



Small Business Bulletin

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Using ChatGPT and AI Tools in Small Businesses

Artificial intelligence (AI) chatbot ChatGPT has recently made waves for producing human-like text from user inputs. Accessible to anyone with a computer and internet connection, ChatGPT produces usable written material on a wide range of topics. This is leading many employers, including small businesses, to consider ways to incorporate this technology into their organizations to enhance workflows, streamline operations and improve customer experience.

Since ChatGPT is accessible to employers of all sizes, it presents an opportunity for organizations that strategically leverage it. However, this chatbot and other AI tools have limitations and potential risks, such as privacy concerns and copyright issues, that employers must consider carefully before embracing this technology. This article explains what ChatGPT is and outlines considerations for small businesses using AI technology in the workplace.

What Is ChatGPT?

ChatGPT is a natural language chatbot, meaning it uses a natural language processing system to respond in a conversational manner to user inputs. This allows it to imitate human dialogue and decision-making. ChatGPT is capable of performing various tasks, such as writing articles, performing calculations, explaining difficult concepts, automating tasks and conversing with users.

ChatGPT is a network machine learning model trained using data sets to generate human-like text on a range of subjects. The chatbot is trained from books, websites and articles to create questions, answers, summaries, translations, calculations, code generation, conversations and more. Yet, its knowledge is limited to information that was available when it was trained. As a result, some of the

information and answers ChatGPT provides users may be outdated or inaccurate. The current version of ChatGPT was launched in November 2022, and it uses approximately 100 trillion machine learning parameters; however, this information is current only up to 2021.

Workplace Applications of AI Tools

The significance of AI technology for small businesses cannot be understated, as it could change almost every aspect of how organizations operate and conduct business. Many employers, especially larger ones, have been using this technology for years; however, ChatGPT is making AI technology readily available to employers of all sizes, and such tools are also more accepted now than in the past.

Incorporating AI technology can enable small businesses to run more efficiently and economically by automating many tasks currently performed by employees. AI can automate and streamline manual, error-prone tasks, allowing small businesses to reduce employee workloads, improve operations and focus on growing their business. This technology could change the way employees work by enabling them to focus on higher-value tasks. Nearly every facet of a small business—including HR, marketing, accounting and software engineering—could be impacted by AI technology.

Employer Takeaways

AI tools like ChatGPT have the potential to change nearly every aspect of employees' work and increase organizational efficiency. This technology is relatively new, and there's still much uncertainty surrounding it; however, it will likely continue to improve and become more reliable over time. As such, savvy employers will closely monitor AI technology's developments and their potential issues.

Attraction and Retention Tips for Small Businesses

Employers of all sizes are currently facing attraction and retention challenges. Successful efforts to win over workers can require a significant amount of time and carry high costs. Unfortunately, small businesses often don't have excess resources to invest in attraction and retention efforts in today's worker-friendly labor market. Failing to attract talent or losing existing employees is particularly costly for small businesses. Along with the costs associated with recruiting, hiring and training, attraction and retention struggles can significantly impact workplace operations and culture, especially in a smaller environment. For these reasons, small businesses cannot afford to ignore their attraction and retention efforts.

The following are some attraction and retention tips for small businesses:

- **Select the right benefits.** Health insurance is valued highly by workers. Simply offering health insurance can provide small businesses with a competitive edge against those that don't. However, health insurance is just one component to consider as part of a benefits package; small businesses should tailor their benefits offerings to meet the specific demands of current and prospective employees. The best benefits vary for each organization, but they can be used to attract and retain employees.
- **Revamp recruiting, hiring and onboarding practices.** Small businesses often have limited resources for recruiting, hiring and onboarding practices, so it's important to be as efficient as possible. Leveraging cost-effective technology, such as applicant tracking systems and digital tools, can help small businesses improve these practices. In turn, employers' costs may be reduced, and they can focus on finding new employees rather than dealing with time-consuming and tedious tasks.
- **Expand recruitment reach.** If an employer isn't receiving the number of quality candidates they desire, it's worth strategizing to grow their talent pool. Expanding an organization's online presence is a good start. This may include creating and maintaining multiple online profiles, posting content regularly and informing prospective workers of job opportunities.
- **Focus on developing employees.** Attraction and retention challenges aren't always about bringing enough employees through the doors; today, many small businesses face skills gaps. While a solution to this may be to recruit specific skills to close these gaps, this overlooks existing employees. Small businesses should consider how they can bridge skills gaps in-house. Some strategies may include providing career pathing plans, creating mentorship programs, offering microlearning workshops to focus on specific skills, or paying for employees to attain certifications or further their education outside of the workplace.
- **Offer a flexible work environment.** Throughout the COVID-19 pandemic, many employers offered remote work opportunities. Continuing to offer flexible work arrangements, such as work-from-home arrangements and hybrid or flexible schedules, can help small businesses maintain a competitive edge over employers who don't offer such flexibility.
- **Creating a strong workplace culture.** Small businesses should focus on fostering a desirable workplace. A healthy company culture can help retain employees and, in turn, create an environment that's attractive to applicants. Many small businesses are focusing on creating a strong workplace culture by training managers to identify employee burnout, designate fair workloads and support workers' needs.

Like many organizations, small businesses face several challenges with attracting and retaining the employees they need. Fortunately, small businesses can leverage these strategies to help them compete in today's talent market.

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