IBM Replaced Hundreds of HR Workers With AI, According to Its CEO

Former employees at IBM were replaced with AI, the company's CEO confirmed earlier this week.

IBM CEO Arvind Krishna told *The Wall Street Journal* on Monday that the tech giant had tapped into AI to take over the work of several hundred human resources employees. However, IBM's workforce expanded instead of shrinking—the company used the resources freed up by the layoffs to hire more programmers and salespeople.

"Our total employment has actually gone up, because what [AI] does is it gives you more investment to put into other areas," Krishna told *The Journal*.

Krishna specified that those "other areas" included software engineering, marketing, and sales or roles focused on "critical thinking," where employees "face up or against other humans, as opposed to just doing rote process work."

Related: IBM Exec Says 7,800 Jobs (or Nearly 30% of Its Workforce) Could Be Replaced By AI

IBM CTO Ji-eun Lee said earlier this year that IBM's AskHR agent had automated 94% of simple, routine human resources tasks, like vacation requests and pay statements. Meanwhile, IBM's AskIT agent reduced the number of calls and chats for the IT team by 70%.

IBM saw a "productivity improvement" of $3.5 billion over the past two years by using AI in more than 70 business areas, Lee stated.

IBM did not disclose when the HR layoffs and subsequent hiring

in other departments occurred. The company employed 270,300 workers globally as of its 2024 annual report.

IBM CEO Arvind Krishna. Photographer: Christopher Pike/Bloomberg via Getty Images

This week, IBM held its annual Think conference and introduced new products and services to grow its generative AI division, which has become a $6 billion business. The tools allow customers to build their own AI agents, capable of autonomously carrying out complex tasks, in under five minutes.

The service is similar to offerings from Amazon, Nvidia, and Microsoft.

Related: AI Agents Can Help Businesses Be ’10 Times More Productive,’ According to a Nvidia VP. Here’s What They Are and How Much They Cost.

Krishna has worked for IBM for over 34 years and stepped into the CEO role in 2020. Wedbush analyst Dan Ives told *Business Insider* on Wednesday that Krishna was in the process of

transforming IBM into an AI company.

“It’s still the first inning in a nine-inning game,” Ives told the publication.

Krishna isn’t the first CEO to say the company has replaced people with AI.

Klarna CEO Sebastian Siemiatkowski stated last year that its AI chatbot did the work of 700 customer service agents and later announced that the company was undergoing a hiring freeze and filling in the gaps with AI.

Meanwhile, Salesforce CEO Marc Benioff said in September that the company’s new AI agents could replace gig workers during busy seasons.

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