
The Role of Corporate Governance in Bank Management

Kasimova Hilola Jamshedovna

Teacher, Bukhara State University

Annotation: This article provides information about the management of banks, their types and the role of corporate governance in bank management. The use of modern management methods in enterprises allows them to create a completely new structure, to increase the role of shareholders, including minority shareholders, in the management of society. In addition, joint-stock companies have the opportunity to attract foreign managers, which in turn, modernization of enterprises serves to achieve higher efficiency by attracting more direct foreign investments to the economy.

Key words: Corporative management, economy, banking system, innovation, shareholder, foreign managers, modernization.

In our country, special attention is being paid to the creation of completely new sectors of the economy, in particular, to the modernization of their management methods, that is, to the introduction of international business principles. Banks are working on further improvement and expansion of innovations.

Consideration of the financing of innovative projects at all stages of economic development is one of the most urgent issues of today. Formation and further improvement of the corporate management system in the conditions of the innovative economy is one of the most urgent issues of today.

By introducing and improving corporate management, Uzbek companies can move to a new level of quality. Development of corporate governance and improvement of this system is one of the important issues. Improvement of corporate governance and its specific features are such that world economists evaluate corporate governance as a decisive force in ensuring competitiveness. Because this expression means "interactive communication between group members". This means establishing active communication between all participants in order to increase the efficiency of management, socializing property by increasing the share of minority shareholders, in other words, involving everyone who is more or less interested in its activities in the management of the enterprise.

As we know, the use of modern management methods in enterprises allows them to create a completely new structure, to increase the role of shareholders, including minority shareholders, in the management of society. In addition, joint-stock companies have the opportunity to attract foreign managers, which in turn, modernization of enterprises serves to achieve higher efficiency by attracting more direct foreign investments to the economy. More precisely, as a result, enterprises operate on the basis of new approaches based on market demand and supply. He strives to quickly solve problems, implement new competitive investment projects, and receive income from the issuance of additional shares and securities.

With a well-organized system of corporate management, transparency of management, efficiency of investments was ensured in various companies, joint-stock companies, including attractive

commercial banks. improving corporate management based on the requirements of the market economy, the process of attracting investments to production, ensuring the production of quality products based on the application of technologies necessary for the production of products that meet the requirements of world standards. This, in turn, is corporate financing increases the level of management.

In order to achieve a high level of corporate management, banks have developed multi-page documents: strategies, business plans, credit policy, deposit attraction and tariff setting; development of rules on material and non-material incentives for workers. However, the problem of effective corporate governance is not only that the bank does not have a document in a certain area, but also exists independently of a single ideology, technological and resource base. The urgency of improving corporate governance has been observed in many banks.

The corporate governance system has a certain role and importance in the management of the existing bank. Because its management affects the economic results of the bank. Banks collect funds from societies and host them. Especially in developing countries, banks are a very important source of external financing for firms.

Banks also influence the effectiveness of corporate governance of firms, with direct access to financial markets.

It should be noted that the basis of effective corporate governance is:

- internal documents of the bank on the precise distribution of powers and obligations;
- appropriate responsibility;
- distribution of powers and structural units between bank management bodies,
- ensuring mutual control and preventing decisions that may have negative consequences for the bank;
- Highly qualified members of the Supervisory Board and the executive body of the bank, who know their powers well, and perform their duties in compliance with a high level of responsibility and business ethics.

The important role of corporate governance in the development of banks can be seen in:

- It expands the possibilities of using finance, which increases investment, economic indicators, growth, employment.
- leads to a decrease in the value of capital and an increase in the value of the bank;
- which in turn promotes investment and economic growth.
- helps to improve operational activity, which improves the allocation of resources, effective management, creation.
- low risk at the state and firm level, which in turn ensures fewer bankruptcies and fewer financial crises;
- ensures good relations with stakeholders, contributing to the improvement of the overall environment.

Taking into account the importance of corporate governance in the banking sector, the Central Bank of the Republic of Uzbekistan pays great attention to this problem, and considers this issue as a goal of strategic development of the banking system. The main focus is on improving the internal control system, increasing corporate transparency and ensuring the rights of owners.

In order to achieve the above strategic goals, the Central Bank should create an electronic database that provides the following information:

- ✓ a database that constantly reflects the financial situation of banks and allows for risk assessment;

- ✓ data base of indicators for assessing corporate status, management and business planning, as well as increasing transparency of property structures.

Banks, not only the Central Bank, but also other interested participants in the process of studying corporate governance in commercial activities. The activities of commercial banks in solving the institutional foundations of corporate governance, introducing and improving ways to provide new types of services to clients in a corporate quality and improve their quality, increasing the amount and adopting new technologies will be the volume of products (services) for each unit and employees.

It should be noted that, as with all systems, the corporate system also has some management issues.

These are:

- ✓ imperfection of regulatory legal acts on the relationship between the trustee of the state and the trustee of state shares;
- ✓ the complexity of ensuring the reliable management of the state joint-stock company and the management of the package of shares by qualified specialists;
- ✓ employees who do not have sufficient knowledge of public corporate management;
- ✓ incomplete improvement of the corporate management system;
- ✓ banking system.

Based on these problems, the following suggestions and conclusions can be made:

- the need for further improvement of the legal documents, the foundations of the corporate management system;
- the need for a high level of regulation by the state Corporate governance;
- the need for participants to have corporate governance, i.e. main creditors, shareholders, investors, various levels of influence bank management;
- the need to effectively study and use the experience of corporate management of foreign countries.

All this, undoubtedly, accelerates the process of privatization in the country, increasing the volume of foreign direct investments in various sectors of the economy; The management efficiency of the joint-stock company will be radically increased. Ensuring their openness and attractiveness for strategic investors will open new horizons in modern corporate management.

In conclusion, it should be noted that the reforms in the system continue to further increase the efficiency of corporate management, the liberalization of all spheres of state and public life, the implementation of the most important priorities for the modernization of our country. All commercial banks operating in the republic are organized in the form There are important aspects of corporatism in the development of joint-stock companies and banks.

References

1. Kubaeovich, K. F., Abdullayevna, Q. Z., Axmadjanovna, S. G., & Makhmudovna, K. R. (2020). The Modern State Of Crediting Practices Of Commercial Banks Of The Republic Of Uzbekistan. *Journal Of Critical Reviews*, 7(7), 387-390.
2. Таирова, М. М., & Кайимова, З. А. (2014). Роль Инновационного Предпринимательства В Развитии Малого Бизнеса Узбекистана. *Экономика И Эффективность Организации Производства*, (20), 52-54.
3. Абдуллоев, А. Ж., Таирова, М. М., & Аминова, Н. Б. (2020). Environmentally Friendly And Sustainable Supply Chain Management In The Platform Economy. *Economics*, (3), 23-25.

4. Kayimova, Z. A. (2019). Economic Cooperation Of The Republic Of Uzbekistan With World Financial Organizations. *Мировая Наука*, (4), 62-65.
5. Kayimova, Z. A., & Tairova, M. M. (2016). Investment Activity Of Commercial Banks Of The Republic Of Uzbekistan.
6. Shukrullaevich, A. F., & Bakhridinovna, A. N. (2020). Transportation System In Tourism Logistics. *Наука, Техника И Образование*, (6 (70)), 68-70.
7. Niyozovna, N. I. (2021). The Role Of Investment And Modernization In The Development Of The Uzbek Economy. *Researchjet Journal Of Analysis And Inventions*, 2(06), 140-145.
8. Agzamov, A. T., Rakhmatullaeva, F. M., & Giyazova, N. B. (2021, June). Marketing Strategy For The Competitiveness Of Modern Enterprises. In *E-ConferenceGlobe* (Pp. 1-3).
9. Muhammedrisaevna, T. M., Shukrullaevich, A. F., & Bakhridinovna, A. N. (2021). The Importance Of Logistics In The Sphere Of Transportation And Tourist Services. *Наука И Образование Сегодня*, (5 (64)), 16-18.
10. Hakimovna, U. M. (2021). Features Of Accounting For Innovation Processes And Recommendations For Its Improvement. *Researchjet Journal Of Analysis And Inventions*, 2(06), 157-162.
11. Akhmedova, Z. (2022). Development Of Active And Passive Vocabulary In Preschool Children With Motor Alalia Using Art Therapy Elements. *Ann. For. Res*, 65(1), 7148-7161.
12. Giyazova, N. B., & Davlatov, S. S. (2021, June). The Relevance Of A Small Business Marketing Strategy. In *E-Conference Globe* (Pp. 4-6).
13. Urakova, M. H., & Tairova, M. M. (2021). Practical Recommendations For The Implementation Of Auditing Activities Based On The Existing Document Documents" Professional Standard" Auditor". *World Economics And Finance Bulletin*, 2(2), 23-27.
14. Subanova, B. (2022). Competence And Key Factors Of Competence Innovative Approach. *European International Journal Of Multidisciplinary Research And Management Studies*, 2(06), 41-45.
15. Turdiyeva, M. U. (2021, October). Importance Of Innovations In The Development Of Bukhara Industry. In " *Online-Conferences*" Platform (Pp. 264-267).
16. Karimjanova, R. M., & Soliyeva, G. A. (2022). The Role And Importance Of Marketing Research In The Modernization Of The Economy Of The Republic. *European Journal Of Innovation In Nonformal Education*, 2(1), 220-224.
17. Rakhmatullayeva, F. M., Boboyeva, G. G., & Kudratov, A. D. (2021). Essence Of Structural Shifts In Regional Economic Systems. *International Journal Of Development And Public Policy*, 1(5), 128-130.
18. Rakhimova, I. I., Berdikulova, G. N., Axmedova, Z. J., & Sayitova, U. H. (2022). Positive Aspects Of The Communicative Psychological Effect Of Social Networks On The Individual. *Asian Journal Of Research In Social Sciences And Humanities*, 12(1), 349-353.
19. Urakova, M. (2021). Features Of Accounting For Innovation Processes And Recommendations For Its Improvement. *Центр Научных Публикаций (Вухду. Уз)*, 7(7).
20. Usmanova, A. B. (2021). The Current State And Analysis Of The Tourist Potential Of The Bukhara Region. *Барқарорлик Ва Етакчи Тадқиқотлар Онлайн ИлмийЖурнали*, 1(6), 801-805.
21. Axmedova, Z. M. (2021). The Effectiveness Of The Use Of Complex Methods In The Elimination Of Stuttering. *The American Journal of Applied sciences*, 3(01), 118-122.
22. Umarovna, T. M. (2021). A Three-Step Strategy To Develop The Industrial Economy In

- China Through Entrepreneurship And Innovation. *Researchjet Journal Of Analysis And Inventions*, 2(06), 152-156.
23. Таирова, М. М., Асадов, Ф. Ш., & Аминова, Н. Б. (2020). Influence Of Covid-19 On Agricultural Food Supply Chains. *Вестник Науки И Образования*, (12-2), 34-36.
24. Narzullayeva, G. S., & Odinaeva, N. F. (2021). Foreign Experience in Ensuring High Competitiveness of Economists in Higher Education. *International Journal of Development and Public Policy*, 1(6), 155-160.