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RISE OF ARTIFICIAL INTELLIGENCE: ANALYSIS OF LABOR MARKET OF INDIA'S IT SECTOR

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ABSTRACT

Business entities have undergone large scale transformation in the last one decade or so in terms of utilization of the available resources. The extent of mimicking human learning and decision making to increase efficiency is one of the most important managerial aspects of increasing productivity. In this scenario, it has become quite clear that artificial intelligence (AI) or the intelligence of computers and other specific machines can be used to derive a new meaning out of the available resources and costs can be reduced through different permutations and combinations. In this aspect, data has been seen as the new form of natural resource and it has been used to transform new industries and professions altogether. There has been an awakening all over the place that data can be collected and used in a new and meaningful manner to create larger scale competitive advantages. It is noteworthy that when machines can be used to perform the functions of the humans, the same is defined as Machine learning. However, while humans can obviously think in their functions machines can only be guided to think and reach conclusions in a trained manner and the same has become quite effective in the last few years. This paper looks to establish what kind of effect the AI systems would have on the Information Technology (IT) sector in India and comment on the large-scale apprehensions about displacement of laborers. Professionals employed in the IT sectors are under tremendous stress these days because of an uncertainty over their future.

***KEYWORDS**: Labour Market, Information Technology, Artificial Intelligence, Creative Destruction.*

Introduction

Over the years and particularly in the last decade intelligent machines and software's are being designed. The base of the artificial intelligence is the smart software and quick learning machines. The field is highly specialized and the issue in artificial intelligence lies in the fact that most of the problems and solutions are associated with developing these data-driven thinking software's that can closely mimic human decision making. These software's are be able to gather their own data and knowledge, can go on to analyze the gathered data, process the gained knowledge, create patterns and would be thus able to manipulate situations to find new and intelligent solutions. This development allows companies to develop automated response to most situations and would be aimed at saving of time and labor cost. If the same tasks are performed by humans it would be extremely time consuming and costly. Thus, intelligent machines being developed would work in the favor of huge costs savings and increasing the profitability of many organizations (Leslie D'Monte, 2016). The idea resonates with Schumpeter's theory of creative destruction that attributes the spirit of innovation as a vital force sustaining the momentum of capitalism as well as the willingness of entrepreneurs to adopt these solutions (Schumpeter, 1942).

The trend of using the machine knowledge and learning has only increased in the last few years and the same has resulted in benefiting companies in the IT sectors and production sectors as the development of artificial

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