

Tech-Driven Banking: Replacement of Clerical Jobs with Automation

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Abstract:- Banking sector in India has been witnessing a revolutionary transformation with the adoption of technological innovations to banking operations. On the pace of this digital transformation in banking, the banks are experiencing a change in the employment trend pattern. The article throws light towards the impact of tech driven banking or automation on clerical jobs. The general objective of the study is to provide a perspective on the replacement of clerical jobs with automation and for that, analyzing the trend pattern of clerical jobs in all scheduled commercial banks. For the purpose, we have analyzed the clerical job employees statistics as per RBI publication and mainly clerical job analysis on public, private, foreign banks and RRBs banks, for a period of 10 years from 2010 to 2019. The article results highlight that the employment growth rate shows a declining trend and the low level bank jobs are becoming fewer during the recent years.

Keywords:- Digital transformation, Change in job roles, Repetitive jobs, technological innovations, New employment opportunities.

I. INTRODUCTION

Digital banking is promising efficient and effective operations and customer services with fast and secure processing, immediate and high quality interactions, integrated IT infrastructure etc. Technological innovations will make room for the transformation in banking with digital technologies like app based banking, internet banking, blockchain and artificial intelligence.

Logically, the transformation that took place in the banking sector has made some jobs redundant and created new employment opportunities that support the digital transformation. Banks are now trying to re-defining new job roles that are more focusing on digital banking technologies. As the banks are going to an era in which there is a rapid increase in technological adoption, they are trying to upgrade the skills required for the jobs in this technological enabled banking. In the core operations of the banks, the repetitive jobs get more digitized. Many clerical related jobs are going to disappear in the coming era of the advanced

digital banking and new jobs which are specialized in the areas of cyber security, credit analysis, risk management, programming specialist, blockchain architect, are going to become opportunities in the bank job market.

Digital banking is not resulting in the full job cut of several posts but it is demanding some change in the nature of the employment roles which are already existing. For instance, the adoption of technology has reduced the scope of bank teller job roles, but it does not mean that the post of bank teller is completely lost. It implies that the bank teller job roles require more skills and higher levels of education. Digital banking is also making a shift in the nature of bank jobs and the trend of employment growth is also not at a very rapidly increasing phase. So digital banking will make the banking sector in search of more top talents that support the technology enabled banking. The digital banking will pave the way for reskilling and retraining the existing job roles and equipping the new staff with new skills and job responsibilities in order to cope up with the technological innovations.

II. REVIEW OF LITERATURE

Kaur, K., Sahdev, L., Sharma, M., Siddiqui L., (2020) in the article they explained the influence of artificial intelligence on the banking industry and how the artificial intelligence is changing the face of modern day banks. It points out that AI is now becoming widespread in the banking sector and also the routine and normal tasks which are earlier performed by the human force are now being replaced by the advance technology. The study emphasizes that advancement in technology and also the human touch is also utmost important.

James Bessen, Anna Salomons (2019) pointed out that advancing technologies are increasingly able to fully or partially automate job tasks. These technologies range from robotics to machine learning and other forms of artificial intelligence, and are being adopted across many sectors of the economy. These developments have raised concern that workers are being displaced by advancing automation technology.

Bertin Martens Songül Tolan(2018)they showed the concerns about the displacement of human workers with AI machines. Historic evidence shows that previous waves of innovation that replaced workers with machines ended up generating more jobs (reinstatement) and higher incomes, though transitions can be painful. There are some indications that the displacement effect has been stronger than the reinstatement effect over the past decades and that the labour share in income has declined, especially in manufacturing industries and long before the arrival of AI.. Some studies predict that the share of human jobs at risk of automation ranges from 47% to 9% depending on the level of detail at which work tasks are defined. These alarming predictions focus on potential displacement effects only and ignore employment creation. They may indicate the magnitude of the challenge ahead but do not constitute a credible forecast.

Review of literature has shown that a number of studies have been conducted ,explaining the impact of technology on banking job roles. The articles highlighted the changing job scenario in the Indian banking sector by analyzing the clerical job trends of the past 10 years. The study mainly analyzes the clerical job trend pattern in public private, foreign banks and RRBs.

III. STATEMENT OF THE PROBLEM

Technological advancement is reshaping the nature of work in the banking sector .Technological innovations in the banking sector lead to the transformation of some jobs characterized by routine tasks, which may affect low skilled employees. As a positive side, Technological innovations on one hand reduces the burden of some workers who are doing the repetitive tasks, but these workers need to learn skills to stay employed in this digitalized era. on the other hand, the digital banking increased the demand for technically skilled employees and thereby many new skill enabled job opportunities are emerging in the banking sector. And on the negative side, technological automation will replace the low

skilled employees. The low skilled employees will be the first level to disappear fully. The future of work in the age of technological reforms requires rethinking of work, workforce and workplace.

So this article analyzes the changed job scenario in the Indian banking sector.It focuses on whether the technological innovations are affecting the clerical job positions in the Indian banking sector and the trend pattern of clerical jobs in public, private, foreign and RRBs.

IV. SCOPE OF THE STUDY

The study will throw light towards the future career opportunities in the banking sector. With the study it will help to analyze the jobs which are going to disappear in the coming years and the jobs which are emerging in the banking sector. It also helps in analyzing the implications of artificial intelligence and technology enabled banking services on employment in the banking sector.Not only the technological innovations limited to the financial and banking sector,a variety of sectors are also experiencing the implications of technological advancement .

V. OBJECTIVES OF THE STUDY

- To study the changing job scenario in Indian Banking sector
- To analyse how automation affects the clerical job positions in Indian Banking sector
- To analyse the clerical jobs trend pattern in public sector, private sector, foreign banks and regional rural banks

VI. RESEARCH METHODOLOGY

The study is descriptive in nature. It is carried out with the help of secondary data which is collected from RBI database, banks annual reports, journals and articles. The public and private sector, Foreign banks ,RRBs employment database is used for the study.

VII. ANALYSIS AND FINDINGS

Year	CLERKS				
	Public Sector Bank	Private Sector Banks	Foreign Banks	Regional Rural Banks	All scheduled banks
2019-20	277608	25154	1468	33321	341805
2018-19	295277	23961	971	34308	359728
2017-18	302836	23610	4262	32265	359862
2016-17	303755	25656	1076	30813	360381
2015-16	315292	25383	1311	31082	361531
2014-15	333583	30399	1635	29282	376608
2013-14	398801	68031	1864	28364	431842
2012-13	387831	59550	1343	26179	484975
2011-12	313537	55630	1438	32602	481421
2010-11	296069	30085	1543	31811	402521

Table 1

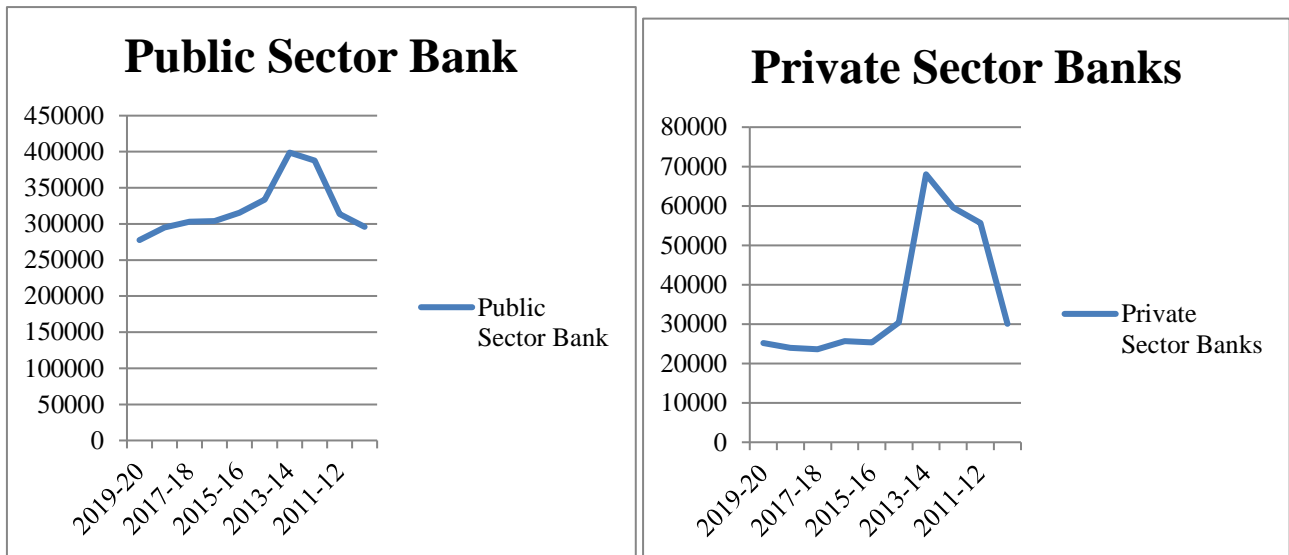


Fig. 1

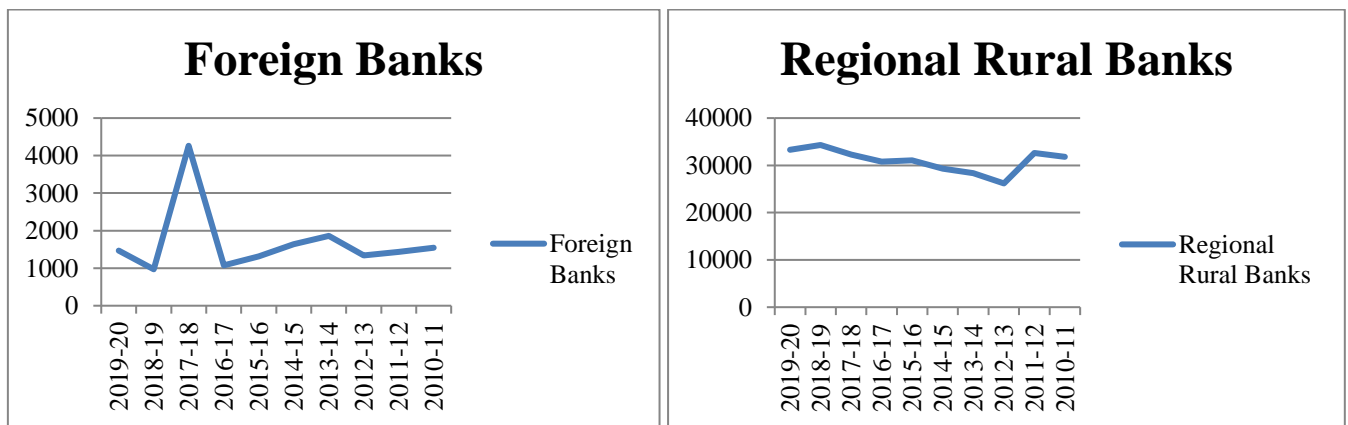


Fig. 2

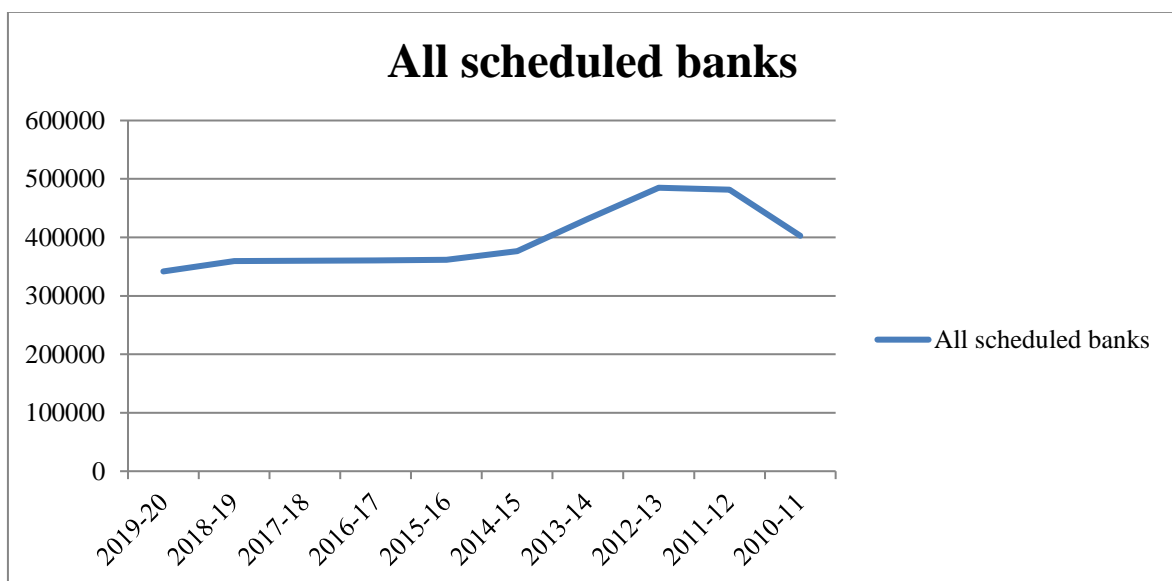


Fig. 3

The RBI database showed a significant fall in the jobs at lower levels in bank categories. The RBI data categorised the bank employment levels into three categories namely, officers, subordinates and clerks. Of these the clerical level jobs are showing a declining trend in the last few years and the officers jobs are witnessing an increasing trend both at public and private sector banks. The findings show a shift towards the job roles which require higher qualification and a specialised set of skills and the hiring for the manual processes are showing a declining trend. The employment growth rate is also showing a declining trend and the low level bank jobs are becoming fewer during the recent years.

VIII. SUGGESTIONS

- Workers facing the risk of losing their jobs because of automation need to be supported in upgrading the skills.
- Government needs to continue the efforts to raise awareness and create a culture of providing them with adequate training offers, and financial contributions to education and training.
- Policy also needs to address the potential decrease in employment stability, reduced career development, and threat of unemployment.

IX. CONCLUSION

The technological reforms in the banking sector have a huge impact on banking employment. The technological innovation has made the banking operations more easier and affordable to the bank customers. But at the same time it could replace a lot of clerical jobs with smarter automated technologies. Technological reforms in banking have both opportunities and risks to the employment area. The opportunities include increased job opportunities for highly qualified workers and the risk elements includes job loss for the low skilled routine employees and limited capabilities and adaptation to the changing skills. So in the age of this tech driven banking, a proactive approach, focusing on the anticipation of change and delivering of skills needed for the bank employees needs to be adopted in order to succeed in this digital age.

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