



Articles & Commentaries



p-Watch — USA



by Michael Manson, long and closely associated with the APO when he was the Assistant Director of the East-West Center's Institute of Economic Development and Politics in Honolulu. He helped to initiate a number of collaboration programs between the APO and the East-West Center. Manson also served in the Asian Development Bank, and was Director of Communications with the State of Hawaii's Department of Business, Economic Development and Tourism. He is presently an educator, and a regular contributor to this column.

A Revolutionary Idea

Where is technology taking us? How pervasive and dominant will it be as humans cycle through their 24-hour days? Will we like what technology does for us, or will technology exceed the human capacity to change and adapt? Who will control technology and what does that mean for the rest of us? How important is it anyway? Should I feel threatened by the supermarket-installed, wireless, touchscreen computer staring at me from my grocery shopping cart?

If we use the Internet as our yardstick, technology is going to be very, very big, according to Howard S. Charney, senior vice-president of Cisco Systems Inc. He compares the growth of the Internet to "...Act 1 of the revolution." He added that the "Internet with its global reach will be more profound than any of the technologies that preceded it." Technology innovation is more than the Internet, but with 665 million people online throughout the world, the Internet may well serve as the vanguard of the revolution.

Let me offer an only somewhat exaggerated account of the impact of technology on American youth in the classroom. When the bells at school were out of order and a discussion ensued as to the "real" time, a student produced his cell phone and declared the time to be exactly 8:25. But my moderately expensive watch said 8:23. So I challenged the student but lost. It seems he sets it, or more accurately his cell phone clock is set automatically, by satellite. That discussion was followed by a verbal exchange with another student who claimed that he had actually completed his assignment and transferred it to his cell phone and any time that I wanted to see it, he would happily produce the assignment on the cell phone screen. I declined and gave him credit anyway. Then, to add insult to injury, another student, who had been recording my lecture on his cell phone, promised to download and make the lecture available to any student distracted by the snow falling outside the window. One student was not affected by either the snow or the lecture. He was absorbed in watching the MSNBC news that periodically downloads to his cell phone. Perhaps the billions allocated to traditional education are misspent. Students appear eager to tell the educational establishment to "wake up and smell the coffee" being brewed by

Charney's technology revolution.

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But wait. Former editor of the Harvard Business Review Nicholas G. Carr writes in his book *Does IT Matter? Technology and the Corrosion of Competitive Advantage* that the power of technology is beginning to fade. He proposes that any strategic advantage gained by adding the newest software and computers is diminishing. The important consideration nowadays, according to Carr, is to emphasize cost control and to consider risk carefully. Being a follower rather than a leader in technology applications is the smarter business plan, concludes Carr.

Singing a somewhat similar tune in a *Business Week* report, the CFO of Agilent Technologies Inc. believes that the use of technology to increase productivity has run its course in many old-line industries. He uses the example of the aluminum industry, where productivity has been flat during the last decade. Other laggards (with less than 2% productivity growth) include furniture, food processing, paper products, printing, and metal products and machinery. (On the other hand, productivity in information technology showed a gain of over 30%.) Without profits to justify investment in technology and facing stiff overseas competition in many sectors, US industry is looking to survive through minor adjustments, one of which is squeezing profits from labor. Investment in technology and bringing down unit labor costs is not the monopoly of US industry. However, diminished profits due to low productivity growth and low investment in technology relative to foreign competition might best explain the decline in output by old-line US industries.

Getting hired no longer means putting on your freshly pressed white shirt and your shiny black shoes to impress an interviewer. You would be better off checking out what a Google search brings up on the screen about you. One estimate claims that 23% of people search the Web for the name of a potential employee or business colleague before meeting them. The experts suggest preemptive action in the form of a press release about yourself. Or even better, become a blogger (a writer and maintainer of a Web log) and make sure that your blog has a link to your Web site. Feel overwhelmed by those technological challenges? Then hire a professional service that will give you a flattering Web presence. One such service provider has over one million profiles online and expects more than three million by next year.

Do not be shy about blogging. Microsoft Corporation allows its employees to blog away. In one year's time 100 Microsoft bloggers increased to 800. Other companies like Sun Microsystems and Dell are finding that the open ranges of the Internet provide useful feedback to engineers and programmers about product development. Blogging is good for public relations as well. Customers have warmed up to companies via the in-house bloggers who not only talk about technical issues but also personal matters like favorite sports teams and fashion preferences. It is estimated that bloggers number close to three million today.

Show me which boxes you checked on the quiz to describe your personality, and I will tell you if you were hired. Companies are increasingly turning to personality questionnaires to determine the potential fit of applicants with

company goals. Employee turnover because the wrong person was hired costs companies millions, and anything to trim these costs is welcomed. The personality tests can be lengthy (sometimes requiring up to three hours) or brief, but the objective remains the same: to determine what an applicant is really like and whether he/she fits the personality profile the employer is looking for. Some 50% of hiring managers surveyed report that the personality they hired was not the same personality who showed up for work. Picking the wrong hire hurts both productivity and morale.

Can the USA continue to depend on productivity increases to bolster its economy and eventually benefit workers with fatter paychecks? The profits of productivity fueled by a 4.5% annual rate of increase over the past three years have accrued primarily to business owners (including stockholders), but now more workers are being hired to meet increased demand. What impact will this have on productivity growth over the next few years? This was the question posed to several productivity gurus, whose answers ranged from 3.3% to 2.75% growth, with the mean response of the nine surveyed being 2.75%. This perhaps optimistic prediction by historical standards (compared with 1.5% from 1975 to 1995) bodes well for the economy and country. Strong productivity growth allows the government to pay its formidable bills more easily and keeps inflation in check. How close were the experts' predictions when looking at the year ended in September 2004? Productivity growth was reported to be 3.1% for those 12 months, markedly higher than the 2.75% long-term forecast. It is still too early to tell precisely how much of that 3.1% was directly attributable to technology applications. Meanwhile, the revolution rolls on.



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