplace.

Of course, teens and twentysomethings aren’t the only ones using

smart phones and social networks. But their unprecedented comfort with technology is about to have a huge impact as they flood into the workplace. It will force many corporate leaders to confront some discomfiting truths about their IT practices and policies.

For the high performer, though, the Millennials’ ease with all things high tech will be a critical competitive advantage, even during a downturn. In fact, high-performance businesses see uncertain economic times as an opportunity to tap into new sources of talent and to equip their people with the right capabilities to anticipate and satisfy changing customer needs.

The “Says who?” culture

Accenture continuously conducts research to better understand the factors that contribute to high performance. As part of that research effort, we recently set out to discover how the technology-saturated culture of today’s Millennials—specifically, the incoming workforce—would impact IT organizations’ decisions. The survey of US students and employees spanned three age groups: 14-to-17-year-olds and 18-to-22-year-olds, who together make up the Lower Millennials; and 23-to-27-year-olds, the Upper Millennials. (For more information, see “About the research,” page 3.)

The survey’s key findings are eye-opening, to put it mildly. They have profound implications for those managing corporate IT in the United States—and based on our experiences in the rest of the world, we believe these implications are just as meaningful for IT leaders outside the United States as well. In fact, separate Accenture research shows that young IT users in such emerging markets as China, India and Brazil are, if anything, more tech-savvy than their American counterparts. (For a related story, see “The new face of global M&A,” *Outlook*, January 2009.)

About the research

In June 2008, Accenture embarked on a study of how today's "Millennial" generation uses and views technology. The study was part of a long-term research program designed to understand how IT can be used to achieve high performance.

The Millennials—mid-teens through late twenties—were chosen for two reasons. First, they embody tomorrow's workforce. Many of them are new employees; many more are just a few years away from being hired. Second, they are comfortable with technology like no other generation before them—without necessarily being or thinking of themselves as technologists.

The study polled 404 young people online across the United States in three age groups: 14-to-17-year-olds, 18-to-22-year-olds and 23-to-27-year-olds. All of the 14-17-year-old respondents had at least completed middle school; all 18-27-year-olds had at

least completed high school. All respondents were either in school, recently graduated or employed. Respondents represent a random sample of this subgroup, not of the general pool of US consumers. We examined the statistical differences between groups at two levels: age and work status. We did uncover substantial variations between age groups, especially between the 18-22-year-olds and 23-27-year-olds.

The research to date has focused on US Millennials, but we are planning additional research in other countries.

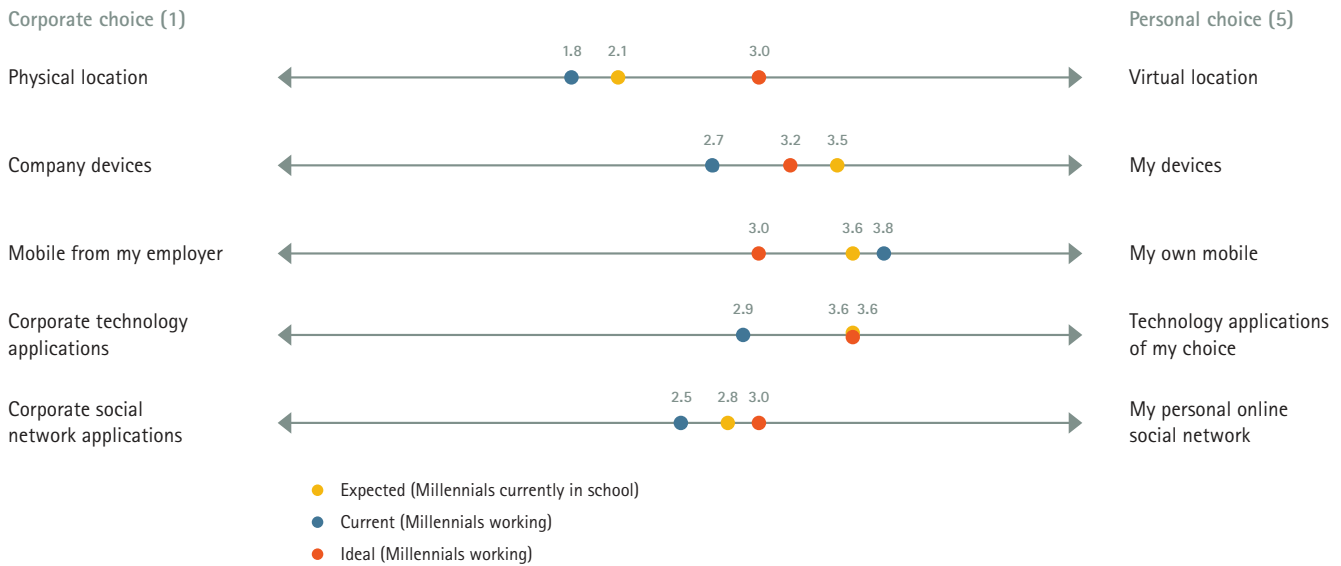
Our analysis of our US research has led us to the following conclusions.

- **Millennials want to choose what they use.** The survey shows that young people, both in the workplace and in school, expect to use their own technology and mobile devices on the job rather than those supplied by their employer. In nearly every category of workplace technology, more than 20 percent of the respondents stated that employer-provided technologies did not meet expectations, while one-third of the Lower Millennials expect not only to use the computer of their choice but also to access the technology applications of their choice once in the workforce (see chart, page 4).
- **Millennials routinely bypass corporate approval.** When it comes to IT, the typical attitude is, "Who says I need permission?" Asked which technologies they currently use or access for work-related activities that are not supported by their employers, Lower Millennials cite mobile phones (39 percent), social networking sites (28 percent), instant messaging (27 percent), open source technology (19 percent) and online applications (12 percent). Similarly, they regularly download nonstandard technology from free public websites, such as open source communities and "mashup" and "widget" providers.
- **Millennials' awareness of corporate IT policies is limited.** Only 40 percent of survey respondents say that their employer has published a detailed policy related to posting work or client information on public websites. Thirty-one percent say they don't know of any such policy; 17 percent say their employer hasn't published anything; 6 percent say whatever has been published is too complex to understand; and

Sticking with what they know

Young people both in the workplace and in school say they expect to use their own technology and mobile devices for work rather than those supplied by their employer.

Expected, current and ideal work environments, Lower Millennials (18–22)



Source: Accenture analysis

6 percent say they will post work or client information on public sites regardless of any policy, at least when communicating with colleagues (see chart, page 5).

- **Millennials expect employers to provide the latest technologies.** To be sure, many Millennials may not have as many joboptions as they would have two years ago, or even nine months ago. Nevertheless, more than half of the Millennials indicate that state-of-the-art equipment and technology in a workplace are crucial considerations for them when selecting an employer (see chart, page 6). Fifty-six percent of the Lower Millennials and 67 percent of the Upper Millennials still in college claim that state-of-the-art equipment will be vital in their employer selection.

- **Attitudes toward privacy appear to be changing.** One out of four

working Millennials say they write openly about themselves and friends online, and one in six claim they have no secrets online.

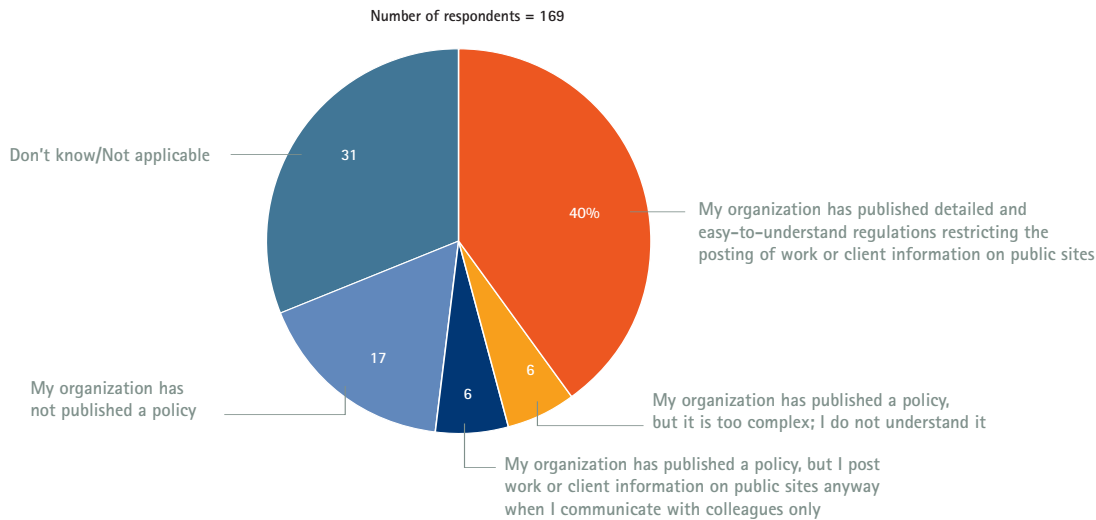
- **Millennials use a wide variety of communication tools.** E-mail remains a consuming reality in the workplace; Upper Millennials say they spend 9.5 hours a week writing or receiving work-related e-mails. But Lower Millennials already in the workforce spend only 7.7 hours a week on e-mail; high school and young college students spend less than an hour and two hours a week e-mailing, respectively. They prefer, instead, text and instant messaging and communicating on social networking sites.

Millennials appear to choose their communications tools opportunistically, based on what they're trying to accomplish at any given time or circumstance. For example,

Policy? What policy?

Only 40 percent of all respondents said that their employers have published detailed policies related to posting work or client information on public websites.

Has your organization implemented a policy restricting the posting of work or client information on public sites outside of the organization's firewall?



Source: Accenture analysis

for short transactional messages (“Where are you in the parking lot?”) they use text messaging; to share copies of documents, they prefer Google Apps. (By contrast, Generation Xers and Boomers are more likely to use e-mail for those tasks.)

- Blogging may not be all it’s talked up to be. Millennials of all ages spend on average only 30 minutes a week blogging—far less time than they spend searching for information on the Internet, listening to portable devices, text messaging, instant messaging, communicating on social networking sites or interacting in virtual communities.

Don’t confuse the production of blogs—the typical way most managers think about them—and their “consumption.” In fact, Millennials use blogs predominantly to get information. Like social networking

sites, blogs are increasingly becoming substitutes for traditional media. It’s also useful to distinguish between blogging and broadcasting. Millennials regularly broadcast information about themselves, posting snippets about their lives for others to read at their leisure. But only a minority is blogging in the sense of writing commentary or making diary entries.

Just kids

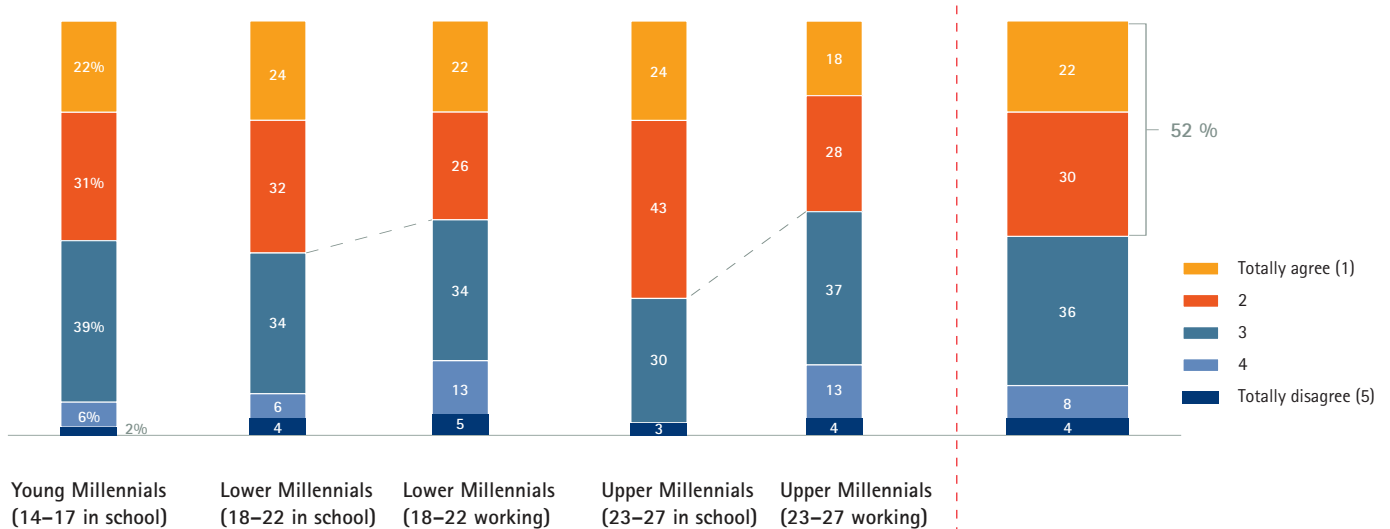
Millennials’ attitudes toward technology matter enormously for a blindingly obvious reason: They are rapidly becoming the new face of the US workforce.

US Census data shows that the segment of the country’s population now aged 18 to 22 grew almost 20 percent between 1990 and 2000. Couple those statistics to accelerating retirement rates among Baby Boomers, and it’s easy to see what is happening to the age profile at work.

State of the art

More than half (52 percent) of all Millennials surveyed said that state-of-the-art technology is an important consideration in selecting an employer.

State-of-the-art equipment and technology will be vital in my employer selection



Source: Accenture analysis

The shift is already giving many Boomer managers heartburn. Their guiding principles—like “Pay your dues” and “Tough it out”—do not resonate with Millennials. Moreover, these youngsters’ attitudes about such issues as privacy and loyalty, work hours and work styles are alien to Boomers and even to many Generation X managers.

The intergenerational challenges have become even more daunting because the Millennials act as if they were born with a new strand of DNA, according to consultant Cam Marston, author of *Motivating the ‘What’s In It for Me?’ Workforce*. “They are the first entirely technologically savvy generation to enter the workplace,” says Marston. “They do not know a time when calculators weren’t used in math

classes, reports weren’t researched on the Internet, they didn’t have a personal computer, and they were unable to talk to their friends on a cell phone or send instant messages, 24/7.”¹ As a consequence, they communicate very differently from their elders, and thus have quite different views of how tasks can and should be accomplished.

Managers who cannot communicate effectively with their Millennial employees will be faced with more than continued challenges to their control of data privacy and productivity. They will find themselves less able to hire the best and brightest young recruits, and less able to retain those they are able to bring on board. At least as worrying is the threat to knowledge transfer (see sidebar, page 7).

¹ *Motivating the ‘What’s In It for Me?’ Workforce: Manage Across the Generational Divide and Increase Profits*, Cam Marston, John Wiley & Sons, 2007

Does tribal wisdom matter anymore?

Millennials say they prefer collaborating via high-tech devices to face-to-face contact when interacting with colleagues, peers, friends and family. That does not bode well for the transfer of knowledge in the workplace.

A recent report from Randstad USA, the employment services provider, notes the marked difficulties of communicating between generations today. According to "2008 World of Work," the company's latest annual study, four distinct generations—so-called Matures, Baby Boomers, Generation Xers and Millennials—all have different definitions of experience and sharing and no consistent way to understand what each has to offer the others. One ominous result: The transfer of knowledge between retiring generations of veteran workers and newer entrants to the workforce is unlikely.¹

A separate report by The Conference Board confirms the difficulties of transferring knowledge at work. It notes that as the Baby Boom generation of corporate leaders and experts approaches retirement, businesses in the United States, Canada and many European nations face the loss of experience and knowledge on an unprecedented scale.²

Findings like these make it all the more important that CIOs rethink how work is organized now that Millennials are becoming a workforce to be reckoned with.

¹ "2008 World of Work," Randstad USA, <http://www.us.randstad.com/2008WorldofWork.pdf>

² "Knowledge Transfer Is Critical to Companies' Competitive Edge, as Large Numbers of Boomers Retire," The Conference Board, press release, Aug. 22, 2008

It will be a different story for the business leaders who *do* learn from the new generation. Workplace management consultant and author Tammy Erickson notes that Millennials will bring innovation to the business world just by sharing their ideas on how things might work. Their "gift is not that they know how to use the technology, it's that the way they use the technology causes them to think and act in different ways," she says.²

There are ways in which the Millennials research results should *not* be interpreted. First, the findings do not represent a mandate for "command and control" IT. In fact, they call into question many existing IT control issues, particularly as those affect personal productivity and working in a mobile world. Second, the news that Millennials are free and easy about obtaining

the tools they want must not become an excuse for a clampdown on personal downloads of third-party productivity software.

We believe that successful business leaders will be the ones who use these findings to tune their IT and workforce management strategies in favor of working *with* Millennials and their approaches. Short-term imperatives may include:

- **Team up on smart solutions.** Assemble a small working group to determine the scope of the issue within your organization. The working group should include a solid representation of Millennial employees—both from IT and a few personal technology "power users" from the business departments—and should be headed by an IT leader who understands what

² "Looking for Innovation? Tap Gen Ys Distinctly Different Point of View," Tamara Erickson, "Across the Ages" blog, Sept. 18, 2007, http://discussionleader.hbsp.com/erickson/2007/09/looking_for_innovation_tap_gen.html

A farewell to e-mail?

What's the likelihood that by 2019 we will no longer use e-mail? Although that may be hard to believe for those who are (as a group of Millennial employees once described their new managers) "slaves to their inboxes," there are strong indications that before long, e-mail may be superseded by other means of communicating.

Accenture's research certainly points in that direction. While it's true that most professionals are confronted with daily e-mail traffic numbering into three figures, and that even young thirtysomethings are spending the better part of 10 hours a week writing or receiving work-related e-mails, the figure is markedly lower for the youngest recruits.

When asked about modes of internal communication at work, four-fifths of 18-to-22-year-old employees said their companies used e-mail. But just 59 percent of the same group said their companies *should* be using e-mail. (The data is even more pronounced for 23-to-27-year-old employees: Fully 87 percent said their companies currently use e-mail, but just 51 percent said they should.) The CIO of a leading US bank recently told

us that her new employees "simply will not read their e-mail," so she is working with a small team of Millennials to determine how best to communicate with them.

One large global company is starting to see the benefits of other methods of connection. Members of a team had been burning through as many as 150 e-mails a day discussing their project without being certain they were even involving the right people. When they moved the discussion to a blog, their e-mail inboxes emptied, and the right people joined in as needed. "When you open up the community and define its focus, you almost guarantee that you have the right people," explained the company's CIO.

questions to ask about IT policies and procedures. Questions they should ask include: What, exactly, are employees using mobile devices for? What password locks do they use, and how rigorously do they apply them? To what extent are staff members using social networking sites for business purposes, and why?

- **Put IT policies in plain language.** There is a good chance that the working group will discover that current IT policies are either opaque or poorly disseminated (and perhaps both), and that they have become ineffective. The group should carefully inventory and review all relevant IT policies, use communications specialists to assess them for messaging impact, simplify them using plain language, and redesign their dissemination in ways and via channels that ensure they are read and understood. The objective must be to embed the

policies into employees' standard modes of operating—and to explicitly communicate and enforce only the policies that are critical to company and individual security.

In a recent effort of this type sponsored by the CIO, the IT leadership of a Fortune 50 high-tech company worked with the corporate legal team to rewrite HR guidelines that had forbidden the use of company Internet access or e-mail for personal activities as innocuous as sending flowers for an anniversary greeting.

- **Run more experiments.** Leading companies are already learning by doing. At one large consumer goods retailer, employees use company-sanctioned social networks as a virtual watercooler. They are free to use the network to criticize company policies; the retailer uses its window into their comments to fine-tune its employment practices.

The news that Millennials are free and easy about obtaining the tools they want must not become an excuse for a clampdown.

At Accenture, we continuously run pilot programs to learn which personal technologies can be of benefit to our employees without elevating risks. The programs test the pros and cons of using devices such as Apple's iPhone; the experiments involve real business applications.

At Procter & Gamble, enterprise social networking is increasingly being used to support and enhance team efficiency. One network, modeled closely on YouTube, is proving very effective for communicating complex program initiatives—and for enabling managers to update their large, geographically dispersed staff.

- **Reinforce personal responsibility rather than trying to prevent bad behavior.** Many companies' IT policies are still in "lockdown" mode, with very tight controls on access to all corporate technologies. At one large insurer, whose strict policies forbade the use of Facebook at work (while permitting access to ESPN.com!), it took just five minutes to search for and find employees who were active Facebook users at work. The insurer's IT staff members were shocked. Yet they had little idea what was on their network, let alone how many people were using Facebook.

Leading companies are instead choosing to emphasize and reinforce the inherent social contract with their employees. Procter & Gamble invokes its core values to act as guidelines for appropriate behavior with today's tech tools.

For blogging, for example, P&G asks users to read a set of basic principles much like a software user agreement. Beyond that, the company finds that a blend of coaching and accountability is working well—backed by the fact that all blogs, wikis and social networking posts must be attributable to the author. "When you make sure it's not anonymous, that raises the level of discourse considerably," says Joe Schueller, IT innovation section leader.

The right balance

In their aptitude with new technology, their confidence and their "no barriers" approach to life, the Millennials promise to upset generations of past assumptions and practices about how work gets done. CIOs and their business colleagues have a unique opportunity to tap those attitudes and energies.

We believe that companies that successfully engage young workers—establishing the right balance between IT boundaries and IT freedoms—are far more likely to generate breakthrough business ideas than competitors who want their workers to conform to "old school" IT policies and procedures. They are also more likely to retain their best-performing Millennials. And when it comes time to attract the brightest and most energetic of today's junior high schoolers, they will have a clear edge in the unending war for talent.

With more and more investors placing premiums on farsighted businesses, that kind of advantage is, well, awesome.

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Gary A. Curtis, the managing director of Accenture Technology Consulting, is Accenture's chief technology strategist; he also leads the company's High Performance IT Research program. As a consultant, Mr. Curtis has served the top managements of several global financial institutions, major media companies and high-technology providers for more than 25 years. He specializes in improving the business value of global IT functions and helping CIOs run IT as a business. Based in San Francisco, Mr. Curtis serves on the advisory boards of several companies that are developing new technologies.

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