

JEL Classification M5, J21, J40

THE INFLUENCE OF DIGITALIZATION OF THE BANKING SECTOR ON THE TRANSFORMATION OF EMPLOYMENT UNDER MODERN CONDITIONS

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Abstract: *As a result of the study the impact of the COVID-19 pandemic on accelerating the development of digital banking channels was analyzed. The system components of digital transformation of the modern banking sector are highlighted. The stages of digital transformation in the banking sector are characterized including: the emergence of digital channels, the emergence of digital products, the creation of a full cycle of digital services, the creation of "digital brain", the creation of digital DNA. The development of non-standard innovative models of banking business (smart multi-channel bank, socially involved bank, bank in the form of financial or non-financial digital ecosystem) is analyzed. The directions of application of modern digital financial technologies in the banking sector are determined. An analysis of the impact of digitalization on the process of employment transformation in the banking sector was performed.*

Keywords: *digitalization, digital banking, innovative technologies in the banking sector, FinTech, BigTech, Neobank, innovative models of banking business, Internet banking.*

The relevance of the study is due to the fact that digitalization today is one of the current trends that has a direct impact on the nature of labor relations and employment in all sectors of the economy, including banking.

The purpose of the article is to analyze the transformation processes in the functioning of the banking system in terms of digitalization and determine the impact of digital technologies on employment in the banking sector.

The study found that the spread of the COVID-19 pandemic significantly accelerated the transition of the banking sector to a digital development model,

which was accompanied by an increase in customer use of digital banking channels even during the removal of quarantine restrictions. The system components of digital transformation of the world banking sector are highlighted, including: stage of development of digital transformation of the banking system, use of innovative models of banking business, interaction with new financial market participants, application of modern digital technologies in the banking sector. It is established that in the banking sector, the digital transformation must take place in five main stages: the emergence of digital

channels, the emergence of digital products, the creation of a full cycle of digital services, the creation of "digital brain" (Digital Brain), digital DNA. Modern innovative models of banking business are analyzed, which include the following: smart multi-channel bank, socially involved bank, bank in the form of financial or non-financial digital ecosystem. It is determined that the acceleration of digitalization of the banking sector is also influenced by new financial market participants (FinTech, BigTech, Neobank), whose activities create business models that are radically different from the models of traditional banking business. Areas of application of digital financial technologies in the

banking sector are identified, in particular: application programming interfaces, artificial intelligence, machine learning, Internet of Things, large data sets, distributed access technologies, smart contracts, cloud technologies, cryptography, biometrics. An analysis of the positive and negative effects of digitalization of the banking sector on employment in modern conditions, resulting in digitalization not only poses serious challenges to existing traditional business models of banking institutions, but also forms a new approach to the content and structure of employment, which is reflected in the processes of search and transition to non-standard and innovative forms of employment.

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