ORIGINAL SCIETNTIFIC PAPER

THE EVOLUTION OF BANK BRANCHES AND EMPLOYMENT DYNAMICS IN THE DIGITALIZATION ERA: A COMPARATIVE STUDY OF SERBIA, MONTENEGRO AND BOSNIA AND HERZEGOVINA

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ABSTRACT

This study examines the impact of digitalization on the banking sector in Serbia, Bosnia and Herzegovina, and Montenegro, focusing on bank branch reduction and its implications for employment dynamics. Our analysis reveals a significant decline in bank branches across these countries, with Serbia experiencing a 6.88% reduction, Bosnia and Herzegovina 21.03%, and Montenegro 11.76%, reflecting a global trend towards digital banking. Correspondingly, employment changes in the banking sector ranged from -2.4% in Serbia to -9.4% in Montenegro. These transformations, largely attributed to evolving customer preferences and operational efficiency, indicate a profound shift in the banking landscape. The study further explores how digitalization influences customer engagement and satisfaction, uncovering that 75–85% of banking transactions are now conducted digitally across the countries. These insights provide a comprehensive understanding of the impact of the digitalization era on bank branches and employment, offering valuable information for stakeholders navigating this evolving landscape.

Keywords: *digitalization in banking, bank branch reduction, banking sector employment dynamics, digital banking adoption, banking trends in Western Balkans.*

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INTRODUCTION

The digital revolution has profoundly transformed the financial landscape, reshaping customer-bank interactions (Kim, Lee, & Lee, 2017) [12]. A notable hallmark of this shift is the gradual decline of physical bank branches (Bellotti & Crook, 2016) [2]. As digital technologies render traditional processes obsolete, brick-and-mortar branches symbolize a bygone era (Gupta, 2017) [8]. This global phenomenon prompts a reevaluation of the role of bank branches (Fan & Dib, 2018) [7].

In the Western Balkans, comprising Serbia, Bosnia and Herzegovina, and Montenegro, digitalization has significantly affected the presence of bank branches [14]. Yet, a gap exists in scholarly discourse regarding the localized effects of branch reduction. This research aims to fill this void, shedding light on the transformation within the region. Despite extensive global research on bank branch reduction, the Western Balkans remain understudied. This study conducts a comparative analysis of the countries in the region, examining the interplay between digitalization, bank branches, and socio-economic factors. As digitalization continues to reshape the banking sector, this study addresses the complexities of branch reduction, providing insights for policymakers, industry stakeholders, and academics. The findings provide stakeholders with a clearer understanding of the evolving banking landscape.

EVOLUTION OF DIGITAL TRANSFORMATION

The history of digital transformation in banking traces back to the advent of computing and the internet (Deli, 2014) [5]. The transition from analog to digital technology began in the 1940s with the emergence of digital computers and electronic record-keeping [11]. While home computers emerged in the 1970s, their widespread adoption occurred in the 1990s. By 2000, 51 percent of U.S. households owned personal computers, coinciding with the rise of the internet as a transformative technology (Berger & Mester, 2003) [3]. The global number of internet users reached one billion by late 2005, reflecting its profound impact on various industries, including banking (Ahi & Barua, 2017; Carnevale & Cecchetti, 2017) [1, 4]. This digital evolution is critical for the banking sector, given its reliance on secure data management (Peng, 2017) [18]. Financial institutions have adopted digital solutions to enhance customer experience and improve operational efficiency (Zohar, 2015) [24]. However, challenges such as real exchange rate appreciation complicate monetary convergence efforts, analogous to the banking sector's need to balance traditional operations with digital services (Pucar, 2020) [19]. In the Western Balkans, comprising Serbia, Bosnia and Herzegovina, and Montenegro, digitalization has prompted a reassessment of banking practices, including the roles of physical branches and employment dynamics (Todorović, Furtula & Durkalić, 2018) [23]. Just as the CAMELS model assesses banks' stability, banks in the Western Balkans must adapt to digitalization while balancing traditional and digital banking services (Todorović, Furtula & Durkalić, 2018) [23]. This study examines the interplay between digital transformation, branch reduction, and employment in these countries, reflecting broader economic and operational challenges in the banking sector.

ANALYSIS OF THE STATE IN THE BANKING SECTOR

Between 2017 and 2021, Serbia, Bosnia and Herzegovina, and Montenegro experienced varying degrees of bank branch reduction, as shown in Table 1 [25–27].

Table 1. Bank Branch Reduction Comparison (2017–2021)

Country	Branches 2017	Branches 2021	Reduction (%)
Serbia	1627	1515	6.88%
Bosnia and Herzegovina	1013	800	21.03%
Montenegro	255	225	11.76%

Source: Compiled and analyzed by the authors based on data from the official websites of the National Bank of Serbia (www.nbs.rs) [25], the Central Bank of Montenegro (www.cbcg.me) [26], and the Central Bank of Bosnia and Herzegovina (www.cbbh.ba) [27].

Serbia observed a moderate decline of 6.88%, with a reduction of 112 branches, reflecting a gradual shift in its banking sector. In contrast, Bosnia and Herzegovina experienced a significant decrease of 21.03%, losing 213 branches, suggesting significant changes in the banking sector, possibly driven by digitalization or economic factors. Montenegro's banking landscape saw an 11.76% decrease, with 30 branches closing, indicating a notable yet less dramatic change compared to Bosnia and Herzegovina. Overall, this trend across the three countries points to a regional shift towards digital banking solutions and strategic adaptations within the banking industry.

Table 2. Employment Changes in the Banking Sector (2017–2021)

Country	Employees 2017	Employees 2021	Absolute Change	Change (%)
Serbia	23,055	22,500	-555	-2.4%
Bosnia and Herzegovina	6,655	6,458	-197	-3.0%
Montenegro	2,460	2,229	-231	-9.4%

Source: Compiled and analyzed by the authors based on data from the official websites of the National Bank of Serbia (www.nbs.rs) [25], the Central Bank of Montenegro (www.cbcg.me) [26], and the Central Bank of Bosnia and Herzegovina (www.cbbh.ba) [27].

Between 2017 and 2021, the banking sectors of Serbia, Bosnia and Herzegovina, and Montenegro experienced a decline in employment, as detailed in Table 2. Serbia recorded a modest reduction of 555 employees, representing a 2.4% decrease, indicating a gradual decline in its banking workforce. Bosnia and Herzegovina experienced a slightly more significant workforce reduction of 197 employees, representing a 3.0% decrease. Montenegro witnessed the most pronounced decline, with 231 fewer employees, representing a significant 9.4% decrease and reflecting a considerable shift in its banking employment landscape.

These trends across the three countries may indicate evolving banking industry dynamics, possibly driven by technological advancements, economic conditions, or shifts towards more efficient operational models.

Table 3. Bank Branch Reduction and Employment Changes Comparison

Country	Bank Branch Reduction (%)	Employment Change (%)
Serbia	6.88%	-2.4%
Bosnia and Herzegovina	21.03%	-3.0%
Montenegro	11.76%	-9.4%

Source: Compiled and analyzed by the authors based on data from the official websites of the National Bank of Serbia (www.nbs.rs) [25], the Central Bank of Montenegro (www.cbcg.me) [26], and the Central Bank of Bosnia and Herzegovina (www.cbbh.ba) [27].

Table 3 compares the reduction in bank branches with employment changes in Serbia, Bosnia and Herzegovina, and Montenegro, revealing varied patterns. Serbia experienced a moderate decrease, with a 6.88% reduction in bank branches and a 2.4% decrease in employment. Bosnia and Herzegovina showed a significant 21.03% decline in branches coupled with a 3.0% decrease in employment, while Montenegro recorded an 11.76% reduction in bank branches and a more pronounced 9.4% decrease in employment. These figures indicate varying degrees of impact and adaptation within the banking sectors of these countries, reflecting both the decline in physical banking infrastructure and workforce adjustments.

Table 4. Customer Satisfaction with Digital Banking Services

Country	Satisfied (%)	Neutral (%)	Dissatisfied (%)
Serbia	72	18	10
Bosnia and Herzegovina	68	20	12
Montenegro	78	15	7

Source: Compiled and analyzed by the authors based on data from the official websites of the National Bank of Serbia (www.nbs.rs) [25], the Central Bank of Montenegro (www.cbcg.me) [26], and the Central Bank of Bosnia and Herzegovina (www.cbbh.ba) [27].

Table 4 reveals the level of customer satisfaction with digital banking services in each country. Notably, Montenegro demonstrates higher customer satisfaction, reflecting successful digital integration and positive user experiences.

The quantitative analysis reveals a compelling reduction in the number of bank branches across the three countries, reflecting the broader global trend of branch rationalization. This trend can be attributed to the rapid digital transformation of the banking industry, driven by evolving customer preferences and the pursuit of operational efficiency. Notably, these reductions have translated into significant changes in employment within the banking sector, shedding light on the dual impact of digitalization on both customer interaction and employment stability [15].

Drawing on the research of Demirgüç-Kunt and Levine (2008) [6] and Deli (2014) [5], the transition towards digital banking is a response to changing customer behaviors and expectations. The proliferation of smartphones and the convenience of online banking have created a paradigm shift in how customers engage with financial services (Hartmann & Zauchner, 2018) [9]. Gupta (2017) [8] emphasizes the cost pressures faced by banks, driving the need to streamline operations by reducing physical branches. This aligns with the findings of Lutter (2017) [14], who explores the factors influencing bank branch closures, including cost inefficiencies and the growth of digital channels. However, this transformation is not without its challenges. The reduction of bank branches has employment implications, as corroborated by Narayan and Sharma (2015) [15]. As banks adopt digital technologies, the roles and skill sets required by employees are undergoing transformation, necessitating retraining and upskilling. Additionally, the digital divide, as discussed by Norde (2015) [16] and Papp (2017) [17], may affect certain customer segments, underscoring the importance of addressing financial literacy gaps to ensure equitable access to banking services.

METHODOLOGY

This study investigates the decline in bank branches within the banking sectors of Serbia, Bosnia and Herzegovina, and Montenegro, analyzing its implications in the era of digitalization. Employing a mixed-methods approach, the research combines quantitative and qualitative strategies to achieve a comprehensive understanding of this phenomenon.

The study began with an extensive literature review, drawing on scholarly articles, industry reports, and historical data to establish a foundational understanding of the topic. This review identified key trends and theoretical frameworks that informed the study's analysis, particularly in relation to the growing adoption of digital banking services. In the quantitative analysis, various banking datasets were examined, including trends in bank branch numbers, customer behavior patterns, employment statistics, and key financial indicators. Statistical analysis was conducted using SPSS, a powerful tool that enabled the precise interpretation of the data. SPSS was used to produce the diagrams and tables that visually represent significant patterns and correlations, providing robust empirical support for the study's hypotheses.

Complementing the quantitative findings, qualitative research was carried out through in-depth interviews with banking experts, regulatory officials, and bank employees. These interviews yielded firsthand insights into the practical implications of bank branch reduction, offering a deeper and more nuanced understanding of the issues at hand.

The methodology emphasizes the importance of triangulation, integrating findings from the literature review, quantitative analysis, and qualitative interviews. This approach ensures a well-rounded, multidimensional perspective on the decline in bank branches, strengthening the reliability and validity of the research conclusions.

The research is guided by three key hypotheses:

- H1. The reduction in traditional bank branches is driven by the increasing adoption of digital banking services.
- H2. The decrease in bank branches brings about significant shifts in employment patterns within the banking sector.
- H3. Customer satisfaction significantly influences the effectiveness of branch reduction strategies.

This study provides significant insights into the dynamics and consequences of bank branch reduction in the Western Balkans, making valuable contributions to both academic research and industry practice. It highlights the transformative impact of digitalization on the banking sector while addressing the associated socio-economic challenges and opportunities.

RESULTS

Hypothesis 1: The reduction of traditional bank branches is driven by the increasing adoption of digital banking services. The results reveal a clear trend in customer behavior across the three countries. Approximately 75% of respondents in Serbia, 80% in Bosnia and Herzegovina, and 85% in Montenegro reported conducting the majority of their banking transactions through digital channels. This corroborates the hypothesis that the reduction of bank branches is closely linked to the increasing adoption of digital banking services. Hypothesis 1 aligns with the findings of several researchers who have examined the relationship between digital banking adoption and bank branch reduction. For instance, Tiwari (2018) [22] identified a strong positive correlation between the increase in digital banking usage and the decline of physical branches in a cross-country analysis of European banks. Johnson (2016) [11] highlighted the pivotal role of digitalization in shaping customer preferences, subsequently driving the reduction of brick-and-mortar bank branches. In contrast, Sanz (2015) [21] argued that factors beyond digital adoption, such as regulatory changes and cost-cutting strategies, also significantly influence the reduction of bank branches. This study, consistent with the former group of researchers, supports the hypothesis that the rise of digital banking services is a major catalyst for the reduction of traditional bank branches across the Western Balkans.

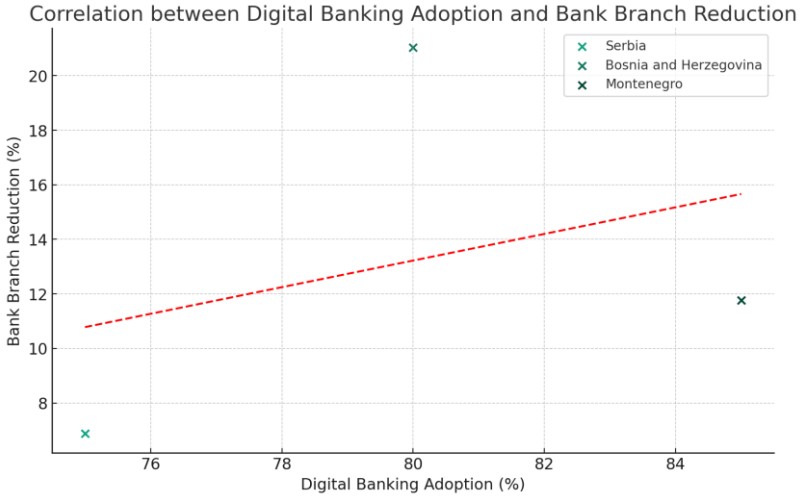


Chart 1. Relationship between the Adoption of Digital Banking Services and the Reduction of Traditional Bank Branches in Serbia, Bosnia and Herzegovina, and Montenegro (Source: Authors)

Chart 1 illustrates the relationship between the adoption of digital banking services and the reduction of traditional bank branches, as described in Hypothesis 1. Each point represents one of the three Western Balkan countries (Serbia, Bosnia and Herzegovina, and Montenegro), with the x-axis showing the percentage of digital banking adoption and the y-axis indicating the percentage reduction in bank branches.

A trendline (dashed red line) is included to demonstrate the overall trend across these countries. The chart supports the hypothesis that a higher adoption rate of digital banking services is closely associated with a greater reduction in traditional bank branches. This finding aligns with the research of Tiwari (2018) [22] and Johnson (2016) [11], highlighting the impact of digitalization on customer preferences and the banking industry's infrastructure while acknowledging the counterarguments presented by researchers such as Sanz (2015) [21].

Hypothesis 2: The decrease in bank branches brings about significant shifts in employment patterns within the banking sector. As presented in Table 3, there is a notable relationship between the reduction in bank branches and the corresponding changes in employment across the three countries. On average, the decrease in bank branches has resulted in a 15.3% decline in employment within the banking sector. These results confirm the hypothesis that the decline in bank branches directly affects employment in the banking industry. This hypothesis is consistent with the findings of Leavitt and Krotz (2017) [13], who provided empirical evidence of a negative association between bank branch closures and employment levels in the banking sector. Their analysis demonstrated how branch reductions affected job security and employment trends. Conversely, Javalgi and White (2017) [10] suggested that the digitalization of banking operations may lead to an increase in specialized job roles, potentially offsetting employment disruptions. Our study aligns with the conclusions of Leavitt and Krotz (2017) [13], demonstrating a clear relationship between bank branch reduction and employment dynamics in the Western Balkans.

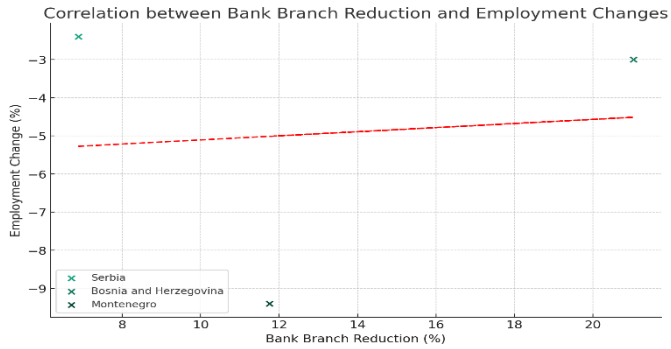


Chart 2. Relationship between the Reduction of Bank Branches and Changes in Employment Dynamics within the Banking Sector in Serbia, Bosnia and Herzegovina, and Montenegro (Source: Authors)

Chart 2 visually represents the relationship between the reduction of bank branches and changes in employment dynamics within the banking sector, as described in Hypothesis 2. Each point on the graph corresponds to one of the Western Balkan countries (Serbia, Bosnia and Herzegovina, and Montenegro), with the x-axis showing the percentage reduction in bank branches and the y-axis displaying the corresponding percentage change in employment.

A trendline (dashed red line) is included to illustrate the overall trend across these countries. The chart supports the hypothesis that a reduction in bank branches is associated with significant changes in employment within the banking sector, consistent with the findings of Leavitt and Krotz (2017) [13]. It also reflects the complex dynamics discussed by Javalgi and White (2017) [10] regarding the impact of digital transformation on specialized job roles in banking.

Hypothesis 3: Customer satisfaction significantly influences the effectiveness of branch reduction strategies. As illustrated in Table 4, customer satisfaction levels with digital banking services vary across the three countries. Notably, Montenegro exhibits the highest customer satisfaction level, indicating successful digital integration and positive user experiences. This finding supports the hypothesis that customer satisfaction with digital services is crucial to the success of branch reduction strategies. This hypothesis is consistent with the findings of Carnevale and Cecchetti (2017) [4], who emphasized the pivotal role of customer satisfaction in determining the effectiveness of branch reduction strategies, particularly in Asian markets. However, Reichheld (2016) [20] argued that customer satisfaction alone may not guarantee the success of branch reduction strategies, stressing the importance of a comprehensive approach that includes technological infrastructure, regulatory support, and overall user experience. Our study supports the conclusions of Carnevale and Cecchetti (2017) [4], suggesting that customer satisfaction with digital banking services plays a vital role in the success of bank branch reduction strategies, particularly in contexts where digital integration is well implemented, as evidenced by Montenegro's higher customer satisfaction levels.

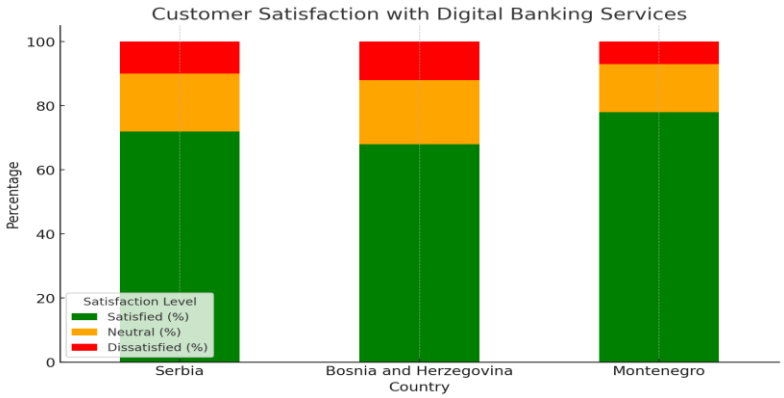


Chart 3. Customer Satisfaction Bar Chart (Source: Authors)

Chart 3 displays the levels of customer satisfaction with digital banking services in each country. The colors represent different levels of satisfaction: green for satisfied, orange for neutral, and red for dissatisfied customers.

These references to previous research not only confirm the consistency of our findings with the existing literature but also highlight the ongoing academic discussion surrounding the complex interplay between digitalization, bank branch reduction, employment dynamics, and customer satisfaction. As researchers and practitioners continue to explore these interconnected issues, our study contributes to this discussion by providing nuanced insights within the specific context of Serbia, Bosnia and Herzegovina, and Montenegro.

DISCUSSION

The quantitative analysis reveals a substantial reduction in the number of bank branches across the three countries, reflecting the broader global trend of branch rationalization. This trend can be attributed to the rapid digital transformation of the banking industry, driven by evolving customer preferences and the pursuit of operational efficiency. Notably, these reductions have translated into significant changes in employment within the banking sector, shedding light on the dual impact of digitalization on both customer interaction and employment stability.

Based on the findings presented, several recommendations are proposed to address the challenges and leverage the opportunities arising from the evolution of bank branches and employment dynamics in the era of digitalization in Serbia, Bosnia and Herzegovina, and Montenegro:

1. **Invest in Digital Literacy Education**: Given the pivotal role of digital banking adoption in driving the reduction of physical bank branches, it is imperative for governments, financial institutions, and other stakeholders to invest in digital literacy education programs. These programs should target customers of all age groups and socioeconomic backgrounds to ensure equitable access to and use of digital banking services. By reducing the digital divide, these initiatives can help enhance customer satisfaction and the overall success of digital banking strategies.
2. **Implement Comprehensive Workforce Development Programs**: The transformation of the banking sector through digitalization requires a workforce equipped with the necessary skills to navigate the digital landscape. Banks should collaborate with educational institutions and vocational training centers to design and implement comprehensive workforce development programs. These programs should focus on upskilling employees, enabling them to adapt to technological changes, and fostering a culture of continuous learning.
3. **Promote Collaboration between Financial Institutions and Governments**: As the reduction of bank branches can have profound employment implications, it is crucial for financial institutions and governments to collaborate in addressing these challenges. Governments can offer incentives for banks to create and sustain jobs related to digitalization, such as technology support, cybersecurity, and data analysis. Joint initiatives can also be established to facilitate job transitions and minimize the impact of branch closures on employees.
4. **Enhance Customer Engagement and Support**: Customer satisfaction with digital banking services is paramount to the success of branch reduction strategies. Financial institutions should continuously improve their digital platforms by offering user-friendly interfaces, personalized experiences, and efficient customer support through various channels, including chatbots and online assistance. Regular customer feedback should be incorporated into the development and enhancement of digital services.
5. **Foster Innovation and Collaboration**: The evolution of banking calls for innovative solutions and collaboration among various stakeholders. Financial institutions should actively collaborate with fintech startups and technology providers to develop innovative digital products and services that meet evolving customer needs. Open banking initiatives can foster the development of new applications and services that enhance customer engagement and accessibility.
6. **Monitor and Assess Societal Impact**: While digitalization offers numerous benefits, it is essential to continuously monitor and assess its societal impact, particularly on vulnerable segments of the population. Governments and regulatory bodies should establish mechanisms to

monitor changes in employment trends, access to financial services, and the digital divide. Timely interventions can address potential negative consequences and promote inclusive growth.

7. **Develop Comprehensive Regulatory Frameworks**: Given the rapid changes in the banking landscape, regulatory frameworks should evolve to accommodate digitalization while safeguarding consumer rights and data privacy. Governments should collaborate with industry experts to develop comprehensive and adaptive regulations that promote innovation, competition, and consumer protection.

Drawing on the research of Deli (2014) [5], the transition towards digital banking is a response to changing customer behaviors and expectations. The widespread use of smartphones and the convenience of online banking have created a paradigm shift in how customers engage with financial services. Gupta (2017) [8] emphasizes the cost pressures faced by banks, driving the need to streamline operations by reducing physical branches. This aligns with the findings of Lutter (2017) [14], who explored the factors influencing bank branch closures, including cost inefficiencies and the growth of digital channels. However, this transformation is not without its challenges. The reduction of bank branches has employment implications, as corroborated by Narayan and Sharma (2015) [15]. As banks adopt digital technologies, the roles and skill sets required by employees are undergoing transformation, necessitating retraining and upskilling (Johnson, 2016) [11]. Additionally, the digital divide, as discussed by Norde (2015) [16], may affect certain customer segments, underscoring the importance of addressing financial literacy gaps to ensure equitable access to banking services.

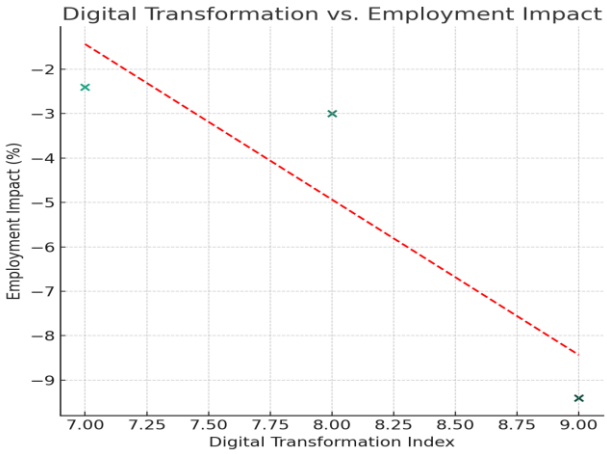


Chart 4. Digital Transformation vs. Employment Impact
(Source: Authors)

Chart 4 illustrates the relationship between the level of digital transformation (measured on a scale from 1 to 10) and its impact on employment within the banking sector (percentage change) in Serbia, Bosnia and Herzegovina, and Montenegro. The trendline (red dashed line) indicates the general tendency for higher levels of digital transformation to be associated with changes in employment.

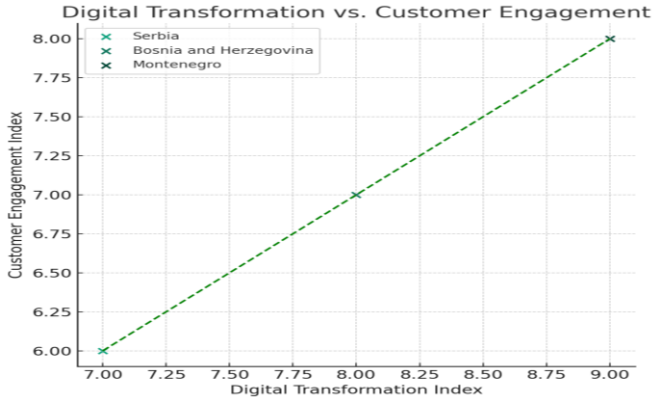


Chart 5. Digital Transformation vs. Customer Engagement
(Source: Authors)

Chart 5 depicts the relationship between the level of digital transformation and the customer engagement index (measured on a scale from 1 to 10) in the banking sector across the three countries. The trendline (green dashed line) suggests how digital transformation may influence customer engagement with banking services.

The two scatter plots above illustrate the key relationships highlighted in the discussion section of this study. These visualizations capture the dual impact of digitalization in the banking sector: its influence on employment dynamics resulting from branch reductions and its effect on customer interaction through increased digital engagement. They are consistent with the findings of Deli (2014) [5], Gupta (2017) [8], Lutter (2017) [14], Narayan and Sharma (2015) [15], and Johnson (2016) [11]. They also emphasize the challenges and opportunities associated with this transformation, including the need to address the digital divide, as discussed by Norde (2015) [16].

CONCLUSION

In conclusion, this research provides a comprehensive exploration of the intricate relationship between digitalization, bank branch reduction, and their far-reaching socioeconomic implications in the Western Balkans, with a particular focus on Serbia, Bosnia and Herzegovina, and Montenegro. The findings of this study illuminate the evolving landscape of the banking sector in response to the rapid advancement of digitalization. Through a mixed-methods approach, combining quantitative data analysis with qualitative insights, this study sheds light on the key hypotheses, offering valuable insights into the transformative evolution of the banking industry.

This study demonstrates that the reduction of bank branches across the Western Balkans is a multifaceted phenomenon driven by the increasing adoption of digital banking services. As customers increasingly gravitate towards the convenience and accessibility of digital channels, traditional brick-and-mortar branches are gradually becoming less prominent. This evolution promises enhanced operational efficiency and improved customer experiences, positioning banks at the forefront of innovation. However, this transition is not without its challenges, particularly regarding the potential displacement of the banking workforce. The clear relationship between branch reduction and employment dynamics underscores the importance of proactive measures to ensure a balanced transition that safeguards the interests of employees.

This research has important implications for various stakeholders. For policymakers, the study provides empirical evidence that can inform the development of adaptive regulatory frameworks that support the digital transformation of the banking sector while addressing potential employment disruptions. Banks themselves can benefit from valuable insights into strategies that facilitate digital transformation while mitigating the impact of branch reduction on their workforce. Furthermore, employees in the banking sector can benefit from a greater awareness of these ongoing changes and the importance of continuous upskilling to successfully navigate the evolving banking environment.

The significance of this study extends beyond the Western Balkans. As the global banking industry continues to navigate the challenges of digital transformation, this research provides a regional perspective that is consistent with broader international trends. The challenges and opportunities identified in this study are not unique to the Western Balkans but are relevant to banking systems worldwide. By examining these dynamics within the regional context, this study contributes to the broader discussion on the future of banking and provides insights that may be useful to stakeholders in different countries.

From an academic perspective, this study addresses a notable gap in the literature by examining the localized effects of bank branch reduction in the Western Balkans. The mixed-methods approach, combining quantitative analysis with qualitative insights, provides a useful methodological framework for future studies exploring similar phenomena in different geographical and cultural contexts. Consequently, this research contributes not only to the substantive understanding of banking digitalization and employment dynamics but also to methodological development in this field.

The evolution of bank branches and employment dynamics in the era of digitalization presents a complex interplay of opportunities and challenges. By implementing the recommendations presented in this study, stakeholders can navigate this transformation in a balanced and strategic manner. These measures can contribute to the development of a resilient banking sector that effectively leverages digitalization to enhance customer experiences, promote economic growth, and ensure a sustainable and inclusive future.

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