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DOES INFORMATION SYSTEMS STILL MATTER? LESSONS FOR A MATURING DISCIPLINE

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ABSTRACT

The information systems academic discipline faced a sharp reduction in student enrollments as the job market for undergraduate students softened. This article examines the recent and rapid rise and fall of university student enrollments in information systems programs and describes how these enrollment fluctuations are tied to the job opportunities of graduates. Specifically, we examine the role that global outsourcing is playing on the employment opportunities, both in the United States and Europe. This analysis concludes that the demand for information systems graduates in the United States likely bottomed out and slow growth is now occurring. In Europe, general conclusions are limited, but it appears that global outsourcing is playing much less a role in Europe than in the United States. Nevertheless, although global outsourcing is indeed a factor influencing the U.S. employment picture, it is only one of several factors that impacted the U.S. job market for information systems graduates negatively over the past few years. After examining the future job opportunities for information systems graduates from a macro viewpoint, the paper provides recommendations for improving student recruiting to the information systems major, for attracting potential employers of graduates, and for managing the production of Ph.D. graduates to match the flow of undergraduate demand. The article concludes that, although shaken, the information systems academic discipline is strong and will continue to strengthen as it moves into a state of maturity and relative equilibrium.

Keywords: information systems education, curriculum, enrollment, workforce, globalization, outsourcing

I. INTRODUCTION

When *Harvard Business Review* published Nicholas Carr's article "IT Doesn't Matter" [Carr, 2003], it created a stir in both the academic and professional communities. Carr argued that as information technology becomes more pervasive it will become more standardized and ubiquitous, more of a commodity that is absolutely necessary for every company. He reasoned that companies should focus their IT (information technology) strictly on cost reduction and risk mitigation and that investing in IT for differentiation or for competitive advantage is futile. Many experts in academia, in the popular press, and within technology companies not only disagreed with that argument but felt that, if taken literally, Carr's line of thinking could hurt companies' competitiveness. Given the debate that this article caused, *CIO Magazine's* Editor-in-Chief, Abbie Lundberg, published an interview with Carr on the subject together with an invited counterpoint article [Tappscott, 2004]. In this response to Carr, Tappscott argued that companies with bad business models [Osterwalder, Pigneur and Tucci 2005] tend to fail, regardless of whether they use IT or not. On the other hand, companies with good business models that use IT successfully to carry out those business models tend to be very successful. To emphasize his position, Tappscott used several examples across a variety of industries—e.g., Amazon.com, Best Buy, Citigroup, PepsiCo, Herman Miller, Cisco, Progressive Casualty Insurance, Marriott, FedEx, GE, Southwest Airlines, and Starbucks—where firms dominate their respective markets, have superior customer relationships, business designs, and differentiated offerings, and are well-known for their superior use of IT in supporting a unique business strategy.

The timing of this debate on the strategic value of IT within organizations is occurring at a time when most information systems academic programs throughout the world are experiencing significant downswings in enrollments (from 25 to 75 percent reductions). This reduction is not a gradual decline, but instead it is a sharp drop from the heyday of the dot-com and Y2K boom of the late 1990s. These enrollment drops are likely an outcome of the sharp decline in the number of IS related job opportunities for IS graduates. During the IS boom of the late 1990s, it was often joked that any graduates that could spell MIS could get a high paying job, and most universities could not find enough faculty to cover courses as enrollments skyrocketed. Today, the academic job market, for both IS graduates and IS faculty, is quite soft. This rapid change from feast to famine is sending shockwaves throughout the high technology industry as well as throughout technology-related programs within higher education. Given this backdrop, we address the following question in this short article:

Given the current changes in the IS profession, particularly the trend toward offshore outsourcing, what is the future nature of the IS profession and what are the educational/curriculum implications that ensue from these changes?

We strongly believe that information systems as an academic discipline, while affected by changes in the IT profession, will continue not only to exist but to prosper. We believe Tappscott is right, and that a strong business model accompanied by the successful use of IT is a powerful combination. We also believe, however, that we as IS academics need to understand the changes that are occurring in industry and how they affect us. To that end, in this paper, we begin with an analysis of current enrollments in IS courses and major programs, focusing on economic and workforce factors that are affecting our enrollments. We look at where things are now and where they are likely to be in the near future. Based on our analysis, we then make a series of recommendations about what we as a discipline need to do to adjust to current changes and to be better prepared for our future.¹

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¹ In this article, our perspective centers primarily on information systems programs housed in business schools, particularly those that offer both undergraduate and PhD programs. Nevertheless, we believe our analyses and recommendations, where appropriate, apply to any information systems-related program including those not housed within a business school or without a PhD program.

II. FACTORS THAT INFLUENCE THE STATE OF THE FIELD

To make recommendations to the field on how to best move forward, we first briefly examine several factors that influenced or are currently influencing the information systems profession. We begin with an assessment of the past and current student demand for IS in our colleges and universities. We will then look at the indicators of where things stand now in terms of plans to hire IS personnel. Then we will examine economic and workforce factors related to the demand for IS graduates in the workplace. One of the key factors is globalization and outsourcing, which we will examine from both a U.S. and an E.U. perspective.

DEMAND FOR INFORMATION SYSTEMS IN U.S. COLLEGES AND UNIVERSITIES

As an applied academic discipline typically located in business schools, IS produces an educated individual with a unique skill set. At the heart of IS is the development of information systems designed to solve business problems [Nunamaker 1992]. Through our curriculum, we produce employees who can analyze business problems and design information systems tailored to solve those problems. Although the titles vary, we generally refer to the positions our students take as systems analysts. Although it varies from geographic market to market, most of our students are hired by consulting firms.

Anecdotal evidence from colleagues and other interested parties such as textbook publishers indicates that demand for IS students fell significantly since 2002. Although personal estimates vary, the modal estimate for the decline is about 50 percent. Data from one of the author's institutions, Florida State University, supports this estimate (Figure 1). While the numbers of IS majors gained and lost differ dramatically from school to school, we believe the curve in Figure 1 is typical of most IS programs in the United States. By and large, the number of IS majors now is just below what it was in 1995 or 1996.

Figure 1. Number of MIS Majors at Florida State University, 1995–2004

The obvious question to ask is: What happened to cause the decline? Perhaps the correct question is: What happened to cause the incline? Among IS faculty, the usual answer is:

- the rapid build-up in the implementation of ERP systems,
- the Y2K problem, and
- the rapid build-up in demand for anything related to the Internet [Ives et al. 2002].

Recruiters who hired IS graduates began to show up at the colleges where they recruited with greatly increased quotas of new hires they had to make. Recruiters went to colleges they did not typically frequent to hire students with whom they would not otherwise have talked. Companies that never hired right out of college began to show up at colleges and universities to hire whoever they could find. The competition for IS personnel of course led to higher salaries, and students outside of IS heard about the demand and the high salaries and changed majors. Anecdotal evidence in this regard shows that perhaps as many as one-third of the new converts to IS were little interested in the field or even in computing. When the *Fortune 500* finally finished their ERP implementations, when the Y2K problem was expertly resolved, and when the Internet bubble finally popped, these new converts were the first to desert the ranks of IS majors. Increasingly frequent news of rescinded job offers and layoffs of IS personnel drove others away.

When the demand for IS courses increased, demand for IS instructors, most notably professors, also increased. It looked to many of us as if we would not be able to produce enough new Ph.D.s in IS to keep up with the demand. We hired as many of the newly minted IS Ph.D.s as we could find, and we lured assistant professors from other schools to our campuses. Salaries for IS faculty increased. And then, of course, as demand for our courses declined, so did demand for IS faculty. Course section sizes changed from overflowing to small and intimate. The market for IS faculty softened considerably.

Now, 10 years after 1995, we returned to the same level of demand for IS in our colleges and universities that we faced then. In some ways, this decline is not necessarily a bad thing, because we are certain that the remaining students are dedicated to the field. However, students thinking about majoring in IS are now hearing about how many IT jobs are being outsourced to countries like India, China, and Russia, and they hesitate. As was the case in 1990-1991, more people holding IS doctorates are searching for jobs as IS professors than we have openings for them.

We know what the past looked like, and what is going on now, but what does the future hold?

DEMAND FOR INFORMATION SYSTEMS IN THE WORKPLACE

How does the situation look now, and what kinds of forecasts can we make for the future? Here are some statistics.

- Economy.com, as quoted in the Wall Street Journal, estimates the U.S. lost about 900,000 IT jobs from 2001 through 2004, with outsourcing accounting for about 40% of the loss² [Tam & Wingfield, 2005].
- The Information Technology Association of America (ITAA), in their Workforce 2003 report, concluded that the IT industry bottomed out in 2002, and that the number of IT jobs in the United States at the beginning of 2003 was 10.3 million, up 4.2 percent from 2002 [ITAA 2003]. In the ITAA Workforce 2004 report, the number of IT jobs in the U.S. continued to grow in 2004, to 10.5 million workers [ITAA, 2004].
- The Bureau of Labor Statistics (BLS) predicts additional increases in the numbers of IT jobs from 2002 to 2012 [Coy 2004]. The number of software engineers is forecast by BLS to increase by 179,000 and the number of management consultants by 176,000 from 356,760 and 392,670, respectively in 2002.

Different ways of counting produce different estimates, however.

- AeA [Government Technology, 2005], estimates the U.S. high-tech industry lost 25,000 jobs in 2004, down to a total of 5.6 million. As bad as this loss sounds, however, it represents a slowdown in job losses. AeA estimates that the industry lost 333,000 jobs in 2003 and 612,000 in 2002. Most of the jobs lost in 2004 were in IT manufacturing, but some gains were achieved in some industry segments. For

example, the software services industry added 31,900 jobs, while the engineering and technical services segment added 30,000 jobs.

- More good news comes from a Michigan State University survey, which concludes that computer science and IT graduates will see an increase in employment opportunities in 2005, the first expansion since the collapse of the dot.com bubble [Gardner, 2005].
- An employment report by the U.S. Bureau of Labor Statistics in April 2005 reported that employment in IT-services firms was up 4.4% over April 2004 [Chabrow, 2005].
- It looks as if things have bottomed out, and we can expect growth in the demand for IS to resume, although slowly.

OUTSOURCING AND GLOBALIZATION: THE VIEW FROM THE UNITED STATES

Even though domestic demand for IS graduates and IT workers in the United States seems to be increasing, the large amount of press on outsourcing serves to discourage students who may want to major in IS. Outsourcing of IT jobs is a real issue, but to what extent should we be concerned about it? Outsourcing is on the rise for all aspects of business and many of these outsourced jobs are within the information systems function. *CIO Magazine* reported that, in 2004, U.S. spending for IT services that were shipped overseas was approximately \$16 billion, and spending was expected to rise to approximately \$46 billion in 2007 [*CIO.com* 2004].

U.S. executives are becoming increasingly comfortable with outsourcing projects to companies that do the work in remote locations at lower prices than can be found domestically. "A 25 percent cost savings on an outsourcing contract is a realistic goal when working with an offshore provider," according to Forrester [Greenemeier 2002]. However, as the labor costs in India continue to rise, companies might look to countries such as China when thinking about offshoring their work. To mitigate risk, many offshore companies keep management personnel in the United States who act as liaisons with overseas staff. The continued reliance on offshore talent by well-known service providers, such as Accenture, EDS, and IBM Global Services, also lends credence to the offshore model. What began more than a decade ago as a cheap way to supplement overworked internal application developers with workers from India grew into a worldwide search for the right mixture of talent, resources, and cost savings to create and manage today's most complex IT environments [Greenemeier 2002].

But how much of a threat is outsourcing to IT jobs? Of the 2.7 million jobs lost in the United States in 2002 through 2004, only 300,000 were lost to outsourcing [Forrester Research as cited in Nussbaum [2004]]. Furthermore, few economists believe outsourcing to be a major cause of slow job creation in the United States. While there were 58.6 million layoffs in IS from 2001 to 2003, most of these job losses were offset by new hiring elsewhere in the economy, so the net loss was 2.3 million jobs [Haggerty and Hilsenrath 2004]. Additionally, not all U.S. firms are outsourcing IT personnel. Rural Sourcing Inc., an application development provider that operates in small American towns, employs developers for less than they would be paid in large U.S. cities but at more than the going rate for offshored outsourced programmers [McDougall, 2005]. Companies employing Rural Sourcing pay a little more for programming, compared to offshoring, but they ultimately lower their overall costs, as the overhead costs associated with travel, start-up, and project management are less.

Although the outsourcing of IT is real, and it receives a great deal of coverage in the U.S. popular press, it may not be the huge threat that it is so often portrayed. Increased productivity and automation account for a much larger share of job loss than outsourcing [Coy, 2004]. Outsourcing is not **the** cause of the decline in the demand for IS graduates in the United States—it is just one of many factors that contributed.

OUTSOURCING AND GLOBALIZATION: THE VIEW FROM THE EUROPEAN UNION

In the European Union, the computer and software industries do not impact the GNP as much as they do in the United States. Therefore, E.U. countries are not subject to the big oscillations the United States might see. When technology sales were down in the post-Internet bubble, companies like Sun and Cisco downsized thousands of jobs in the United States, whereas in Europe the losses were almost imperceptible because all their employees were in sales and service, probably the departments, together with research and development, that were affected the least.

Nevertheless, Europe is going through a slight slowdown in ICT (information and communication technology) employment, from a vigorous growth between 1995 to 2000, when ICT employment ranged from 10.9 percent of total business employment in Finland to 4.3 in Spain [OECD 2003]. By comparison, the same statistics show ICT employment in the United States to be 6.2 percent of business employment. The years 2001 and 2002 saw a steady decline in all countries except in the new Eastern European member countries. For example, the percentage of ICT of *total* employment (and therefore not comparable to the previous data) in Hungary jumped from 0.9 percent of total employment in 1999 to 1.2 percent in 2002. Likewise, Poland increased from 0.6 to 0.9 percent and Slovenia from 0.8 percent to 1.3 percent, the highest in the EU. The increasing workforce results in countries of the former Eastern Block offering proficient and competitive hardware and software development professionals who are paid much lower wages than the rest of the EU. Anecdotal evidence points to a large amount of work being sent from within the E.U. to countries in Eastern Europe rather than to India.

A number of IT companies are taking their operations offshore from the European Union in the same way they left the United States in the 1980s. Southern Europe is being hit now with the realities of free trade with countries that can offer reasonably educated labor at much cheaper prices. Nevertheless, this trend does not seem to affect the number of jobs requiring higher education. Companies outsourcing their work seem to leave high value-added operations like marketing and research and development behind.

Making generalizations about the evolution of university enrollment in the European Union is difficult because of great variations across countries. These variations can be seen from Eurostat data for 2003 [Eurostat, 2004]. Ireland, for example, 11.52 percent of all its students are in computing, whereas the United Kingdom it is 5.67 percent, Spain 5.13 percent, Germany 2.08 percent, and Italy only 1.38 percent. These percentages held steady since 2000. These percentages are considered low and are a source of worry for European governments.

The European Commission recognized that most of the productivity gains of the United States in recent years, which widened the gap with Europe, are due to the effective use of IT by American organizations. In 2003 the European Commission launched a massive program named "e-Europe 2005: An Information Society for All," geared specifically to increase the use of ICT at all levels, from multinationals to SMEs and individuals. Some of the first programs aim at the government itself, trying to bring all levels of administration to the "e" era. eHealth and eGovernment are the two prime examples. These programs, funded with billions of dollars for the period 2006-2010, will generate many opportunities for IS graduates that understand the possibilities of ICT in organizations, both public and private.

SUMMARY

In the United States, we saw a major decline in the demand for graduates of IS programs on the part of recruiters. In the European Union, demand also slipped, but not as much. We have saw a commensurate decline in the demand for IS courses and majors on the part of university students. The decline is largely due to the end of massive ERP implementations, the resolution of the Y2K problem, and the bursting of the Internet bubble. However, the decline is also due in part to a worldwide economic slowdown since the Internet bubble popped, and due to the continued movement of IT jobs to locations where talented labor can be obtained at greatly

reduced costs: India, Russia, China, and Eastern Europe. Yet, domestic demand in the United States for IT workers seems to have bottomed out, and demand is slowly growing again, and outsourcing, while real, does not seem to be the huge threat to U.S. and E.U. IT jobs as commonly portrayed. We believe demand for IT jobs, and for IS majors, will continue to grow, although slowly, but we also believe the heyday of 2000 and 2001 will most likely never be repeated. The IS academic discipline is in no danger, we believe, of disappearing, but we must recognize the reality of slow growth, and act accordingly. Our recommendations for the field, which are presented in the remainder of this paper, are rooted in our view of the current reality for the IS discipline.

III. RECOMMENDATIONS FOR THE FUTURE

For the first time since IS began breaking away from management, accounting, and management science departments in the 1980's, we need to focus on recruiting students to our major. Recruiting is a multifaceted task, demanding many different tools and skills, but one of the keys to successfully recruiting undergraduates into IS programs is the introductory IS course offered in most college curricula. We believe this course is so important to our recruiting efforts that it forms the basis for two of our four recommendations in this section. Our third recommendation focuses on curriculum design to help attract industry recruiters. Our fourth recommendation deals with our doctoral programs and how they are affected by the reduced demand for IS faculty.

IMPROVING OUR RECRUITMENT OF STUDENTS

Most IS programs within business schools teach an introductory IS class that is taken by all students that enroll in a business program. In this course, it is typical that both information systems concepts are discussed and training is provided on how to use basic computer applications such as Microsoft Excel, Word, and Access. Often, this class is the student's first formal exposure to information systems topics. As these introductory courses are extremely important for recruiting new students to IS, we believe that IS programs should carefully choose both the instructor(s) and the content for this course. Choosing the "wrong" instructor or topics will likely reduce the effectiveness of this course as a mechanism for recruiting high quality students. Who should teach the introductory course? On what content should this course focus?

Changes in Student Behavior

Before answering these questions, a brief discussion of relevant changes in students and society is warranted. Over the past several years, with to the widespread availability of the Internet, improved applications, and low cost computers, significant changes are taking place in computer literacy and computer ownership. College students are the heaviest users of the Internet when compared to the general population [Jones, 2002]. Using computers and the Internet is a part of virtually every student's daily routine. Additional factors to consider include [Jones 2002, p. 2]:

- One-fifth (20 percent) of today's college students began using computers between the ages of 5 and 8. By the time they were 16 to 18 years old, all of today's current college students were using computers, and the Internet was commonplace in the world in which they lived.
- Eighty-six percent of college students went online, compared with fifty-nine percent of the general population.
- College students frequently look for e-mail, with 72 percent checking e-mail at least once a day.
- About half (49 percent) first began using the Internet in college; half (47 percent) first began using it at home before they arrived at college.
- The great majority (85 percent) of college students own their own computers, and two thirds (66 percent) use at least two e-mail addresses.
- Seventy-eight percent of college Internet users say that at one time or another they went online just to browse for fun, compared to sixty-four percent of all Internet users.

- College Internet users are twice as likely as all Internet users to ever download music files: 60 percent of college Internet users have done so compared to 28 percent of the overall population.
- College Internet users are twice as likely to use instant messaging (IM) on any given day compared to the average Internet user. On a typical day, 26 percent of college students use IM compared to 12 percent of other Internet users..

Note that these data were collected over 3 years ago; it is likely that these high adoption rates and usage patterns are being exceeded by today's students. The key conclusion that should be taken from these statistics is that we are teaching students who long used technology. Some students are likely to possess deep rooted beliefs on what is valued and how to use information technology and the Internet. In other words, many of our students in the introductory class are longtime users of technology. Consequently, teaching a course that focuses on elementary computer concepts will likely increase the risk that students view information systems negatively as a potential area of study.

Selecting the Introductory Course Professor and Content

The changes in basic computer literacy suggest that the instructor needs to be knowledgeable not only about using contemporary applications, but also well versed in many of the issues relevant to students (e.g., instant messaging, spyware, spam, MP3 file sharing, and VoIP). In addition to basic content knowledge issues, it can be argued that this instructor not be a stereotypical "computer instructor" but someone who is business savvy and not perceived as "geeky" by the students. Such a person lessens possibly preconceived notions that computer people are not "cool" or that this major is "just for geeks."

At one of our institutions, Washington State University, few females majored in our program relative to gender mix within the entire college. To address this discrepancy, we assigned a woman to teach our introductory course, resulting in a reasonable uptake in the number of females majoring in IS.

This analysis suggests the following:

Lesson 1: Programs can positively influence not only how many majors they attract, but also the demographics of those majors, by the characteristics of the person selected to lead this class.

The right content for the introductory course is often a balance between "concepts" and "applications." For concepts, Ives et al. [2002] outlined "what every business student needs to know about information systems." In this article, we argue that students need to understand that IS is much more than technology, that it is a key *organizational* function that enables strategic objectives and organizational effectiveness. Key topics in the introductory course are summarized in Table 1.

As important as the discussion of what should be included in this course is what *should not* be its focus. Specifically, many schools continue to focus too much on low-level computer concepts (e.g., components of a computer) rather than on the business value that information technology can enable. Such a focus leads to two serious problems with successfully recruiting students into information systems majors.

1. A focus on computer concepts focuses too much on *what* technology is and *how* it works (e.g., what is a pointing device, what is a printer, what is a mainframe) and not on *why* a technology is valuable to an organization (e.g., why is the Web useful for improving customer support). In other words, focusing on "what and how" acts to undervalue the role of technology as a major business function within modern organizations. Simultaneously, this focus makes students believe that majoring in IS would be

Table 1. Key Information Systems Concepts and Learning Objectives

What are Information Systems?   • Explain the nature and interaction of technology, people, and organizational components   • Distinguish between data, information, and knowledge   • View the organization as an information processing system designed to manage environmental uncertainty   • Introduce elements of systems thinking—boundary, environment, scope, hierarchical decomposition, decoupling, etc.
How do information systems influence organizational competitiveness?   • Discuss the use of IS for automation, integration, organizational learning, reengineering, and strategy   • Understand the need to align IT investments with strategic plans   • Understand how IT can be used to achieve and sustain competitive advantage   • Discuss how IS can both constrain and enable organizations.
Why have databases become so important to modern organizations?   • Understand the nature, importance of, and uses for an integrated database   • Understand the concept of, and means to ensure, data integrity   • Describe database management systems and how they work   • Explain the value of data warehousing and data mining concepts
Why are technology infrastructures so important to modern organizations?   • Explain the nature of, and organizational dependence on, technology and business platforms   • Explain concepts of interoperability and scalability as well as the role of standards   • Compare open versus proprietary architectures   • Understand the problems in justifying investments in infrastructure   • Recognize total cost of ownership for technology investments, e.g., desk-top computing
What is the role of the Internet and networking technology in modern organizations?   • Discuss networking concepts, components, capabilities, and trends   • Distinguish among the Internet, intranets, extranets   • Describe the evolution of e-business and how e-business is transforming organizations and markets   • Explain organizational implications of the pervasiveness of the Internet   • Describe the development and impact of wireless networks and ubiquitous computing
What are the unique economics of information and information systems?   • Understand the economic characteristics of the information economy   • Understand the cost structure of information systems and technology   • Describe unique features of information economics—network effects, versioning and pricing of information products, lock-in, positive feedback, tipping points, and so on
How do information systems enable organizational processes?   • Explain the importance of enterprise-wide business processes and associated IS roles   • Explain the importance of extra-enterprise processes, e.g., supply chain and CRM, and associated IS roles   • Describe the various types of IS in support of operational, managerial, and executive-level processes.
How do organizations develop, acquire, and implement information systems?   • Understand how to manage complex, technology-based projects   • Understand the difficulties in designing and building IS well as the strength and weaknesses of alternative development processes   • Understand the trade-offs involved in developing software in-house, using a domestic or offshore provider, and buying off-the-shelf packages   • Understand how to formulate and assess a request-for-proposal   • Understand the difficulties in implementing IS and in leveraging the full potential of installed IS

What is the nature of IS management?

- Discuss the evolving and current roles of enterprise IS management
- Explain the operating, managerial, and strategic processes associated with IS management
- Discuss advantages and disadvantages of alternative governance structures for IS management
- Discuss IT sourcing and contractual and relationship management with third-party service providers
- Consider the unique problems of managing IT in globally dispersed organizations

What ethical, criminal, and security issues do organizations face when using information systems?

- Describe the ethical concerns associated with information privacy, accuracy, intellectual property, and accessibility
- Introduce the nature (and increased potential of) computer crime
- Explain what is meant by computer security and describe methods for providing computer security
- Consider cross-border implications regarding privacy of data and integrity of the Internet

Adapted from Ives et al. [2002]. Used by permission.

technology focused, not business focused. Although a technology focus may attract some students, it most likely will not attract students who see themselves as business professionals.

2. Programs that focus on low level concepts are in jeopardy of losing students due to irrelevancy. Given the likelihood that most students are quite computer literate, focusing on low level “what and how” topics makes students feel that the course is irrelevant rather than crucial to their future success.

Lesson 2: Programs can influence the number of majors they attract by focusing more on why information technology is valuable to an organization rather than on what the technology is or how it works.

Regarding applications, courses must continuously push usage skills further and further as students are becoming more and more skilled as application users. Today, for example, most university students know how to use a browser and how to perform basic word processing operations. Therefore, university credit should not be given for basic usage of computer applications³. Graded activities should be highly coupled to business reports and analyses (e.g., cost-benefit analysis in Excel), rather than on features and operations of the software.

RECRUITING INDUSTRY RECRUITERS

Beyond the introductory class, what other things can be done to attract majors? An easy answer to this question is the primary lesson of the late 1990s: Where there are jobs, there are majors! Therefore, all activities that help in job placement of graduates (e.g., close ties with industry advisors, well equipped laboratories, high-quality curriculum, skilled instructors) help placement and gain additional students.

Another mechanism to attract employers is by the extent to which the overall curriculum meets their needs. Many programs teach a variety of distinct courses with little or no integration across courses or topics. We feel that our curriculum must evolve to show the true interrelatedness across courses in order to be viewed as valuable to potential employers of our students. For example, most information systems programs teach a standard telecom, database, and/or programming class(es); many (most) do not tightly integrate these courses. However, all of these topics are highly related in the real world. For example, the telecommunications infrastructure of an organization influences how data are shared and accessed. Database design influences

³ Of course, there will be students with little or no background; for these students, online, self-paced tutorials should be provided.

network requirements, security, and application design. Likewise, programming is not just client applications, but enterprise computing that can span databases, devices, and networks. A curriculum that better meets the needs of employers will lead to improved placement of graduates.

Lesson 3: Programs can influence the number of majors they attract by focusing on improving student placement through better relationships with employers, effective instructors, and a high-quality, relevant curriculum.

SIZE OF DOCTORAL PROGRAMS IN INFORMATION SYSTEMS

The Association to Advance Collegiate Schools of Business forecasts a coming shortage of Ph.D.s in all business disciplines [AACSB 2003]. This shortage will be fueled by both demand and supply.

From a demand standpoint, focus on national rankings, the globalization of MBA programs, retirements, and other factors are expected to keep demand high for Ph.D. graduates in all business disciplines⁴. Simultaneously, production of Ph.D. graduates is declining. Factors reducing the production of graduates include an increasing focus by large doctoral granting institutions on MBA programs and the lack of high-quality applicants to Ph.D. programs. The AACSB report [AACSB 2003] forecasts a shortage of 1,142 Ph.D.s by 2008 and nearly 2,500 within 10 years in the United States. For IS, AACSB reported that demand for "CIS/MIS faculty is strongest, with 292 schools recruiting to fill 206 open doctoral positions (14.5 percent of all doctoral positions), close to 2.5 times the number of MIS doctoral graduates in 1999-2000" [AACSB 2003; p. 24]. However, note that actual demand decreased in the years since 2000. When making these forecasts, it is acknowledged that such a demand shortage will likely result in new entrants into the business school industry (for-profit, distance, and global developers of Ph.D. programs) or additional pressure on existing sources to lessen these shortages.

Although the AACSB data may forecast macro market conditions over several years, it clearly does not reflect the yearly ebb and flow that occurs within a particular discipline. For example, when IS undergraduate enrollments dropped in 2001, the overheated demand for IS faculty also fell off. This drop in faculty demand has spanned at least 4 years, with no clear indication of a turnaround any time soon [see Frolick, Chen and Janz 2005 for an extensive longitudinal analysis of this issue]. To contrast the 1999-2000 AACSB numbers above, the Association for Information Systems placement database reported 125 university positions were posted between May 1, 2002, and April 30, 2003, with 127 applicants posting resumes. For the 2003-2004 cycle, 168 universities posted positions, while 445 applicants posted resumes; for the 2004-present cycle (in process), 107 universities posted positions, while 233 applications posted resumes. Thus, the empirical data of the actual marketplace is currently in sharp contrast with the rosy AACSB forecasts.

We believe that the field is fortunate that we are no longer in the overheated job markets of the late 1990s. However, the current job market for Ph.D. graduates is equally challenging. In particular, it is not viable to ramp-up and ramp-down the production of Ph.D. graduates to anticipate market fluctuations. We strongly believe that a high quality doctoral program requires continuity of faculty, high quality students, and focus. In contrast, during the height of the IS market, most institutions were losing two or three faculty per year as schools cannibalized one another to meet increasing student demand. This flux in faculty (and in most instances shortages) negatively impacted the continuity, viability, and overall quality of many Ph.D. programs. Many programs attempted to increase production while at the same time losing high quality faculty to other institutions.

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⁴ The observed decrease in MBA applications in 2005 may, however, be a leading indicator of reduced demand for business majors in general.

The current market conditions stabilized the roster of faculty at most institutions. For example, Florida State University's faculty was the same for academic years 2001 to 2004.. Such stability was unheard of during the job market boom of the late 1990s. Stability will likely help to enhance the quality of our graduates but at the same time discourage quality applicants if universities and colleges are unable to absorb graduates into quality faculty positions. Nevertheless, we believe that the IS academic discipline is moving into a state of relative equilibrium, both in terms of the number of undergraduate students and the overall faculty size within our programs.

In the short term, we are clearly in a state of overcapacity because of the fast ramp-up in Ph.D. graduates during the shortages of the late 1990s. This excess capacity will act to create a short-term buyer's market and adversely impact those programs that are unable to place graduates adequately into quality programs. In the long run, however, the AACSB data suggest that market factors will eventually shift to greater demand. To be successful longer term, programs will need to monitor market conditions carefully and balance the need to retain a critical mass within their program and the desire for high quality placements of graduates.

Lesson 4: Programs should carefully consider both macro market factors and program size and continuity factors when determining the Ph.D. program size.

IV. CONCLUSIONS

We are currently facing a decline in enrollments in IS, due to a decline in the demand for IS personnel in industry. One key factor in the decline, although not the only one, is the well-publicized outsourcing of IS jobs to countries with skilled individuals who work for less than their U.S. and E.U. counterparts. The decline in enrollments resulted in less demand for IS courses, meaning less demand for IS faculty, and hence less demand for the product of our doctoral programs. We believe all these drops in demand are temporary—indeed, they may already have bottomed out. We see signs of increased demand for IS personnel in industry. This increase will be followed shortly by an increase in demand for IS courses and an accompanying demand for IS faculty. We foresee slow but continued growth in IS enrollments for some time to come. We may never see the feverish demand of 2000-2001 again, but the current situation is not the first time we faced reductions in demand for IS. Clearly, we strongly believe that IT *still* matters, will continue to matter, and that better days are ahead. We suffered through the global economic downturn in 1990-1991, but we came back and prospered. We believe IS is already starting to come back and will prosper once again. To help nurture and promote this slow but steady growth, we recommend attention to the IS introductory course, to the attraction of industry recruiters, and to the careful management of our doctoral programs. The foundation of IS as an academic discipline is strong and will continue to be so.

Editor's note. This article was received on May 30, 2005 and was published on July 25, 2005.

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EDITOR'S NOTE: The following reference list contains the address of World Wide Web pages. Readers who have the ability to access the Web directly from their computer or are reading the paper on the Web, can gain direct access to these references. Readers are warned, however, that

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