

# Bank job cuts: Employment at lenders set for cuts due to automation, digital economy push

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In the past half-decade or so, there have been many warnings sounded of the consequences rapid advancing and ready adoption of machine-learning, digitisation and mechanisation will have on jobs for humans. Wherever work can be defined in an algorithm, jobs for people will go. The Oxford University study that talked about nearly half the jobs in the US being at risk from automation is now so oft-cited that it has become a cliché. So, if State Bank of India is ending the year with lesser employees than it started with, it shouldn't surprise. Indeed, as per the Oxford study, many functions typically carried out by bank employees, including accounts-keeping, credit



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analysis, cash telling, etc, have a higher than 95% chance of being automated. With the digital economy push of the government, the pace of this automation may

have just been accelerated.

SBI spends around Rs 4,000 crore on technology (not including ATMs) a year—the spend has been increasing over the past few years and is likely to keep doing so in the future as well. And this is not happening just in SBI, or even banks as well. AI-led and aided MF and ETF firms have already started operations and will increasingly wean away clientele from human personnel-led firms, given their investment decisions are likely to be backed by a quantum of information processed that humans can't even collate, let alone analyse. As more and more white and blue collar jobs are lost to automation, newer jobs are also likely to be created. This will mean that humans will need to upskill faster and more frequently than ever before in history. In the case of the bank personnel, for instance, many with field experience can be trained redeployed as outreach officers to push inclusion and banking products tailored for specific client groups. In the larger context of job-losses and automation, for many whose level of skills is already low, upskilling may not be an option. In such a case, governments worldwide will need to figure out ways to either give such sections of the population aid that can help them live or some form of unemployment support.