

12-3-2009

Editors' Comments - Special Issue on Domestic and Global Sourcing of the IT Workforce

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Recommended Citation

Willcocks, Leslie; Oshri, Ilan; Rottman, Joseph; and Brown, Carol V. (2009) "Editors' Comments - Special Issue on Domestic and Global Sourcing of the IT Workforce," *MIS Quarterly Executive*: Vol. 8 : Iss. 4 , Article 1.

Available at: <https://aisel.aisnet.org/misqe/vol8/iss4/1>

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EDITORS' COMMENTS

FROM THE GUEST EDITORS

The most recently published survey of the Society for Information Management (SIM) membership (*MISQE*, September 2009) shows that *'building business skills in IT'* and *'attracting IT professionals'* were two of the top five management concerns for CIOs. This survey was run in 2008 and, since then, there has been an economic crisis in which the U.S. skills shortage has eased in some areas. This flags the importance of managers continually monitoring IT workforce developments, which are now highly dynamic worldwide. However, what is lastingly true is that, in contrast to the late 1990s, the desired skills mixes for client firms are changing—with technical skills vital for some jobs, but change management and business knowledge and capabilities, in various mixes, becoming increasingly important.

Projections for Western Europe and other developed economies also indicate future IT skills gaps, while, before the economic crisis, some major offshore destinations—notably India—were experiencing high labor turnover, rising pay demands, and skills shortfalls leading to the offshoring of some of their own IT work to 'nearshore' or cheaper destinations. Other countries such as the Philippines, Vietnam, and Ireland have been seeking to deal with rising demands related to new sourcing strategies. There are also over 120 emerging IT industries around the world in BRIC (Brazil, Russia, India, China) and non-BRIC countries, with considerable implications for the location and management of domestic and global IT workforces. Middle management skills are increasingly in demand across all these offshore venues, as outsourcing moves up the value chain to more complex, business process and knowledge-based work¹. It is likely that the pressure on IT and related skills will increase once again with changes in the economic climate.

This special issue sought "research for practice" papers that addressed how today's business and IT leaders are dealing with these domestic and global

shifts in IT workforce supply and demand. We were particularly interested in field research that revealed the managerial challenges associated with these IT workforce sourcing developments and their implications, and also provided examples of practices that can be implemented organizationally. The result is the four highly interesting papers in this special December 2009 issue.

In the first paper, C. Ranganathan and Christina Outlay deal with the very practical and perennial issue of how to resize and restructure the retained workforce when outsourcing IT. Interestingly a number of studies show that this is one of the more neglected areas in outsourcing, especially when it comes to building a high performing retained capability able to keep control of the organization's IT destiny.² Here the authors use a study of twelve firms' practices. They point out how the three approaches of downsizing, outplacement and 'inplacement' (internal transfer of employees) inevitably disrupt the psychological contracts that workforce members have with their employing organizations. They suggest six tactics to manage these situations effectively, and specific guidelines CIOs can follow in executing IT resizing programs.

In the next paper Tim Weitzel, Andreas Eckhardt and Sven Laumer develop a framework for recruiting IT talent. In particular, they draw upon the experiences they have studied and participated in at the global industrial giant Siemens. Given that recruiting the right IT talent is still one of the greatest challenges CIOs face, The authors' integrative 'FIT' framework is highly useful. It focuses on three dimensions – timeframe within which to fill a vacancy, cost of recruitment and the scarcity of the skill set being sought. Using a fishing metaphor, the paper suggests four different tactics and illustrates these with examples drawn from Siemens' experiences. They suggest 20 recruitment practices and the circumstances for which they are best utilized. They conclude with practical lessons learned by the seven-year-long study.

1 Two recent studies are Oshri, I., Kotlarsky, J., and Willcocks, L. (Eds.), *Outsourcing Global Services: Knowledge, Innovation and Social Capital*, London: Palgrave, 2008; also Lacity, M. and Rottman, J. *Offshore Outsourcing of IT Work – Client and Supplier Perspectives*, London: Palgrave, 2008.

2 See for example Willcocks, L., Reynolds, P., and Feeny, D. "Playing Catch-up with Core IS Capabilities: The Secrets of Success," in Lacity, M. and Willcocks, L. (Eds.), *Information Systems and Outsourcing: Studies in Theory and Practice*, London: Palgrave, 2009.

Our third paper is by Nikhil Mehta and Anju Mehta. These authors are concerned with how to reduce the risks incurred from human resource challenges when using offshore IT vendors, particularly where those vendors are based in India. Many studies have already pointed out that these risks can be considerable, and not always obvious, especially in situations where the client organization is not familiar with the offshore labor market in question.³ Risks often cited include skills shortages, high labor turnover, low levels of employee 'well-being' and motivation, and rising training and development costs. The authors here sought deeper insights by researching ten vendor organizations and conclude that clients must get involved not just in their own HR challenges, but in their suppliers' HR issues as well. They also provide commentary on what CIOs can do in recessionary times to mitigate changes in vendors' HR-related risks. The paper provides seven strong recommendations, supported by detailed case examples, of what clients can do to mitigate the sourcing risks they face. Their seventh recommendation is particularly useful for providing five sub-recommendations on how to leverage the current economic crisis as an opportunity.

Our final paper—by Ron Babin and Brian Nicholson—focuses on corporate social and environmental responsibility and how such responsibility can be integrated into global IT outsourcing practices. Social and environmental responsibility is rising up the agenda of senior executives, including the CIO, who has distinctive issues to deal with in this area. This paper points, for example, to eWaste being one of them. Meanwhile, various government and non-government organizations are producing guidelines, standards, and reporting frameworks that create a set of public expectations about client and vendor practices alike. Their field research in banks, consumer product organizations, advisory firms and suppliers provides CIOs with four key directions. The authors also describe for the CIO five knowledge and capability areas, and identify detailed guidelines for global IT outsourcing buyers and providers in this area of corporate social and environmental responsibility.

We would like to thank very much all the reviewers and authors, including those whose papers did not make the final cut this time, for the tremendously dedicated work they have put into supporting this

special issue. Also, considerable gratitude goes to Carol Brown, *MISQE* Editor, for her unfailing encouragement and critical eye. We believe their efforts have enabled us to put together papers that bring together the in-depth knowledge gained from academic research and the practical experience of our respondents to produce genuinely robust lessons and guidelines that will assist practitioners operating in a very challenging and important area.

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FROM THE EDITOR-IN-CHIEF

The entire editorial team at *MISQE* is grateful to our three guest editors, Leslie Willcocks, Ilan Oshri, and Joe Rottman, for fostering the development of the four articles selected for this special issue on domestic and global IT workforce issues. As the authors of the selected articles point out, today's IS leaders need to take into account both short-term organizational needs and long-term IT workforce trends to ensure that their organizations have the IS capabilities needed for today as well as tomorrow. Indeed, the global IT outsourcing trends that were fueled by a critical IT workforce shortage in developed countries just one decade ago, present new leadership challenges as well as new opportunities in an economic climate in which experienced IT professionals with valued business knowledge are now working for an outsourcing partner or are among those seeking domestic employment.

As this issue goes to press, Ann Majchrzak, Gerald Kane, and Blake Ives are preparing for our Dec. 2009 SIM Academic Workshop in Phoenix, Arizona, followed by our Dec. 2010 *MISQE* special issue on the topic: *Enterprise and Industry Applications of Web 2.0*. Authors not able to participate in this pre-ICIS workshop are also invited to submit papers to the guest editors. Please refer to the *MISQE* website for submission details: www.misqe.org.

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³ For the example of China, see Lacity, M., Willcocks, L., and Zheng, Y. (Eds.), *China's Emerging Outsourcing Capabilities*, London: Palgrave, 2010. For other countries, see for example Carmel, E. and Tjia, P. *Offshoring Information Technology: Sourcing and Outsourcing To A Global Workforce*, Cambridge: Cambridge University Press, 2006.