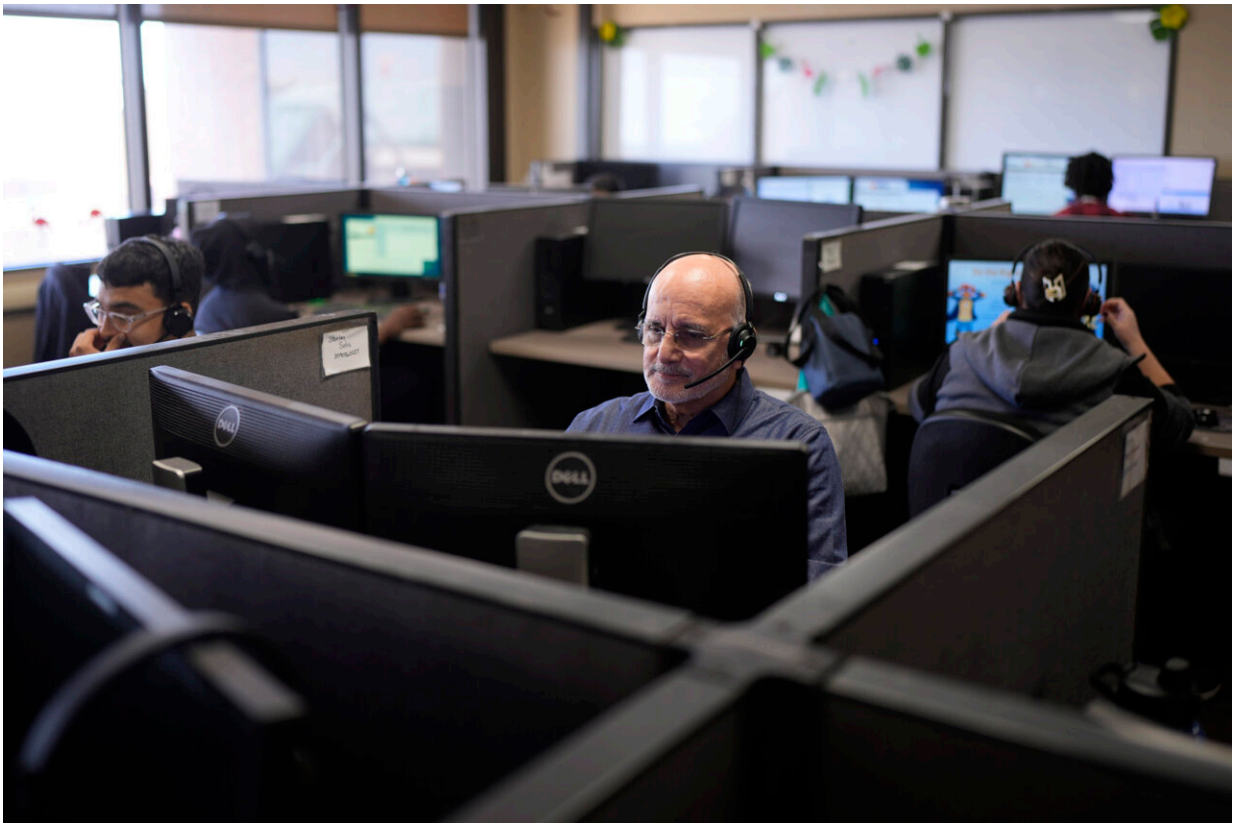


AI may not steal many jobs after all. It may just make workers more efficient

September 2 2024, by Paul Wiseman



Customer Experience Representatives Stanley Solis, center, and other representatives take calls at an Alorica center, Monday, Aug. 19, 2024, in San Antonio. Credit: AP Photo/Eric Gay

Imagine a customer-service center that speaks your language, no matter

what it is.

Alorica, a company in Irvine, California, that runs customer-service centers around the world, has introduced an artificial intelligence translation tool that lets its representatives talk with customers who speak 200 different languages and 75 dialects.

So an Alorica representative who speaks, say, only Spanish can field a complaint about a balky printer or an incorrect bank statement from a Cantonese speaker in Hong Kong. Alorica wouldn't need to hire a rep who speaks Cantonese.

Such is the power of AI. And, potentially, the threat: Perhaps companies won't need as many employees—and will slash some jobs—if chatbots can handle the workload instead. But the thing is, Alorica isn't cutting jobs. It's still hiring aggressively.

The experience at Alorica—and at other companies, including furniture retailer IKEA—suggests that AI may not prove to be the job killer that many people fear. Instead, the technology might turn out to be more like breakthroughs of the past—the steam engine, electricity, the Internet: That is, eliminate some jobs while creating others. And probably making workers more productive in general, to the eventual benefit of themselves, their employers and the economy.

Nick Bunker, an economist at the Indeed Hiring Lab, said he thinks AI "will affect many, many jobs—maybe every job indirectly to some extent. But I don't think it's going to lead to, say, mass unemployment. We have seen other big technological events in our history, and those didn't lead to a large rise in unemployment. Technology destroys but also creates. There will be new jobs that come about."

At its core, artificial intelligence empowers machines to perform tasks

previously thought to require human intelligence. The technology has existed in early versions for decades, having emerged with a problem-solving computer program, the Logic Theorist, built in the 1950s at what's now Carnegie Mellon University. More recently, think of voice assistants like Siri and Alexa. Or IBM's chess-playing computer, Deep Blue, which managed to beat the world champion Garry Kasparov in 1997.



Customer Experience Representative Cassia Jones-Woodard takes calls at an Alorica center, Monday, Aug. 19, 2024, in San Antonio. Credit: AP Photo/Eric Gay

AI really burst into public consciousness in 2022, when OpenAI

introduced ChatGPT, the generative AI tool that can conduct conversations, write computer code, compose music, craft essays and supply endless streams of information. The arrival of generative AI has raised worries that chatbots will replace freelance writers, editors, coders, telemarketers, customer-service reps, paralegals and many more.

"AI is going to eliminate a lot of current jobs, and this is going to change the way that a lot of current jobs function," Sam Altman, the CEO of OpenAI, said in a discussion at the Massachusetts Institute of Technology in May.

Yet the widespread assumption that AI chatbots will inevitably replace service workers, the way physical robots took many factory and warehouse jobs, isn't becoming reality in any widespread way—not yet, anyway. And maybe it never will.

The White House Council of Economic Advisers said last month that it found ["little evidence that AI will negatively impact overall employment."](#) The advisers noted that history shows technology typically makes companies more productive, speeding economic growth and creating new types of jobs in unexpected ways.

They cited a study this year led by David Autor, a leading MIT economist: It concluded that 60% of the jobs Americans held in 2018 didn't even exist in 1940, having been created by technologies that emerged only later.

The outplacement firm Challenger, Gray & Christmas, which tracks [job cuts](#), said it has yet to see much evidence of layoffs that can be attributed to labor-saving AI.

"I don't think we've started seeing companies saying they've saved lots of money or cut jobs they no longer need because of this," said Andy

Challenger, who leads the firm's sales team. "That may come in the future. But it hasn't played out yet."



Customer Experience Representative Rico Thomas takes calls at an Alorica center, Monday, Aug. 19, 2024, in San Antonio. Credit: AP Photo/Eric Gay

At the same time, the fear that AI poses a serious threat to some categories of jobs isn't unfounded.

Consider Suumit Shah, an Indian entrepreneur who caused a uproar last year by boasting that he had [replaced 90% of his customer support staff](#) with a chatbot named Lina. The move at Shah's company, Dukaan, which helps customers set up e-commerce sites, shrank the response

time to an inquiry from 1 minute, 44 seconds to "instant." It also cut the typical time needed to resolve problems from more than two hours to just over three minutes.

"It's all about AI's ability to handle complex queries with precision," Shah said by email.

The cost of providing customer support, he said, fell by 85%.

"Tough? Yes. Necessary? Absolutely," Shah posted on X.

Dukaan has expanded its use of AI to sales and analytics. The tools, Shah said, keep growing more powerful.

"It's like upgrading from a Corolla to a Tesla," he said. "What used to take hours now takes minutes. And the accuracy is on a whole new level."



Customer Experience Representative Cassia Jones-Woodard, right, and other representatives take calls at an Alorica center, Monday, Aug. 19, 2024, in San Antonio. Credit: AP Photo/Eric Gay

Similarly, researchers at Harvard Business School, the German Institute for Economic Research and London's Imperial College Business School found in a study last year that job postings for writers, coders and artists tumbled within eight months of the arrival of ChatGPT.

A 2023 study by researchers at Princeton University, the University of Pennsylvania and New York University concluded that telemarketers and teachers of English and foreign languages held the jobs most exposed to ChatGPT-like language models. But being exposed to AI doesn't necessarily mean losing your job to it. AI can also do the drudge work,

freeing up people to do more creative tasks.

The Swedish furniture retailer IKEA, for example, introduced a customer-service chatbot in 2021 to handle simple inquiries. Instead of cutting jobs, IKEA retrained 8,500 customer-service workers to handle such tasks as advising customers on interior design and fielding complicated customer calls.

Chatbots can also be deployed to make workers more efficient, complementing their work rather than eliminating it. A study by Erik Brynjolfsson of Stanford University and Danielle Li and Lindsey Raymond of MIT tracked 5,200 customer-support agents at a Fortune 500 company who used a generative AI-based assistant. The AI tool provided valuable suggestions for handling customers. It also supplied links to relevant internal documents.

Those who used the chatbot, the study found, proved 14% more productive than colleagues who didn't. They handled more calls and completed them faster. The biggest productivity gains—34%—came from the least-experienced, least-skilled workers.

At an Alorica call center in Albuquerque, New Mexico, one customer-service rep had been struggling to gain access to the information she needed to quickly handle calls. After Alorica trained her to use AI tools, her "handle time"—how long it takes to resolve customer calls—fell in four months by an average of 14 minutes a call to just over seven minutes.

Over a period of six months, the AI tools helped one group of 850 Alorica reps reduce their average handle time to six minutes, from just over eight minutes. They can now field 10 calls an hour instead of eight—an additional 16 calls in an eight-hour day.



Senior Customer Experience Representative Laura Faubion takes calls at an Alorica center, Monday, Aug. 19, 2024, in San Antonio. Credit: AP Photo/Eric Gay

Alorica agents can use AI tools to quickly access information about the customers who call in—to check their order history, say, or determine whether they had called earlier and hung up in frustration.

Suppose, said Mike Clifton, Alorica's co-CEO, a customer complains that she received the wrong product. The agent can "hit replace, and the product will be there tomorrow," he said. " 'Anything else I can help you with? No?' Click. Done. Thirty seconds in and out."

Now the company is beginning to use its Real-time Voice Language Translation tool, which lets customers and Alorica agents speak and hear each other in their own languages.

"It allows (Alorica reps) to handle every call they get," said Rene Paiz, a vice president of customer service. "I don't have to hire externally" just to find someone who speaks a specific language.

Yet Alorica isn't cutting jobs. It continues to seek hires—increasingly, those who are comfortable with new technology.

"We are still actively hiring," Paiz says. "We have a lot that needs to be done out there."

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