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The Existentialist Dread of Robotics

Fear of replacement at the mechanical hands of robots is holding back much-needed progress in automation.

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The increased development and use of robotics to manage various business processes across the capital markets may herald a new era of automation, but the lingering dread of being replaced by machines still lingers, says John.

Whenever the word [robot](#) is used it is intrinsically linked to outlandish scenes taken from a straight-to-DVD science fiction movie. Even now, I can't help but hear the [theme music from Terminator 2](#) in my head whenever I read something about robots.

The reality of robotics, however, is still rooted in the mundane. Anyone who watched the [recent viral video](#) of a robot attempting, and comedically failing, in the simple task of stacking a small box on a shelf has little need to fear any kind of robotic uprising in the near future.

And yet, whenever discussions around the use of robots for automation purposes arise, so does the deep-rooted fear that humans will soon become redundant in favor of machines. For its part, the mainstream media also plays a role here, using the terms [artificial intelligence \(AI\)](#) and robotics interchangeably.

But let's be very clear on one thing here: Robots and AI are not the same thing, although the two can be, and often are, deployed together.

While AI clearly holds massive potential to transform the way in which financial firms, and indeed every other market, operates, unchecked development in this arena does come with a certain element of danger. Robotics, on the other hand, are simpler tools that are limited by user-set boundaries and are unable to learn anything new beyond those parameters without external input.

Business Case

For capital markets institutions there should, by now, be a very clear business case for the adoption of robots or [robotic process automation \(RPA\)](#). Middle- and back-office systems that have long been based on human, manual processes are no longer sustainable, particularly when profit margins are being bolstered primarily through the reduction of operating costs.

Robotic software tools can also be implemented in a similar fashion to [application program interfaces \(API\)](#) that allow previously siloed legacy systems, which may be too vital or expensive to replace, to communicate with each other. [Surveillance](#) is another area where interest in robotic or AI-led technologies is growing, particularly for [regulators to assess possible market abuse](#).

For those banks that are currently eyeing a move away from London in the run-up to the [UK's departure from the European Union](#), the option to implement simple robotic tools in the middle or back office at a new site seems like as good an opportunity as any.

Staff may push back on the idea, although such an initiative does offer the chance to introduce change for the better and educate staff on the benefits the technology can bring while utilizing their skills in other more effective ways.

Fears Persist

But existentialist fears that human jobs, and in some cases people in general, will be lost to such machines persists. While it is inevitable that with the advancements in AI there will be casualties (jobs, not human lives), this is still some way off yet.

No bank is going to hand over control of its technology stack, either in whole or in part, to a machine, because there's just too much margin for error, not to mention the possibility of having to explain such a decision to a regulator in the event that a machine committed a regulatory breach.

While writing this month's feature on the [use of RPA for reconciliations](#), I found a number of research papers from various consultancies extolling the virtues and myriad possibilities robotic technology can provide financial institutions. However, none of these papers made mention of the adjustments required to the human workforce that implementation of robotics would almost certainly require.

One of the sources I spoke to outright rejected the notion that large swathes of banking staff will lose their jobs to RPA, instead insisting that the nature of their jobs would change, with higher skill levels, a better understanding of technology across the enterprise, and greater acceptance of younger staff appointments more adept with new technology as possible, positive results.

Perhaps it is time to let go of the fear and embrace the possibilities that robotics can bring to the capital markets? And as with so much else in life, education is the first step toward understanding.

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