

Name: Generative Artificial Intelligence and the Workforce

By: The Burningglass Institute in Cooperation with the SHRM, 2023

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Overview

"Generative Artificial Intelligence and the Workforce," examines the impact of GenAI on professional roles, industry dynamics, and broader economic implications. It highlights how GenAI transforms high-skilled jobs, augments productivity, and necessitates workforce strategy adjustments for business leaders and CHROs. With an investment surge in AI technology predicted, the document outlines the potential for workforce reductions, shifts in wealth distribution, and the pivotal role of continuous learning and development in navigating the GenAI-driven economic landscape. Key sectors like finance, insurance, and professional services are identified as highly susceptible to GenAI disruptions, emphasizing the importance of strategic planning in leveraging AI advancements while mitigating associated risks.

1. Introduction to Generative AI in the Workforce

The document contextualizes the evolution of automation and its economic impact, highlighting the distinct role of GenAI. Unlike previous technological shifts that primarily automated manual labor, GenAI targets high-skilled, knowledge-based roles, representing a significant transformation in the workforce.

- Overview of GenAI and its evolution.

- The significance of GenAI in transforming job roles and industry dynamics.
- The potential for GenAI to enhance productivity across various sectors.

2. Impact on Professional Roles and Industry Dynamics

GenAI's integration into professional roles is multifaceted, enhancing productivity, augmenting worker capabilities, and transforming job definitions. The document provides examples from sectors like finance, insurance, and professional services, illustrating how GenAI can streamline tasks like data analysis, compliance checks, and content creation.

The transition story of bank tellers with the advent of ATMs is used to illustrate how job roles can evolve rather than disappear, showing a complex interplay between technological advancements and job transformation rather than direct displacement.

3. Economic Implications of GenAI Adoption

An investment surge in AI technology is anticipated, with substantial economic shifts forecasted. While productivity gains from GenAI adoption are expected to lead to workforce reductions due to mismatches in demand growth, there is also an analysis of wealth distribution effects, highlighting the potential for increased income inequality.

An early indication of GenAI's economic impact is highlighted by J.P. Morgan analysts' estimation that in just the first four months of 2023, interest in artificial intelligence models contributed to a \$1.4 trillion increase in market capitalization and a 45% boost in corporate profits.

Goldman Sachs predicts global AI investments to reach nearly \$200 billion by 2025, underscoring the significant financial commitment and expectations from the technology sector towards GenAI development and adoption.

- Forecast on investment trends in AI technology and its economic ramifications.
- Insights into workforce reductions and shifts in wealth distribution due to GenAI.
- The importance of adapting workforce strategies to the evolving GenAI landscape.

4. Strategies for Businesses and CHROs

For businesses and CHROs, the document advises a proactive approach to workforce planning in the GenAI era. It suggests evaluating organizational exposure to GenAI, preparing for the transformation of roles, and investing in learning and development to equip employees with the skills needed for future demands.

Macroeconomic shifts due to GenAI are discussed, emphasizing the need for strategic workforce adjustments. It predicts a competitive market dynamic led by an oversupply of labor and necessitating workforce reductions, with businesses encouraged to explore mitigation strategies like hiring freezes or capitalizing on natural attrition.

- Recommendations for business leaders and CHROs in navigating the GenAI era.

- The role of continuous learning and development in mitigating GenAI's disruptive impact.
- Strategic planning tips for leveraging GenAI advancements while managing associated risks.

5. Conclusion and Future Outlook

Conclusions are reflections on the profound changes GenAI will bring to the workforce and the economy. It emphasizes the importance of adaptability, continuous learning, and strategic planning to leverage GenAI's potential while addressing its challenges.

- Summation of the key findings and their implications for the future of work.
- The critical role of innovation and adaptability in thriving amidst GenAI-driven changes.
- Final thoughts on the importance of ethical considerations and regulatory compliance in the deployment of GenAI technologies.