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State short of tech workers

Scarcity stunts efforts to diversify slumping economy

Christina Rogers / The Detroit News

Companies nationwide are laboring to fill information technology jobs, the result of a shortage of computer workers that is particularly acute in Michigan.

Even as the overall Michigan work force shrinks, the number of IT jobs is increasing, but that growth has been stunted by companies' inability to find enough workers. Especially in demand are highly educated IT professionals such as software developers, systems analysts and computer programmers.

Michigan's economic slump is making the shortage worse here, as many skilled professionals leave for places with healthier economies and new workers hesitate to relocate to the state. Those challenges also thwart Michigan's efforts to diversify its economy with highly educated and well-paid jobs outside the auto industry.

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For employers like Jeff Walter, president of Latitude Consulting Group in Saline, the IT worker shortage is frustrating. With the state's unemployment rate lodged at a lofty 8.5 percent, Walter would think more job-seekers would be banging on his office door.

His firm is trying to find about half a dozen new information technology workers, with more openings expected this fall. The 90-employee firm has scoured local job fairs and university career offices looking for recruits. Last year, it began doling out $1,000 bonuses to employees who lure potential job candidates.

"We've got so much business coming in that we're starting to use offshore companies, not because it's cheaper but because we need people," Walter said. The company is flying in professionals from India for three- to four-month stints to handle the workload.

"It's kind of ironic," he said. "You hear all this doom and gloom about the Michigan economy, but because of the lack of workers, we're flying in people from the other side of the planet."

While the state lost 53,000 jobs overall last year, employment in computer systems design grew 2 percent, adding about 800 jobs to the state, according to Michigan employment data. Growth is expected to continue, with state economists predicting that more than 14,500 math and computer science jobs could be created in the state by 2016.

Reeling from dot-com bust

Many industry experts view the shortage as a residual effect of the dot-com bust, which eliminated thousands of IT positions across the country and sent many jobs overseas. As the technology sector rebounded in recent years, companies confronted a shrunken labor pool.

"I'd say in the last two years there is definitely a shortage of good software developers and tech professionals in southeast Michigan," said Walter, whose company has added 75 employees in the past five years. "It's because companies like ours have grown. We need people and we're hiring."

The lack of workers has become so severe that industry groups like the AeA, the nation's largest trade

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association for the technology industry, are pushing for the federal government to increase the number of visas for skilled foreign workers, known as H-1B visas.

Critics say the H-1B program, which now allows 65,000 visas a year, takes jobs away from Americans and allows employers to pay foreigners at lower wages.

But supporters say leaving such slots open isn't good for business, either. Staffing shortfalls can inhibit a company's expansion plans, cause workers to miss client deadlines and create longer working hours for existing employees, said John Stout, president of Stout Systems, an IT consulting and recruiting firm based in Ann Arbor.

"A company may be in a position where they can't compete because they don't have the in-house staff that other companies might have," Stout said. Right now, his company has about 40 positions it could fill either in-house or for clients for whom it recruits workers, he said.

"It's a challenge for anybody to fill that many slots."

Luring workers from out of state also is a growing challenge, given the region's economic malaise.

"In Metro Detroit, there is this heavy cloud over us," said Christine Rice, president of VisionIT, an information technology recruiter based in Detroit. "To attract individuals from other cities is becoming more difficult."

Her firm has more than 100 Metro Detroit openings, some with salaries upward of six figures, she said. Some positions are harder to fill than others, especially for newer technologies that require a specialized, high-demand skill set, such as expertise in computer systems management.

"Eventually, they get filled," she said. "It's just a longer cycle."

Student interest drops

The state's higher education institutions are trying to keep up with the demand, but over the past several years they've seen enrollment slide in computer-related study.

Nationwide, the number of students enrolling in computer science majors has dropped by more than half since 2000, to about 7,915 students in fall 2007, according to the Computing Research Association in Washington, D.C.

"There was a significant increase during the late '90s in enrollment in computer science. Our enrollment was going through the roof," said Farnam Jahanian, chair of the computer science and engineering department at the University of Michigan. "After the dot-com bust, that enrollment declined. Now, it's creeping up a bit."

The 160 seniors that U-M does graduate in computer science each year are in hot demand nationwide, not only by Intel and Microsoft but other industries from entertainment to finance.

Michigan high-tech employers, forced to compete with bigger and more established companies on the West and East coasts, are stepping up their recruitment efforts by sponsoring internships and visiting college campuses to educate students about opportunities here.

The message might have gotten through to Daniel Gilmore, a 21-year-old computer science and engineering major at U-M.

Now in his senior year, he's interning at Latitude Consulting, developing Web-based services for the firm.

Many of his classmates will take jobs on the West Coast after graduation, but he's undecided at this point.

The experience at Latitude, he said, has helped open his eyes to Michigan's fledging high-tech industry.

"It did show me that there are companies that are recruiting for IT and are very successful," said Gilmore, who grew up in Shelby Township.

"I was surprised that they had such a good business here in Michigan."

Still, Gilmore will likely have two to three job offers waiting for him when he graduates, so he's keeping his options open.

"I'm just looking mainly for the best opportunity," he said. "Whatever will be to my best advantage."

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Average job openings in Michigan per year: 620

Computer systems analyst
Job description: Computer systems analysts help organizations use technology effectively and incorporate rapidly changing technologies into their existing systems.
Median annual salary: $69,760
Education: Employers usually prefer applicants who have at least a bachelor's degree. For more technically complex jobs, people with graduate degrees are preferred.
Average job openings in Michigan per year: 530

Network systems/data communications analysts
Job description: Design, test, and evaluate systems such as local area networks (LANs), wide area networks (WANs), the Internet, intranets, and other data communications systems.
Median annual salary: $64,600
Education: Most employers seek applicants with bachelor's degrees in computer science, information science or management information systems (MIS)
Average job openings in Michigan per year: 300

Computer support specialists
Job description: Provide technical assistance, support, and advice to customers and other users. This occupational group includes help-desk technicians.
Median annual salary: $41,470
Education: A college degree is required for some computer support specialist positions, but certification and relevant experience may be sufficient for others
Average job openings in Michigan per year: 390

Computer and information systems managers
Job description: Play a vital role in implementing technology within their organizations. Plan and coordinate everything from overseeing network security to directing Internet operations.
Median annual salary: $101,580
Education: A bachelor's degree usually is required for management positions, although employers often prefer a graduate degree, especially an MBA with technology as a core component
Average job openings in Michigan per year: 290

Source: Bureau of Labor Statistics and Michigan Employment Projections, 2006

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