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A guide to leading and motivating highly driven professionals

Project management is crucial in bringing order to the chaos of business operation. Projects require resources with the appropriate skills, motivation and leadership to succeed. Organizations are seeking structured project management to solve the chronically late and over budget projects. A study by KPMG NZ of 200 businesses with average project budget of 15 million in 2010 and 2012 is signaling a failure in project management implementation. In 2012, KPMG's study indicated a 15% drop in projects successfully comp...

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A guide to leading and motivating highly driven professionals

GIAC (GCPM) Gold Certification

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Accepted: June 6, 2014

Abstract

Project management is crucial in bringing order to the chaos of business operation. Projects require resources with the appropriate skills, motivation and leadership to succeed. Organizations are seeking structured project management to solve the chronically late and over budget projects. A study by KPMG NZ of 200 businesses with average project budget of 15 million in 2010 and 2012 is signaling a failure in project management implementation. In 2012, KPMG's study indicated a 15% drop in projects successfully completed consistently on budget. Project success rate dropped to 33% down from 48% in 2010. Projects successfully completed on time also dropped to 29% down from 33% in 2010 (KPMG NZ, 2013). The quality and performance of the talent have a direct impact on the success of projects and ultimately the organization (Project Management Institute, 2013). The biggest contributing factors to delayed or late projects are caused by lack of resources (32.6%), not enough time (29.9%), too many interruptions (35.2%) and Changing priorities (25.2%) (AtTask, 2013). The more than 500 experts responding to the AtTask study paint a bleak image of the underlying causes of chronic project failures. Improper project management significantly impacts staff motivation, productivity and performance. A guide to leading and motivating highly driven professionals explores the needs of the human capital and the results of poor project management.

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1. Human Capital Management

1.1. Project vs Operations:

A project is defined as "a temporary endeavor undertaken to create a unique product, service or result. The Temporary nature of projects indicates a definite beginning and end" (Project Management Institute, 2008). Projects are also meant to produce a product or service with the intent to continue production after the closing of the project (Project Management Institute, 2008). An operational task is defined by PMI as an ongoing task that sustains the business over time. Once the project is approaching completion, it is transitioned to the operation's team to maintain operations.

1.2. Staff utilization

Organizations are over-allocating their team significantly, as surveys reflect staff opinions identifying the root causes of project failures being

1. The lack of resources (32.6%)
2. Not enough time (29.9%)
3. Too many interruptions (35.2%)
4. Changing priorities (25.2%)

57.7% of the responders indicated working over 40 hours per week. An additional 27.9% were working over 50 hours per week (AtTask, 2013). The following employee time off assumptions were made to estimate available staff hours:

1. 11 public holidays
2. 2 weeks of annual vacation
3. 10 sick days
4. 5 days of training
5. 2 days of company events (open house, ceremonies)

The remaining workdays are 18.5 days per month. Of the remaining days, the average U.S employee productive hours for an 8-hour shift are 6.5 hours (Mochal, 2006). The remaining weekly productive hours are 27.75. Scheduling 40 hours per week, per resource while considering them 100 percent dedicated, the project is 40 percent behind

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schedule and already built in unrealistic expectations, risking project failure due to lack of resources.

1.3. Matrix organization structures: are companies doing it correctly?

A properly implemented and staffed matrix organization can provide a broad range of expertise and skillsets to projects. Surveys are confirming trends of over-extended staff. Matrix structure presents new challenges that must be taken into consideration. Project managers and functional group leaders will inevitably present conflicting priorities to employees, as Harvard Business review described matrix organizations to have "Tendencies towards anarchy" (Lawrence, 1978) due to multiple project managers presenting competing priorities to staff. Organizations must have the proper resources to spread the already limited 27.75 weekly hours per employee across the various projects while maintaining operations. Employers want to leverage teams across various roles to maximize their utilization. However, if the labor force is already stretched thin to maintain operations, over extending resources across competing priorities is a recipe for degradation in operating infrastructure. The overextension of resources will result in delayed projects and disengagement or loss of employees. The dilution of resources could have a significant negative impact on the organization.

1.4. Closing / transitioning the project

Organizations tend to work on a number of projects concurrently depending on their size. As each project reaches its closing phase, its output is the transition of the product, service or result to the company's operations team. Quite often, they are the same team members that were acquired during the executing phase of the project. Organizations need to keep in mind the revolving door effect of sharing staff between implementations and operations. The vast majority of projects will be an additional workload on the operation's team. The team takes over additional duties transitioned by the closing of the projects while they take part of new teams working on new projects. These additional new endeavors will once again be turned over to the same operations team. At this point, they will continue to operate the companies' infrastructure and "closed" projects while continuing to take on additional new assignments. Successful

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companies will adjust staffing based on the increase of operational duties and retire or shutdown obsolete operations that no longer meet the mission or goals of the company.

1.5. Talent management

Employee engagement is an emerging trend in human resource management. The Human capital institute defines the term as "Engaged employees are characterized as employees giving more discretionary time to the organization" (Human Capital Institute, 2014). Human Capital Institute (Human Capital Institute, 2014) describes engaged employees as people who:

1. Are self-guided
2. Have well defines roles
3. Understand their contribution to the organization
4. Feel connected to their team and the organization
5. Are continuously progressing / developing

The above description is one of highly driven, motivated leaders that are the key to the success of the company. Unfortunately, companies are focusing more on the processes and focusing less on the labor force that are implementing the projects and ultimately the product or service that drives the business. A PMI, 2012 study, indicates that companies are increasingly using most processes of project management to drive their business; however, the one area showing a significant reduction from past surveys is a formal "talent management" to develop project managers (PMI, 2013). As the economy recovers, employee turnover is predicted to increase to 23.4 percent (Reynolds, 2014). Deloitte's Human Capital Trend 2014 identified leadership and retention as the two primary people issues facing companies in 2014.

As the economy recovers, businesses are encountering difficulties finding qualified candidates. Manpowergroup indicates that 35 percent of employers in 2012 are having difficulty recruiting qualified candidates (ManPowerGroup, 2013). With a talent shortage, employee retention and development has become even more crucial to continue operations and successfully complete the company's objectives, goals and projects.

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1.6. Project staffing mistakes

CIO Magazine lists the following common staffing errors related to IT project management (Levinson, 2008).

"1. Project lack the right resources with the right skills

2. Projects lack experienced project managers

3. IT doesn't follow a standard, repeatable project management process

4. IT gets hamstrung by too much process

5. They don't track changes to the scope of the project

6. They lack the up-to-date data about the status of projects

7. They ignore problems

8. They don't take the time to define the scope of a project

9. They fail to see the dependencies between projects

10. They don't consider murphy's law

11. They give short shrift to change management

12. Project schedules are incomplete

13. IT doesn't push back on unreasonable deadlines

14. They don't communicate well with project sponsors and stakeholders" (Levinson, 2008).

A common pattern emerges from the CIO magazine's "common staffing IT mistakes" list. The mistakes identified are resource's scheduling, increase in scope without adjusting resources, unexpected events and dependencies between projects. Overstretching resources and having unrealistic deadlines, workloads and expectations spell a recipe for low morale. Low morale leads to disengaged employees or high staff turnover. The average cost of employee turnover is a loss of amounting to 20 percent of the employee's annual salary and up to 214 percent for an executive due to training and loss of productivity (Lucas, 2012). A company of a thousand employees with the low average of 10 percent annual rate turnover would amount to an annual loss of 7.5 million dollars (Bliss, 2014).

1.7. Staff Morale

Projects suffer when staff morale is low. The impact of low morale can range from complaints about the job, increase absenteeism, increase in team conflicts,

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insubordination, increase in turnover and an overall decrease in productivity (MindTools, 2014). Morale suffers for many reasons such as restructuring, poor leadership, lack of empowerment or autonomies, inflexible work conditions, difficult work environment, heavy workload and stress and the lack of a sense of value (MindTools, 2014). To improve, morale, leadership needs to identify the cause of the staff's low morale and can use some of the following strategies to reverse the low morale.

"1. Reconnecting with your team.
2. Developing your team.
3. Improving the workplace.
4. Improving communication.
5. Setting measurable goals
6. Rebuilding confidence.
7. Focusing on talent management.
8. Motivating your people effectively" (MindTools, 2014)

1.8. Staff Motivation

Gaining and maintaining the proper momentum is key to the successful launch and completion of companies and their projects. Hiring, retaining and motivating the best talent could be the difference between the success or failure of a project and ultimately the company itself. Organizations should look for passionate employees with competitive strong work ethics that demonstrate integrity, resiliency and positive energy (Forbes.com, 2014). Once the staff is hired, companies should direct their efforts to retain and motivate their top talent. Increasing employee retention and motivation can be done through keeping promises related to pay and work conditions allowing companies to stay competitive. Organizations should not use fear as a factor because staff will lose their motivation and produce lower morale across the company. Driven employees are passionate and creative; empower your team to be creative and find new solutions. Vesting the employees in the processes and giving them ownership of projects and tasks assigned can help motivate them. Empower the employees and make their projects their baby and they will nurture and develop it. Driven employees tend to get bored and demotivated with repetition. Challenge and develop their talent keeping their creative

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energy flowing. Many companies focus on too many rules and processes as a way of driving projects. According to the Forbes article "imposing too many rules and formal processes can impede your ability to motivate staff. The more set a process is, the less likely it is going to get done correctly" (Forbes.com, 2014).

2. Make your company their baby

2.1. Employee Engagement and firm's success

Gallup surveyed 25 million employees in 2002 across 7,939 business units in 36 companies. It was discovered that 2/3 of business units scoring above the median on employee engagement also scored above the median in performance, while 1/3 of companies below median on employee engagement scored above the median in performance (Konrad, 2006). The survey identified that only 30% of the American workforce is actively engaged and inspired while 50% is not engaged and 20% are actively disengaged. The consequence of disengaged employees has a direct negative impact on project and organization success. Organizations that maintained engaged employees had fewer defects in their products and fewer workplace accidents reflecting lower healthcare costs and higher revenue. The Gallup Survey estimates the annual cost of disengaged employees on the U.S. economy between $450 to $550 billion dollars. Engaged employees are the ones that come with innovative ideas and have the most entrepreneurial energy (Gallup, 2014).

2.2. The impact of the missing link in project management implementations

Project management methodologies acknowledge and identify time management of resources, communications and human resource management as core processes. Organizations continue to struggle with late and over budget projects as the KPMG study confirmed. The one area identified that has significantly declined within project management is talent management, according to PMI in 2013. Projects and companies cannot successfully accomplish their goals without an engaged and driven labor force,

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creative and vested into the projects' and companies' success. As the trends demonstrate through the different surveys identified by groups, such as PMI, companies are continuing to fail in motivating and keeping the workforce engaged. The result is manifested by the ongoing trends of late and over budget projects as well as the lost economic impact caused by the 70% non-engaged labor force.

Organizations are implementing many of the project management methodologies taught by the various think tanks; however, the impact on the work force's morale and engagement is not considered nor evaluated.The mere focus on the procedures and methodology of project management without understanding and adjusting to the company goals, mission and the needs of the human capital can have a detrimental impact on businesses. A great example is the downfall of Sony. What was once an innovation and industry leader is now a marginally struggling company. Sony once focused on innovation, improving lives and passion for creating new markets.

Sony's management meeting records show executive time allocation as 85% technology, 10% human resource issues and 5% finances. By 1980, Sony dominated the consumer electronics market with the many innovations that they introduced. Sony changed their strategic approach in the late 90's and reached its critical point in 2005 by hiring Sir Howard Stringer as their new CEO. Mr. Stringer took the company in the direction of a "modern" MBA management. Rather than focusing on innovation, Sony began to focus on improving operations. In an effort to improve operations and reduce cost, Sony cut nearly 1/3 of the workforce. Mr. Stinger, similar to many executives, boasted about employing processes and methodologies to make Sony work smarter and more efficient. Goals were focused on reducing costs, leading to an additional reduction of 10,000 employees, which cut product lines and altered operations to favor high-volume production. Management focused on a lower cost of supplies consistently. The impact of the hyper-focus on numbers, doing more with less, reducing cost and outsourcing without a doubt had a significant negative impact on the engagement of the remaining workforce at Sony. The results are now common knowledge that Sony became an industry "me-too" brand name that has not produced significant innovations for many years.

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Sony has not made a profit in the last 6 years and lost $1 billion dollars this year with an additional 5,000 employee layoffs. Its stocks have downgraded to junk (Riley, 2014). Unfortunately, this occurred with many multi-billion dollar companies. Additionally, organizations who have repeated the same mistakes that destroyed other great companies and is almost bankrupting Sony. The Buzz-words of lean operations, doing more with less, outsourcing, hyper focus on processes and procedures are prevalent among CEO's and among leadership conferences. Unfortunately, companies forget their mission that led to their success, innovation. The resources that are producing innovations are the engaged human capital. Sony's old meeting priority indicated that the focus was on the technology or the core innovations driving the business. The shift of focus on numbers and processes rather than innovation and creativity killed several great companies (Hartung, 2012).

2.3. Proper staffing

CIO magazine identified 12 common project management mistakes that companies make (Schiff, 2012). Ten of the twelve mistakes are related to the staff working or interacting with the project. Mistakes were related to having the wrong people assigned to the project or not getting the team or executives to buy in or behind the project. Other common mistakes found included:

- overloading the staff and companies with too many projects at once
- the lack of flexibility and not being able to manage the scope of the project
- allowing too many changes or not tracking change
- unrealistic expectations regarding the project timeline
- Micromanaging projects.

One can see that most of these mistakes can produce a significant impact on the morale and productivity of the employees, and engagement level for the project and potentially their overall engagement level with the business. According to the AtTask.com survey, the large percentages reported of projects as being over budget or past due correlates to the high percentages of job dissatisfaction as well as feedback from employees about work hours, lack of staff, constant interruptions and constant changing

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priorities responses to the AtTask.com survey. The AtTask study also reflects nearly the same common 12 mistakes recognized by CIO magazine article.

The AtTask survey identifies that 50% of the employees' surveyed work over 40 hours per week. The report identifies that the labor force is suffering from crushing interruptions and lack of focus. All of the findings highlight that corporations are assigning unrealistic workloads to the labor force while the staff continues to get interrupted and side tracked from the tasks at hand. The constant disruption goes hand-in-hand with the lack of focus. Organizations that do not have a clear mission, while having multiple competing priorities were identified by staff plagued by interruption due to the lack of clear focus on the goals and outcomes (AtTask, 2013). The labor force is trying to keep up, but the never-ending overtime identified by the study is taking a toll with job satisfaction leading to high turnover ratio and causing employees to become disengaged, resulting in a vicious cycle of low productivity, high costs and delays in production.

Realistic staff utilization is another significant factor impacting the success or failure of the various projects and companies. For companies to stay competitive, they have to continue to evolve and anticipate market needs. However, business units, especially Information Technology organization are adopting the widely accepted manufacturing project management methodology. On the other hand, information technology organizations do not share the same operational processes like manufacturing. Manufacturing and research and development companies have clear boundaries between the project implementation groups as well as the product's life cycles. Once the project completes the closing phase, it is handed over to another team with the resources required to maintain the output of the project through its lifecycle and until it is no longer necessary. Manufacturing increases staffing and production lines to meet the demands of the new project outcome. Product life cycle is clearly defined with resources buildup and teardown when the project approaches the end of its lifecycle. Organizations are noticing the benefits of formal project management and methodology. However, project management is bound to fail as surveys are indicating. Great numbers of companies are not reaping the benefits of project management and pushing their employees to their breaking point.

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Project management frameworks clearly teach closing phases of projects and proper resource assignment for successful project implementation. Many companies are not allocating the required staffing levels to implement new projects nor maintain operations. At the same time, companies are trying to stay competitive and find new creative solutions. By doing so, they are taking on a steady stream of new projects, while more often than not, and are using the same staff for implementation while maintaining existing operations. Many new projects are implemented while many other projects are still on the roadmap. Organizations neglect existing operations staffing needs while transitioning to the new projects. Staff that implemented the latest project continues to operate the just recently closed projects along with existing operations. This never-ending cycle is infrequently evaluated to identify the appropriate staffing levels.

3. Finding and Keeping your engaged employees

Hiring and maintaining staff with the appropriate skills and motivation is critical to the success of projects and companies. With the ongoing talent shortage and the very large percentage of disengaged employees, it is even more essential to hire and retain the right talent and keep them motivated. Some companies are using benefits, such on-site dining, free lattes, free lunches and telecommuting policy in order to keep employees motivated. However, Gallup research highlights that pampering employees do not equal engaged nor loyal employees (Sorenson, 2013). Gallup research illustrates that the highest level of employee engagement was identified in employees that work 20 percent remotely. Employees surveyed from companies that allow a balanced work and a sense of freedom scored the highest level of engagement. Employees that were provided flexible schedules worked longer hours than on-site employees. Engaged employees' connection to their work and their company is what drives performance and keeps employees coming to work. Their excitement about what they do is what drives and pushes their companies forward.

Organizations seeking highly engaged employees should focus their talent search on candidates that are self-guided who demonstrate drive, self-motivation, and commitment. Engaged employees are vested in their company's success due to their strong emotional connection with their employer and can align their goals to the company

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goals. That very same connection is what drives the employees to treat their project and work as a personal interest. They feel connected to the success of their businesses; associated success or failure of the projects and business as part of their family or as their child that they want to succeed. Human nature is to nurture their family and child. The more an organization can align its goals with the employee's goals, the stronger the connection employees will build and have much higher success in engaging their employees achieving higher success rates and profitability.

Amazon's CEO, Jeff Bezos, has taken an interesting approach at reducing the number of disengaged workers by offering its warehouse employees up to $5,000 to quit their job. The "Pay to Quit" program provides an opportunity for employees to think about what they want. Mr. Bezos' program is targeting disengaged staff that are not happy with their current work situation. Mr. Bezos wrote to his employees saying, "in the long-run, an employee staying somewhere they do not want to be isn't healthy for the employee or the company." This creative thinking and cutting edge ideas tackle and try to reduce the expenses that companies incur by having disengaged staff on board. By starting a discussion and providing a financial incentive, Amazon is allowing their employees to take a pause and think if they are there because they are passionate, engaged and believe in the cause of the company. If they are disgruntled, disengaged, or unhappy, they cost the company significant money and as Mr. Bezos indicated, in the long run, it is not good for them or the company (Isidore, 2014).

Companies such as Sony highlighted earlier focus on the bottom line, profitability and reducing expenses. Quite often, reduction in the labor force takes place through either business realignment or staff reduction to reduce the cost. However, the impact of reorganizing is one of the most identified causes of introducing stress and causing employees to be disengaged, thus starting a vicious cycle. Amazon's approach is revolutionary that because it addresses both these items by producing the opposite results. They increased morale of the remaining employees by removing the disengaged, non-motivated and least productive employees, while at the same time achieving reduction in force. The Good Jobs Strategy compared profitability among retailers that hire extra people granting employees slack time versus those who under staff. It was found that those who overstaff were far more profitable than those who understaff. The increase in

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profit was credited to mainly their employees' ability to think, serve customers, re-arrange the stored and be cross trained (Bersin, 2014).

The UN's World Happiness report shows that the happiest countries are also countries whose companies are quite successful. Denmark, Norway, Switzerland, Netherlands and Sweden all have the reputation for a balance between employee work life and personal life. Countries and companies that succeeded at building people centric business environment allowed people to think, unleashing their creative forces and, enabling companies to innovate and succeed (Bersin, 2014). Studies have shown that nearly 26 percent of the United States workforce is going to change jobs this year. The majority of them will be the most highly skilled and motivated employees. Organization that implement a business environment that is flexible, permit a work and life balance, as well as and promote people's ability to learn and grow are rewarded with lower turnover and retention of the most productive and engaged employees.

Some companies try to increase employee productivity and engagement by having free perks for their employees. Having ping pong tables, free lunches and creating a unique work environment is not enough to engage and keep employees. Microsoft's CEO, Satya Nadella, talks about work to his employees in his letter describing that each employee must find meaning in their work. He acknowledges that the opportunity is what drives everyone at his company rather than just to work, but to create something that will improve other people's lives. With the ever decreasing separation between work and personal time, due to the mobile age, employees are working more hours than they did before. However, all surveys indicated that the lack of spearation has taken a toll on morale and engagement, costing the world economy billions of lost dollars in lost productivity. Working more hours does not mean being more productive or producing more. Companies seeking to increase morale, retention and, engagement should be mindful of their employees' personal lives.

Deloitte and similar research focusing on the needs of the Generation Y/millennials workforce shows a contrast of labor needs in which companies need to address. Millennials seek constant growth; on average, they would like new jobs and new assignments every 12-24 months. Research shows that they will not wait the historic three to five years for promotion. Organizations seeking to motivate and retain them

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should create talent mobility, and special assignments. The new generation of employees grew up in a transparent electronic world. These transparency expectations are applied to their work place with transparent leadership and clear communication of goals and expectation. Deloitte's Australia published a report entitled "Waiter, Is That Inclusion in my Soup." The report showed that teams who feel high inclusiveness delivered 80% higher performance than those who do not feel included. Research identified that Millennials reflected more "impatience of youth" in their career growth. They were more willing to embark on short term assignments to seek growth more than the previous generation. Previous generation was seeking the same goals, however, they were willing to wait for long term growth. Millennials are more likely to be short term assignment focused than the previous generation, willing to go elsewhere seeking growth. Organizations are already addressing this difference by creating three to six month assignments to maximize the productivity of the new workforce while continuing to challenge and promote growth of the workforce.

The new workforce is growth driven and seeks performance-based appraisal, not tenure. They expect to get rewarded for their hard work and are willing to change jobs much faster than their parents. At the same time, Millennials grew up having direct access to friends and people through the increased social and electronic communications. They are more comfortable than their parents in reaching out to peers and colleagues without having to go through the management hierarchy. They are more comfortable with less role clarity and less of a manager-led career. Communication is a prized skill in which many companies seek people that will break the information silos between work groups and for employees to complete work with minimal supervision. Millennials grew up in a generation that saw their parents go through their fair share of layoffs. They do not expect to work for the same company for a very long time and seek constant growth to stay competitive. Organizations seeking to attract, retain, and engage the next generation of labor should provide the growth, development, transparency, and the constant challenge that they seek (Bersin, Forbes.com, 2013).

Organizations are experiencing staffing challenges when seeking Information Technology security professionals. Due to the level of skills required for security roles, its averaging six to twelve months on average to recruit security professionals. A

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Ponemon Institute study identified inability to offer a competitive salary as a major contributing factor in recruiting security professionals. The study also identified candidates are ranking the salary, vacation time and Flex time as the top three features in a hiring package. Senior security professionals are averaging 2.5 years per job while junior staff are averaging 4 years (Ponemon Institure LLC, 2014). The study indicated that seventy percent of organizations said that their IT Security function is understaffed. Due to the talent crunch, competitive market and the previously discussed project management challenges, companies should focus their efforts to attract, retain and motivate the talent that they already have.

4. Conclusion

The evolution of the industrialized culture led to the creation and adoption of formal project management. Organizations acknowledged that the plague of late and over budget projects results significant losses and an increase in expenses. Over the past decade, businesses implemented several types of project management techniques, but they continue to suffer from late and over budget projects. Worldwide surveys conducted by various research groups such as Deloitte, Gallup and many others are increasing their focus on the human capital engagement and the impact that they have on projects and companies. Gallup estimates a loss approaching $500 billion per year due to disengaged employees. Projects do not fail only due to lack of project management. The human capital implementing the projects and implementing the organization's objectives play a significant role on the success or failure of projects and ultimately the business.

The labor force is speaking clearing through the various surveys that the current labor practices are no longer applicable to a digitally connected age. For the last decade, companies focused on reducing costs, doing more with less, streamlining business processes, and reducing staffing causing a strain on the labor force and pushing them past their breaking point. Once great companies that led the industrialized world for generations, such as Sony, are now almost bankrupt after dedicating decades to business processes, management methodologies, and cost reduction.

The labor force is changing with Generation Y Millennials entering the workforce. The Millennial generation grew up in a connected digital and social age. They

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saw their parents go through the transition from long term careers at a single employer to many jobs due to layoffs and labor reductions. Generation Y was altered to be more adaptive than the previous generation, transparent and extremely competitive. Incentives no longer drive the millennial generation. They are seeking jobs that are meaningful, have a purpose, and are flexible. Transparency, flexibility, and growth are the key to attracting and keeping the new labor force engaged. Organizations which are struggling to stay competitive in the labor market should evaluate their human resource management strategies. Adjusting to the needs of the next generation's employees could mean the difference between the success and failure of companies. Project management is bound to fail without a properly staffed, engaged, and committed labor force.

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Last Updated: December 2nd, 2015

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