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ChatGPT's effect on the job market: how automation affects employment in sectors using ChatGPT for customer service

Debani Prasad Mishra[1], Nandini Agarwal[1], Dhruvi Shah[1], Surender Reddy Salkuti[2]
[1]Department of Electrical Engineering, IIIT Bhubaneswar, Bhubaneswar, India
[2]Department of Railroad and Electrical Engineering, Woosong University, Daejeon, Republic of Korea

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ABSTRACT

A significant language model called ChatGPT, created by OpenAI, has gained attention in artificial intelligence (AI) and natural language processing. This research paper aims to provide an in-depth analysis of ChatGPT and its potential impact on the future, including its limitations, pros and cons, and how it came to be. This paper first provides a brief overview of ChatGPT, including its architecture and training process, and how it differs from previous language models. It then delves into the model's limitations, such as its lack of common sense and susceptibility to discrimination or biases present in the data it was trained on. This paper also explores the potential benefits of ChatGPT, such as its ability to generate human-like text, its potential use in customer service, and its potential impact on the job market. The paper also discusses the ethical and social implications of ChatGPT, such as the potential for the model to perpetuate biases and the need for transparency and accountability in its deployment. Finally, the paper concludes by discussing the future of ChatGPT and similar language models and their potential impact on various industries and society as a whole. Overall, this research paper provides a comprehensive and nuanced survey of the AI tool ChatGPT and its potential impact on the future.

Corresponding Author:

Surender Reddy Salkuti
Department of Railroad and Electrical Engineering, Woosong University
Jayang-dong, Dong-gu, Daejeon-34606, Republic of Korea
Email: surender@wsu.ac.kr

1. INTRODUCTION

Artificial technology has changed the way business is done, with artificial intelligence (AI) and machine learning (ML) systems taking over many jobs previously performed by humans. One of the most important developments in recent years is ChatGPT. It is a language model created by OpenAI that makes use of deep learning to provide responses to user input that are human-like. Its applications span over a wide range of industries and applications, from customer service chatbots to product development. This technology has been widely used in industries that rely on communication and production, such as customer service and media [1]. While ChatGPT has the potential to improve efficiency and reduce costs, its use has raised concerns about its impact on productivity. New natural language processing (NLP) technology called ChatGPT has the potential to revolutionize conversational AI [2]. Hence, it is of utmost importance to understand the impact of ChatGPT on the labor market, especially in customer service and information processing applications. This research paper aims to investigate the impact of ChatGPT on performance in these industries. It will provide an overview of ChatGPT and its capabilities, discuss the pros and cons of automation in the industry, and present case studies of its use in customer service and manufacturing. The

goal of deep learning techniques is to learn feature hierarchies that include features from higher levels of the hierarchy [3]. The paper will also explore the future of automation in terms of evaluating operations and policies to address its impact. By understanding the impact of ChatGPT on productivity, businesses, and policymakers can develop strategies to manage the transition to automated workforces. Figure 1 shows the percentage of ChatGPT users worldwide.

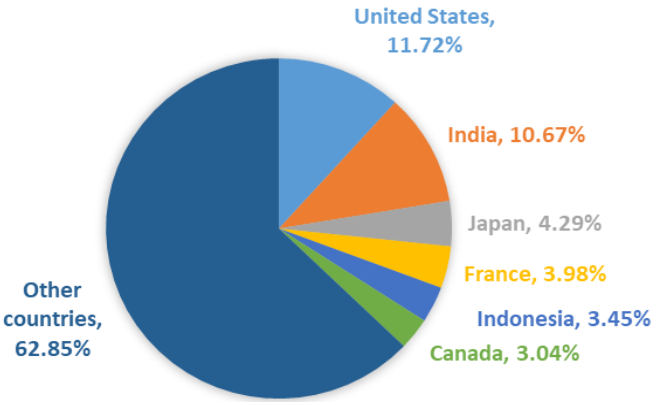

Figure 1. Percentage of ChatGPT users in various countries

ChatGPT is a result of the most recent developments in ML and NLP as an AI language model. Its GPT-3.5 architecture, which was made public by OpenAI in 2020, is a modification of the GPT-3 model [4]. The earlier GPT and GPT-2 models, which were made public in 2018 and 2019 respectively, served as the foundation for GPT-3. Figure 2 shows the transformer architecture over the years.

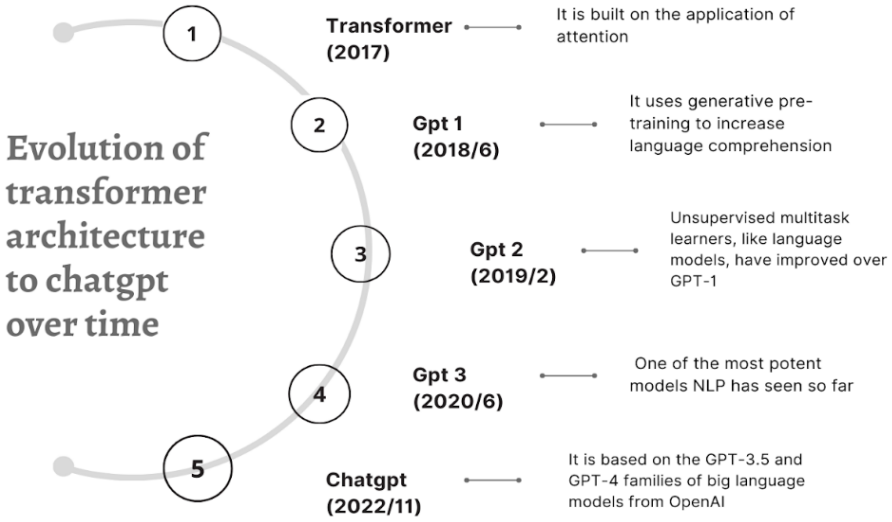

Figure 2. Evolution of transformer architecture over the years

The scale and complexity of the GPT-3.5 architecture utilized to train ChatGPT are noteworthy. It is one of the biggest language models ever made, with 175 billion parameters. This enables ChatGPT to execute a diversity of natural language tasks, consisting of text completion, summarization, translation, and even conversation, and to produce writing that is frequently indistinguishable from human-written content. ChatGPT has the ability to perform to perform a wide range of language-based tasks [5], [6]. ML has a different impact on professions than past automation waves [7], [8]. Deep learning and neural networks are increasingly being used in the field of AI, as seen by the evolution of ChatGPT and other sizable language models. The range of data-focused applications has increased to include more advanced ML or AI methods

[9], [10]. This method has been particularly effective in the area of natural language processing, where neural networks may be trained to learn how to represent the intricate connections between words and sentences in a flexible and expressive manner [11], [12].

Going ahead, it is expected that ChatGPT and other AI language models will continue to play a significant role in various societal domains, including journalism, education, and customer service. Associated with the surge in AI activity, there may also be changes in industry-level organizations that potentially offset or augment the establishment-level consequences [12], [13]. As these models progress, they may also raise new ethical and social questions, such as how to ensure that they are used responsibly and fairly, and how to address issues of bias and discrimination in their training data.

2. METHODOLOGY FOR OCCUPATIONAL EXPOSURE OF ARTIFICIAL INTELLIGENCE

Artificial intelligence occupational exposure (AIOE) is a methodology that specifically focuses on occupational exposure to AI [14], [15]. This methodology has various steps that include:

- Identification of AI systems: This involves identifying the types of AI systems that are being used in the workplace, such as robotic systems or ML algorithms [16].
- Task analysis: This involves analyzing the tasks that are performed by workers and identifying which tasks are being automated by AI systems [17], [18]. This analysis can help to identify which workers are most likely to be exposed to AI and the potential risks associated with such exposure.
- Hazard identification: This involves identifying the potential hazards associated with AI systems [8]. Hazards can include physical hazards, such as the risk of injury from moving robotic arms, and non-physical hazards, such as the risk of data breaches or loss of privacy.

AIOE methodology can help employers identify and assess the risks associated with AI systems in the workplace and implement measures to protect workers from potential harm [19]. There is no mathematical formula for calculating AIOE because the methodology involves a comprehensive and multi-disciplinary approach to assessing the risks associated with AI systems in the workplace. However, there may be specific calculations involved in certain aspects of the AIOE methodology, such as risk assessment or exposure assessment [20], [21]. For example, to calculate the exposure level to an AI system, the following formula could be used:

$$\text{Exposure Level} = \frac{(\text{Duration of Exposure} * \text{Intensity of Exposure})}{\text{Time Weighted Average (TWA)}} \quad (1)$$

Where the duration of exposure is the length of time a worker is exposed to the AI system; intensity of exposure is the level of exposure, such as the noise level or radiation level, and TWA is the average exposure level over a specific period of time [12], [22]. Similarly, to calculate the risk associated with exposure to an AI system, a risk assessment formula could be used, such as:

$$\text{Risk} = \text{Probability of Harm} * \text{Severity of Harm} \quad (2)$$

Where the probability of harm is the likelihood of harm occurring as a result of exposure to the AI system, and the Severity of Harm is the potential severity of harm, such as the level of injury or damage [23], [24]. These formulas are only examples, and the calculations involved in AIOE will vary depending on the methodology being used and the specific AI systems and tasks involved in the workplace.

3. RESULTS AND DISCUSSION

This technology has the potential to automate certain aspects of customer service and support, which can impact employment in various ways. For example, it gives new job opportunities like the adoption of ChatGPT can create new job opportunities, such as positions for data analysts, AI trainers, and chatbot developers. But at the same time, there are several challenges that can't be ignored.

3.1. Challenges

The adoption of ChatGPT can potentially displace jobs that involve routine customer service tasks, such as call center representatives and customer service agents [12], [25]. This can result in unemployment and the need for retraining or re-skilling for affected employees. Skill requirements: The adoption of ChatGPT can require new skills for employees, such as data analytics and ML. To make sure that their staff have the skills necessary to collaborate using ChatGPT, businesses must invest in training and development.

Quality assurance: ChatGPT can generate responses that may not always align with company values and standards. Companies must invest in quality assurance measures to ensure that the responses generated by ChatGPT meet their expectations and provide a positive customer experience. A look into computerization in European countries - several studies have been conducted to identify which jobs in the EU are most at risk of computerization, or being automated by AI and other technologies. Employment at risk of computerization in Europe is depicted in Figure 3.

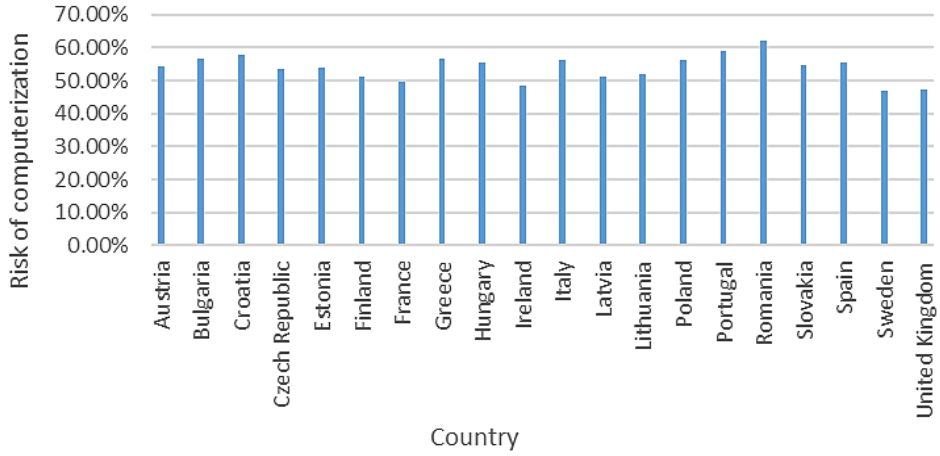

Figure 3. Employment at risk of computerization Europe

A study by the European Centre for the development of vocational training found that jobs in manufacturing, retail, and transport were most at risk of computerization. Another study by the Joint Research Centre of the European Commission found that jobs in administrative and support services, as well as some jobs in the health and social work sector, were at high risk of computerization. The World Economic Forum's Future of Jobs report found that jobs in data entry, accounting, assembly, and factory work were at high risk of automation in the EU.

3.2. Ethical considerations of ChatGPT

The use of ChatGPT raises various ethical considerations that must be taken into account. Chatgpt is trained on large amounts of data, and if the training data is biased or discriminatory, ChatGPT may generate biased or discriminatory responses. This can lead to harm to individuals or groups who are marginalized or underrepresented in the training data. Companies must ensure that the training data used for ChatGPT is diverse and inclusive and undergoes rigorous testing to identify and mitigate bias and discrimination. ChatGPT collects and stores customer data, which leads to concerns regarding data privacy and security. Unauthorized access to this data can lead to identity theft and other forms of cybercrime. Companies must implement measures to protect sensitive customer information, including encryption, access control, and regular security audits. ChatGPT can generate responses that customers may not understand or trust, leading to a lack of transparency and accountability. This can undermine customer trust and confidence in the technology. Companies must be transparent about the use of ChatGPT and provide clear explanations of its limitations and capabilities. They should also implement a mechanism for customers to provide feedback and complaints about ChatGPT's responses. ChatGPT cannot replace human interaction and empathy, which are essential for providing excellent customer service. The use of ChatGPT can result in a loss of personal touch and a dehumanization of customer service.

3.3. Case study: Use of ChatGPT in customer service in the retail industry

One of the industries that have seen significant implementation of ChatGPT in customer service is the retail industry. Retailers have increasingly turned to automation technologies like ChatGPT to provide fast and efficient customer service to their customers, reduce costs, and improve the overall customer experience. ChatGPT can be implemented in customer service through various channels, including chatbots on websites, messaging apps, and social media platforms. These chatbots can understand customer queries, respond to them with predefined answers, or generate responses based on ML models that are trained on

large datasets of customer queries and responses. They can also assist customers with their orders, provide information on product availability, and even offer personalized product recommendations.

One example of the implementation of ChatGPT in customer service is the retailer H&M. H&M introduced an AI-powered chatbot on their website and mobile app to help customers with their queries. The chatbot uses ChatGPT to understand customer requests and respond with relevant information, such as product availability, sizing, and shipping information. The chatbot also provides personalized styling advice to customers based on their preferences and previous purchases. On the one hand, the use of ChatGPT in customer service has enabled retailers to reduce their costs by automating repetitive tasks, such as responding to common customer queries. This has led to a decrease in the number of employees required to perform these tasks, resulting in job displacement for some customer service agents.

On the other hand, the implementation of ChatGPT in customer service has also created new job opportunities in the retail industry. For instance, retailers require data scientists, developers, and engineers to develop and maintain the ChatGPT models that power their chatbots. Moreover, the implementation of ChatGPT in customer service has enabled retailers to provide faster and more efficient customer service, which has led to increased customer satisfaction and loyalty. This, in turn, has led to increased sales and revenue, which can result in job growth in the industry. Figure 4 shows the growth in online sales of the company after deploying the chatbot.

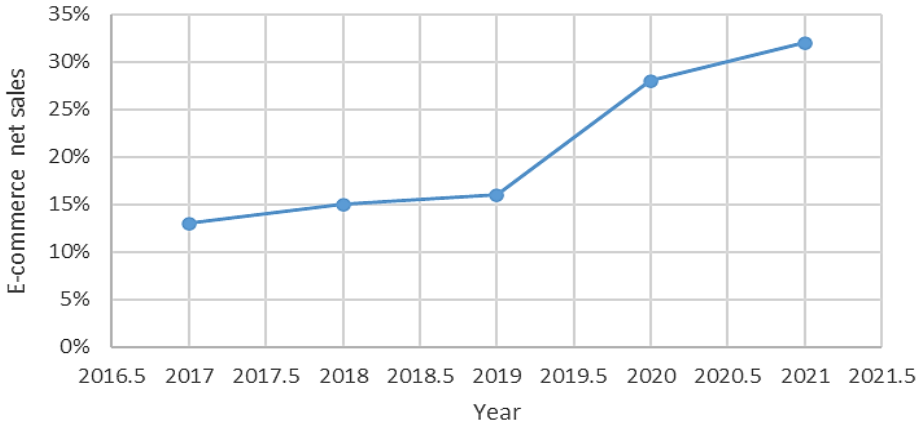

Figure 4. Rapid growth in online sales after deployment of chatbot in 2018

According to a case study published by OpenAI, the H&M chatbot powered by ChatGPT has been successful in providing customers with faster and more efficient customer service and improving the overall customer experience. Additionally, H&M reported that the chatbot had a high customer satisfaction rating, with customers finding the chatbot helpful and easy to use. The success of the H&M chatbot suggests that AI-powered chatbots can have a positive impact on customer engagement and satisfaction in the retail industry. This also has a negative impact as the world we currently reside in faces mass unemployment, and the creation of such AI tools is all but taking away jobs from the hands of the common man.

4. CONCLUSION

In conclusion, the impact of ChatGPT on the job market has been notable, with automation affecting employment in industries that use ChatGPT for customer service and content creation. While ChatGPT has been successful in improving customer engagement and satisfaction, its implementation has also led to concerns about job displacement and a changing labor market. Our analysis has shown that ChatGPT has the potential to automate many routine tasks in customer service and content creation, leading to a reduction in the need for human labor in these areas. However, our research has also shown that ChatGPT can complement human labor, freeing up employees to target more complicated tasks that require human intuition and empathy. To mitigate the impact of ChatGPT on the job market, companies and policymakers need to focus on reskilling and upskilling workers to prepare them for new roles that require a different set of skills. Additionally, companies need to prioritize ethical considerations when implementing ChatGPT to ensure that they are not unintentionally contributing to job displacement or exacerbating inequality. Overall, while ChatGPT has the potential to disrupt the job market in the short term, its long-term impact on

employment remains uncertain. Companies, policymakers, and individuals must work together to navigate the challenges posed by automation and ensure that the benefits of technology are shared equitably.

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BIOGRAPHIES OF AUTHORS

Debani Prasad Mishra received a B.Tech. in electrical engineering from the Biju Patnaik University of Technology, Odisha, India, in 2006 and an M.Tech in power systems from IIT, Delhi, India in 2010. He was awarded a Ph.D. degree in power systems from Veer Surendra Sai University of Technology, Odisha, India, in 2019. He is currently serving as Assistant Professor in the Departmen of Electrical Engineering, International Institute of Information Technology Bhubaneswar, Odisha. His research interests include soft computing techniques application in power systems, signal processing, and power quality. He can be contacted at email: debani@iiit-bh.ac.in.

Nandini Agarwal is currently pursuing a B. Tech degree in Electrical and Electronics Engineering at the International Institue of Information Technology, Bhubaneswar, Odisha, India (Batch 2020-2024). She did her internship in web development at The Sparks Foundation. Her fields of interest are full stack web development, computer fundamentals, and java script. She can be contacted at email: nandiniagarwal294@gmail.com or b320027@iiit-bh.ac.in.

Dhruvi Shah is currently pursuing a B-Tech degree in Electrical and Electronics Engineering at the International Institute of Information Technology, Bhubaneswar, Odisha, India (Batch 2020-2024). Her fields of interest are full-stack web development and UI/UX design. She can be contacted at email: dhruvishah204@gmail.com and b320017@iiit-bh.ac.in.

Surender Reddy Salkuti received a Ph.D. degree in electrical engineering from the Indian Institute of Technology, New Delhi, India, in 2013. He was a Postdoctoral Researcher at Howard University, Washington, DC, USA, from 2013 to 2014. He is currently an Associate Professor at the Department of Railroad and Electrical Engineering, Woosong University, Daejeon, South Korea. His current research interests include market clearing, including renewable energy sources, demand response, and smart grid development with integration of wind and solar photovoltaic energy sources. He can be contacted at email: surender@wsu.ac.kr.