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Business Technology: The Death Of American IT Has Been Greatly Exaggerated

Polar-opposite rhetoric isn't limited these days to political races; it's rampant in the business-technology world in discussions of workers and jobs. <B>Bob Evans</B> notes you can find a study to support your argument, and maybe even a bill wafting its way through the Senate.

By Bob Evans, InformationWeek
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It's the season of political conventions, and in that spirit, it's probably a good idea to immerse ourselves in some totally contradictory findings. As we float amongst the dissonance--confidence is up, but so is insecurity about jobs; some folks feel that offshore outsourcing is sweeping the country and turning us into a nation of brainless, futureless twits, but outsourcing also "is a little bit of a myth," according to the author of a recently released report on IT staffing and compensation--we would do well to remember that IBM founder Thomas Watson once opined that the total worldwide customer target base for the company's large computers would be about six.

We have a bill being introduced in the U.S. Senate that would create a commission (bipartisan, of course, and blue-ribbon, of course; speaking of that, have you ever heard a commission described up front any other way--perhaps, say, as knuckleheads, morons, and dimwits, nitwits, and halfwits, for whom Harvey Korman clamored in *Blazing Saddles*?) to study the impact on the U.S. economy of changes in the global economy, including those stemming from offshore outsourcing. "Our entire innovation ecosystem is under stress, including the ties between basic research and commercialization, competition for capital and technology, and adaptive business models," said the bill's sponsor, Sen. Joseph Lieberman, D-Conn. "This 21st-century rat race--constant insecurity, constant competition, and constant change--presents an opportunity for all, yet it will be a nightmare for the unprepared." (Rat race? Is that what global business is these days?) So look for some millions of your tax dollars to be plowed into this nonsense that sounds like it might be out of *Blazing Saddles* as well: "the panel--known as the Commission on the Future of the United States Economy--would be charged with analyzing the impact of global economic changes on the American economy, including offshore outsourcing, and offering nonpartisan proposals to preserve our innovation infrastructure and create more high-wage American jobs." Feel better now? More confident and safer in knowing that this boffo panel will tell businesses how to keep you and them from becoming irrelevant? Well, in the off chance that it doesn't allay your fears, then consider this: The Meta Group advisory firm has recently released a study on IT jobs and concludes that not only are the best business-technology positions and professions staying right here in this country, but also that hiring in the IT sector should begin to pick up by the end of this year or in early 2005. (Memo to Sen. Lieberman: Thanks for offering to play nanny to our free market, but perhaps this is an instance where the all-too-visible hand of the federal government should stay in its pocket and just let the unmatched innovative and entrepreneurial spirit of the American worker work this out.)

> **Other Voices**
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> Nobel Prize-winning scientist Francis Crick, who co-discovered the spiral,

Meanwhile, my colleague Eric Chabrow, who's been covering employment issues for us on a daily and sometimes hourly basis, reported late last week that an *InformationWeek* analysis of just-released employment figures from the Bureau of Labor Statistics shows some additional contradictions. While the overall IT workforce has shrunk by 160,000, certain

"double-helix" structure of DNA in 1953 and opened the way for everything from gene-spliced crops and medicines to DNA fingerprinting and the genetic detection of diseases, has died. ... Crick was born in Northampton, England, in 1916 to a shoe factory owner and his wife, who bought their young son a children's encyclopedia to help answer his many science questions. He studied physics at University College of London and then built underwater mines for the British government during World War II.

-- *The Associated Press, July 29*

job categories are growing. The number of IT managers soared by 54% from 2000 to 2004: from 212,000 four years ago to 326,000 today. But before you start campaigning for a promotion, Eric says this growth market has a wrinkle: The way the government classifies certain jobs, someone could fall under the category of "manager" but not supervise anyone.

And then we have the findings of "The State of the IT Industry" research study by *InformationWeek*'s sibling, TechWeb, which shows that in an online survey of more than 1,000 IT respondents, about 52% have little or no concern that their jobs will be eliminated or sent offshore; 19% are mildly to moderately concerned; and 29% are very concerned. At the same time, though, most of those respondents also said they expect a raise this year, and 20% of them said their companies plan to invest in "significant" hardware and software upgrades both this year and next, while another 65% expect to be purchasing moderate upgrades to their hardware and software. So 85%--that's not a bad number of companies to be buying new stuff over the next 18 months.

So in light of all that, when we asked in another survey (this next one being informal, but still drawing 541 respondents) which business-technology issues would be figuring into which presidential candidate to vote for in less than 100 days, we weren't surprised--but perhaps should have been--to see that offshore outsourcing topped the list, followed in descending order by job creation and retraining, privacy, IT security, Internet taxation, H-1B visas, technology innovation, electronic medical records, and, at the bottom, universal access to broadband.

Are there any hot IT job areas other than manager? Quite a few: According to the Meta study, senior program director Maria Schafer highlighted Internet-related specialists, particularly those with expertise in application development, Java-application management, and networking; and, CRM and ERP specialists. From the Bureau of Labor Statistics, the number of software engineers employed in the United States grew from 742,000 in 2000 to 791,000 today, a jump of 7%; database administrators are up nearly 90%, from 47,000 to 89,000; and network-computer systems administrators jumped 31%, from 133,000 to 175,000.

Meanwhile, our very own 2004 National IT Salary Survey revealed that "while some IT professionals report that they would explore a job opportunity if one arose, few are actually looking for a change in venue. Three in five tech staffers and managers report no interest in job hopping. In fact, job tenure is up. IT staffers have an average of five years with their current employers, compared with three years at their previous companies. IT managers report an average of six years, two years more than at their last employers, where they worked an average of four years in total."

So you tell me--does all this sound like a profession in crisis? Is this a description of onrushing irrelevance? Will the profoundly overused "nation of hamburger flippers" cliché come to pass, or is it an absurd canard perpetrated by those who either know nothing of what they're saying, or for some reason are intentionally trying to distort the issue?

I think the excessive hand wringing over The Death of IT needs to stop. Have a lot of people left the field? No doubt. Has there been enormous pain and difficulty among many whose skills didn't match up or whose employers sought lower labor costs? Definitely. But that's consistent with what happens in a country of explorers and adventurers and risk-takers and free-market entrepreneurs. And I yield the floor for a closing comment to a guy who knew a thing or two about adventurers and risk-taking, Mark Twain: "We are called the nation of inventors. And we are. We could still claim that title and wear its loftiest honors if we had stopped with the first thing we invented, which was human liberty."

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