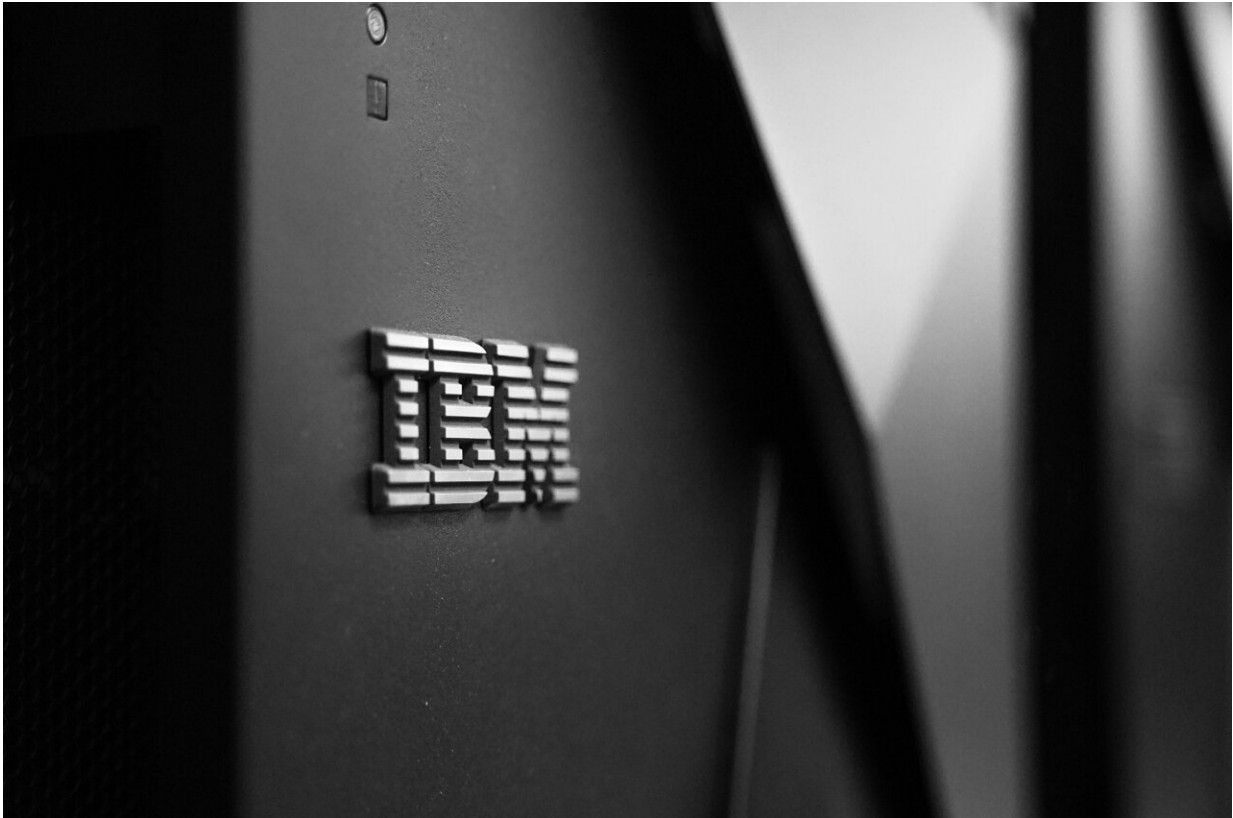


IBM to pause hiring for jobs that AI could do

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International Business Machines Corp. Chief Executive Officer Arvind Krishna said the company expects to pause hiring for roles it thinks could be replaced with artificial intelligence in the coming years.

Hiring in back-office functions—such as human resources—will be

suspended or slowed, Krishna said in an interview. These non-customer-facing roles amount to roughly 26,000 workers, Krishna said. "I could easily see 30% of that getting replaced by AI and automation over a five-year period."

That would mean roughly 7,800 jobs lost. Part of any reduction would include not replacing roles vacated by attrition, an IBM spokesperson said.

As [artificial intelligence](#) tools have captured the public imagination for their ability to automate [customer service](#), write text and generate code, many observers have worried about their potential to disrupt the labor market. Krishna's plan marks one of the largest workforce strategies announced in response to the rapidly advancing technology.

More mundane tasks such as providing employment verification letters or moving employees between departments will likely be fully automated, Krishna said. Some HR functions, such as evaluating workforce composition and productivity, probably won't be replaced over the next decade, he added.

IBM currently employs about 260,000 workers and continues to hire for software development and customer-facing roles. Finding talent is easier today than a year ago, Krishna said. The company announced job cuts earlier this year, which may amount to about 5,000 workers once completed. Still, Krishna said IBM has added to its workforce overall, bringing on about 7,000 people in the first quarter.

Krishna, who has been CEO since 2020, has worked to focus the century-old company around software and services such as hybrid cloud. He has divested lower-growth businesses like managed infrastructure unit Kyndryl Inc. and part of the Watson Health business. The company is currently considering selling its weather unit.

Armonk, New York-based IBM topped profit estimates in its most recent quarter due to expense management, including the earlier-announced job cuts. New productivity and efficiency steps are expected to drive \$2 billion a year in savings by the end of 2024, Chief Financial Officer James Kavanaugh said on the day of earnings.

Until late 2022, Krishna said he believed the U.S. could avoid a recession. Now, he sees the potential for a "shallow and short" recession toward the end of this year. Though the [company](#)'s strong software portfolio, including acquired unit Red Hat, should help it maintain steady growth despite worsening macroeconomic concerns, wrote Bloomberg Intelligence's Anurag Rana last week.

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