

AI Revolution is Now Here with Major Ramifications for Staffing, AAP Development, and Talent Acquisition

AI PROponents NOW CHANGING THEIR TUNE FROM “AI WILL CREATE JOBS” TO “THERE WILL BE A LOSS OF JOBS” ... RESKILLING AND UPSKILLING ARE THE NEW NAMES OF THE GAME

A new Cisco Systems-led Consortium Report (titled “The Transformational Opportunity of AI on ICT Jobs”) buttresses conversations I have been having over the last month with Silicon Valley venture capitalists and my neighbors running tech companies heavily engaged in the Artificial Intelligence (“AI”) revolution. Those conversations have been about the growing willingness of tech companies to fess up to coming AI-driven job dislocations.

While reports vary as to how many technology and communication jobs (see our BLS Employment Situation Report story, below) have been lost due to the introduction of AI technology, over 100,000 technology jobs have been lost thus far in 2024 with more promised for the back half of the year. Some analysts believe that as much as half of that loss is attributable to the deployment of AI technology. However, AI-induced job loss measurements are not well developed just yet.

Go back and read again, slowly, the title of the Report: It is not about the coming loss of jobs or about layoffs, rather AI is now a “transformational opportunity” as to “Information and Communications Technology” (“ICT”) jobs, whether in tech companies or in other companies with technology employees. One also must think about what other job titles outside of ICT workers (not addressed in the Cisco Consortium Report) will be affected by the replacement of their skills with AI software. Kudos to the Cisco Public Relations manager who wrote that Report title.

Cisco Systems, Inc. led the consortium of nine companies participating in the study of the impact of AI that also included Accenture, Cisco, eightfold ai, Google, IBM, Indeed, Intel Corp, Microsoft, and SAP. The Report was designed to address the quickly changing technology marketplace now that first-generation AI tools are being mainstreamed into corporate use. (Many people in Silicon Valley are earnest when they predict the introduction of AI technology will be as impactful today as the Industrial Revolution was when it began in the 1760s.) The Report and those conversations yield these headlines:

* REPORT: Pervasive Impact Is Occurring: 92% of ICT (Information and Communication Technology) workers are being (not “will be”) impacted by AI tools in the marketplace today, not tomorrow.

* The Report divided ICT job roles into seven “Job Families” involving 47 specific ICT jobs and graded the impact of AI on each job into one of these three categories:

- “High: more than 70% of the principal skills affected by AI;
- Moderate: between 50% and 70% of the principal skills affected by AI; [and]
- Low: Less than 50% of the principal skills affected by AI.”

* The Report went on to, among other things, examine each of the 47 jobs by describing their critical skills and identifying which skills had been overtaken by AI tools currently in the marketplace

* REPORT and CONVERSATIONS: The old AI proponent spiel that the launch of AI tools would certainly create a loss of jobs, but those losses would be offset by the creation of other newly created jobs, has morphed into the more candid reality: “There will be a loss of jobs.” Period.

* REPORT and CONVERSATIONS: “Reskilling,” “Upskilling,” and continuous learning for ICT workers is now imperative.

* REPORT: “Every ICT job becomes an AI influenced job. The integration of AI into ICT jobs marks a profound shift, promising substantial gains in efficiency, shift in skillsets for current job roles, the creation of new job roles, and notable technological advancements.”

* REPORT and CONVERSATIONS: Members of Boards of Directors, CEOs, and Chief Technology Officers now need to immediately assess every ICT employee’s skills to make a reskill, upskill, or outplacement decision, and create a Transformation Plan. Failure to do so will leave companies still deploying pre-AI software tools at a financially competitive disadvantage.

* REPORT: “The Transformational Opportunity of AI on ICT Jobs Workers in entry and mid-level job roles have the most opportunities to upskill. In our analysis of career levels, we have observed that entry level and mid-level ICT workers are at the forefront of this transformation as 37% of entry level job roles and 40% of mid-level job roles analyzed, are expected to have high levels of transformation due to AI advancement.”

* REPORT: The Cisco Consortium also conducted a detailed examination of job roles at the functional level, in seven “job families,” based on their specific technical and functional requirements: (i) Business and Management, (ii) Cybersecurity, (iii) Data Science, (iv) Design and User experience, (v) Infrastructure and Operations, (vi) Software Development, and (vii) Testing and Quality Assurance.

* REPORT: Among the seven job family groups the Cisco Consortium analyzed, the “Business and Management” family stood out with “62.5% of job roles classified as high transformation and 37.5% as moderate transformation due to AI integration. This transformation is especially anticipated in entry level job roles such as Business Analyst, Business Intelligence Analyst, Business Systems Analyst, and Customer Service Representative [internal Table reference omitted].”

* REPORT: “Top 10 technical skills expected to become less relevant:

- Basic programming and languages
- Content creation
- Data management
- Retrieval augmented generation
- TensorFlow Natural language processing
- Research information
- SQL Documentation maintenance
- Manual XML handling
- Manual Perl scripting Integration software
- Manual malware analysis”

Article continues at link below

Region	July 2023	June 2024	July 2024	Percentage Point Change	
				1 month	12 months
San José–Sunnyvale MSA	3.7%	4.2%	4.5%	+ 0.3	+ 0.8
San Francisco MD	3.3%	3.6%	3.9%	+ 0.3	+ 0.6
California	4.8%	5.3%	5.8%	+ 0.5	+ 1.0
United States	3.8%	4.3%	4.5%	+ 0.2	+ 0.7

Sector — July 2024	San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region)	
				1 month	12 months
Total Nonfarm	1,159,200	1,161,400	2,320,600	- 0.4%	+ 0.4%
Construction	52,000	39,700	91,900	+ 0.8%	- 4.4%
Manufacturing	174,600	34,600	209,200	+ 0.3%	- 3.3%
Retail Trade	74,200	65,100	139,300	+ 0.6%	+ 0.7%
Information	91,900	108,800	200,700	+ 0.4%	- 6.6%
Professional & Business Services	250,300	294,100	544,400	+ 0.3%	+ 0.9%
Educational Services	87,800	81,200	169,000	- 7.8%	+ 3.6%
Health Care & Social Assistance	155,000	128,500	283,500	- 0.2%	+ 4.0%
Leisure & Hospitality	106,100	130,900	237,000	+ 0.8%	+ 3.4%
Government	93,500	139,300	232,800	- 4.9%	+ 1.7%

Note: San José MSA (San José–Sunnyvale–Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties
San Francisco MD (San Francisco–Redwood City–South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMID

9-County San Francisco Bay Area	Labor Force			Employed			Unemployment		
	July 2023	July 2024	Change	July 2023	July 2024	Change	July 2023	July 2024	Change
California	19,338,800	19,439,600	+ 0.5%	18,401,600	18,315,300	- 0.5%	4.8%	5.8%	+ 1.0
Alameda County	830,000	827,400	- 0.3%	794,900	785,300	- 1.2%	4.2%	5.1%	+ 0.9
Contra Costa County	552,800	551,800	- 0.2%	529,500	523,300	- 1.2%	4.2%	5.2%	+ 1.0
Marin County	133,100	132,600	- 0.4%	128,600	127,200	- 1.1%	3.4%	4.1%	+ 0.7
Napa County	74,300	73,600	- 0.9%	71,800	70,500	- 1.8%	3.3%	4.1%	+ 0.8
San Francisco County	564,900	557,100	- 1.4%	545,500	535,100	- 1.9%	3.4%	3.9%	+ 0.5
San Mateo County	446,400	440,900	- 1.2%	432,400	424,100	- 1.9%	3.1%	3.8%	+ 0.7
Santa Clara County	1,043,600	1,035,000	- 0.8%	1,005,400	989,300	- 1.6%	3.7%	4.4%	+ 0.7
Solano County	204,100	205,100	+ 0.5%	194,700	193,700	- 0.5%	4.6%	5.6%	+ 1.0
Sonoma County	249,700	249,500	- 0.1%	240,400	238,600	- 0.7%	3.7%	4.4%	+ 0.7
SF Bay Area (sum)	4,098,900	4,073,000	- 0.6%	3,943,200	3,887,100	- 1.4%	3.8%	4.6%	+ 0.8

Note: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Company	Location	# Affected	WARN SUMMARY	
			Events YTD †	Individuals Affected YTD †
Aura Management	Multiple cities	18	132	8,537
BioMarin Pharmaceutical	Brisbane	3		
Bolt Biotherapeutics	Redwood City	38		
Coherent	Santa Clara	70		
Indeed	San Mateo	87		
Motional AD	Milpitas	41		
Total		257		

Individuals Affected YTD †: 8,537

Individuals Previous YTD ‡: 13,228

* **WARN: Worker Adjustment and Retraining Notification**
(notice of mass layoff or closure)

† **YTD: Year to Date**
(Calendar year: January 1–Present)

‡ **Previous YTD:**
(Same date range as YTD, one year prior)

Note: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: California EDD, CalJOBS: WARN data