

AI's positive impact on jobs

Jobs likely to be created because of automation can make up for those lost



HUMAN FACTOR

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A report in this newspaper on May 4 said net employee addition by the top four Indian information technology (IT) services companies in 2017-18 dropped by more than three-fourths. Many cited the data as proof that the increasing focus on automation tool and technologies is eliminating and not creating jobs.

The opposite may actually be true.

Data from more advanced economies, which have gone in for aggressive adoption of technology, shows that the pace of growth in hiring has been higher than the rate of reduction of jobs due to automation. For example, Nasscom data shows the US loses 21 million jobs every year due to technology and business changes, but creates over 23 million jobs. New research by the McKinsey Global Institute also suggests that roughly 15 per cent of the global workforce could be displaced by 2030, but that the jobs likely to be created will make up for those lost.

But it is a huge challenge as the jobs gained will require much higher skills because work requiring rote skills will increasingly be taken over by machines. For example, new job opportunities such as supervising artificial intelligence (AI) or creating infrastructure for self-driving cars are expected to arise as newer technologies are absorbed. It, of course, can't be a one-way street.

Repetitive and less-skilled roles will not see the same productivity gains and are, thus, depleting.

This means workforce reskilling is an urgent and massive imperative across sectors. For example, IT services companies employ engineers trained in traditional IT services whereas the market requirements are moving towards digital projects that require completely different skill-sets, including analytics, AI, data science, blockchain, Internet of Things and mobile technologies, among others.

The scale of change is evident from the findings of a Ficci-Nasscom and EY study, titled 'Future of jobs in India'. It says by 2022, around 9 per cent of the workforce will be working in jobs that do not exist today and 37 per cent will be in jobs that have radically changed skill sets. The balance 54 per cent will continue to remain in the unchanged job category. This means all companies need to have a continuous learning cul-

ture, aimed at acquisition of new skills. It's the failure to do so at any level that creates the risk of job loss. In the organised manufacturing and service sector, the employment is expected to increase from the current 38 million to 46-48 million by 2022, the study says, adding all the new forms of employment are expected to add a further 20-25 per cent to the workforce of the organised sector in 2022.

As much as 40 per cent of the employees in the IT industry need reskilling over the next five years to stay relevant in the face of automation. The big IT companies have of course started the process already. While Infosys has created a Design Thinking platform to both reskill people and drive innovation, and also works with massive open online course (MOOCs) providers to skill freshers and reskill existing employees, Tata Consultancy Services has spoken about skilling 100,000 people in digital technologies. Wipro has launched an initiative called 'Newton's Cradle' to reskill its employees, and Cognizant has created a digital university platform that provides learners with a series of gradational learning paths leading to specialisation. The company also leverages an

internal app for the workforce, project managers, and staffing team to identify trending skills, skill gaps, open demand and availability of right talent.

Infosys commissioned a survey to an independent market research company, which spoke to global C-level executives across seven countries, including India. What's clear from the new 2018 research is that AI technologies are no longer experimental or hidden behind the scenes, but rather they are already broadly deployed, producing real results and impacting business strategy. Nine out of 10 C-level executives reported measurable benefits from AI within their organisation. And close to 70 per cent of the senior management believe that AI technologies will ultimately create more opportunity for employees than they will eliminate, as AI is increasing human skills.

The conclusion is simple. Businesses investing in AI should proportionately invest in their employees and the combination of people plus AI should be greater than the sum of the parts. There is an important caveat, though: AI or no AI, jobs growth — whether skilled or unskilled — can happen only if there is a robust economic growth.