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IMPORTANCE OF CORPORATE MANAGEMENT IN COMMERCIAL BANKS

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Abstract. *Due to the wide-ranging nature of corporate governance, there are different interpretations and views on revealing its essence. For this reason, there is no universally accepted definition of corporate governance. In this article, in order to reveal the nature and content of corporate management in commercial banks, the opinions of various economists are studied, and the author presents scientific suggestions and recommendations for determining the nature of corporate management.*

Keywords: *corporation, commercial bank, management, shareholder, stakeholders, strategy, structure, principle.*

Introduction. In recent years, the topic of corporate governance has attracted the attention of many. It is worth noting the formation of the corporate management system as an important institutional change in the activity of commercial banks. As the President of the Republic of Uzbekistan Mirziyoyev noted, "...fundamental change of principles and approaches in the corporate management system, introduction of modern international corporate management standards to production, foreign economic and investment processes requires serious attention". The relevance of this issue is determined by the existence of certain problems in the process of organizing corporate management in banks and the need to develop scientifically based ways of solving them.

Corporate governance primarily involves protecting the rights and interests of shareholders and other interested parties. It should be noted that for many investors, the issue of corporate governance is one of the main factors in deciding to bring large capital to our country. In modern conditions, there is an increase in competition in the economy, which forces the management of enterprises to constantly search for new industries, enterprise management tools and ways to increase competitiveness.

Among such tools, the issue of corporate governance is of particular importance. When analyzing the literature on the concept of corporate governance, it can be noted that different studies have given different interpretations. The concept of corporate governance is broad and simultaneously encompasses various functions in companies, including management, finance, accounting, business law, business ethics and economics.

Also, corporate governance includes aspects such as accountability, transparency, disclosure, social responsibility, honesty (integrity) and relations between management bodies, shareholders and stakeholders.

"The main content of corporate management is to balance the interests of various persons involved in the activities of the joint-stock company." A corporation (Latin corporatio - association) is an association of individuals and legal entities that have united to achieve common goals and work together and have formed an independent subject of law - a legal entity.

Literature review. As a result of the analysis of the literature on the topic, different aspects of corporate governance have been considered in various studies. In the research conducted by a number of foreign researchers in the field of corporate governance, the concept of corporate governance is described differently. In particular, one of the most famous definitions of corporate governance is given by Cadbury's (2020) "Report on the Financial Aspects of Corporate Governance in Great Britain".

Corporate management is defined by this author as a set of mechanisms by which the company operates, separated from property management. And Jeffers (2016) recognizes corporate management as "organization management and management system". According to him, “Principles in this area are defined according to best practices. At the company level, it seeks to structure the distribution of powers and responsibilities between shareholders, directors and executives”.

Murphy (2020) considers corporate governance as "a concept that includes the discussion of the company's management and control structures, as well as the rules for the distribution of powers between the company's owners, its board of directors, executive body, employees, suppliers, customers and society as a whole".

Another Russian researcher, Dementeva (2007), who has a similar point of view, considers corporate governance to be "an integral part of the management carried out by the top management of the company in connection with the activities of the joint-stock company, taking into account the interests of the shareholders and other interested parties."The corporate governance system operating through the board of directors determines the management efficiency of the executive body, as well as the stable operation of the corporation".

Russian researcher Murychev (2007) formed the economic category of corporate management in banking, in which "Corporate bank management is the process of developing innovative decisions based on the distribution of management functions between owners and hired managers, and making decisions on the bank's strategic issues, monitoring their implementation".

It is known that the decision-making process is an important aspect of corporate governance, but it belongs to management, so it cannot represent the scope of corporate relations. Some researchers describe corporate governance from different perspectives at the same time. According to research conducted by the international auditing company Pricewaterhouse Coopers (PwC) (2015), corporate governance is defined as one of the most frequently used or very frequently used expressions of the business lexicon.

But there are different views on this definition. For some, corporate governance is primarily about legal structures. For others, it is mainly about business control and the examination of how people do their jobs, while for still others it is a broader concept that encompasses all ways of managing and controlling a business.

The concept of corporate governance is often interpreted as a system of relations between stakeholders of the company. This definition is used by many organizations and researchers. For example, in the document "Corporate governance principles for banks" of the Basel Committee on Banking Supervision, corporate governance is defined as "a mechanism for determining the tasks of a company (organization) and controlling their achievement by its top management, its supervisory board, owners and other is interpreted as a system of relations between interested parties.

Such a system makes it possible to organize the distribution of authority and responsibility, as well as to organize the corporate decision-making process.

In particular, the Organization for Economic Cooperation and Development (OECD) defines corporate governance simply as "the system by which companies (organizations) are managed and controlled" [13]. In accordance with the principles of corporate governance of the OECD, when new experiences are acquired and business conditions change, various rules of the corporate governance system should be reviewed, and if necessary, amendments should be made to them.

As mentioned above, the fact that corporate governance is a set of relations between bank management bodies and other interested parties is reflected in the scientific works of many researchers.

In particular, the Russian economist R. Kaspina sees corporate governance "as interactions between its participants - management, control (board of directors and audit committee) and user functions (investors, creditors and other users)"[14].

According to him, corporate governance consists of internal and external mechanisms of managing and controlling corporate activities in order to create and increase the company's shareholder (market) value.

O. Osipenko believes that it is a set of relations between owners and managers of business entities (and their various associations) that regulate corporate (strategic) goals, because corporate management emphasizes that the company is nothing more than its management, and not all its related activities. [15].

Most economists consider corporate governance as a system of interactions between the organization's stakeholders. In their opinion, it is interpreted as a management system that determines the rules of corporate governance and determines the mechanism of relations between the owners of the company, its managers, workers and other groups of individuals that affect the organization's activities.

Research methodology. The study of scientific research related to the organization and systematization of corporate management in companies, comparative comparison of definition and concept formation, data study and economic comparison and analysis, logical thinking, scientific abstraction, information grouping, analysis and synthesis methods are widely used.

Analysis and results. Based on the above points, the existing views on corporate governance can be grouped as follows:

1. Management and control system (or model).
2. The mechanism for maintaining the balance of interests.
3. A mechanism for protecting the interests of property owners (shareholders, investors).
4. The process of development and adoption of decisions.
5. The system of mutual relations between the interested parties of the companies. The grouping of existing views on corporate governance is presented in the figure below.

In our opinion, it is correct to define the definition of corporate governance as "the system of mutual relations between the interested parties of the company". Because the concept of corporate governance can be considered clearly and almost comprehensively revealed in the legislation of the Republic of Uzbekistan: "... a set of relationships between management bodies and other interested parties, including the distribution of powers and responsibilities of management bodies and it is understood as creating an opportunity to make management decisions".

This definition corresponds to the concept of corporate governance in the document "Corporate governance principles for banks" of the Basel committee on banking supervision (Temur, 2022).

However, in our opinion, it is appropriate to supplement the definition of corporate governance with specific aspects, which can be listed as follows:

- distinguishing the state (or state bodies in a broad sense) as one of the most important subjects of corporate relations;

- wider coverage of the concept of interests of stakeholders as the main factor in the formation and operation of corporate governance;

- introducing additions to the concept of functions and organizational structure as the most important mechanisms of corporate relations;

- to fill in the definition of the organizational flow of information as an information base by subjects (interested persons) in performing their functions in the implementation of corporate relations, including making management decisions as one of the most important mechanisms of corporate relations.

It should be noted that corporate governance consists of many components, therefore it is not a separate instrument that should be described in a complex, but a concept.

In a broad sense, corporate governance includes not only all aspects of relations within the company, but also relations with the world outside the company, with its financial and non-financial stakeholders. In our opinion, the definition of corporate governance should include the object, subjects of corporate relations (stakeholders), as well as mechanisms for its implementation.

Corporate governance is a complex concept, so it should be considered as a system. It should be noted that the term corporate governance system of the bank does not currently exist. At the same time, in the regulatory legal acts of the Republic of Uzbekistan on banking activity, elements such as "internal control system", "risk management system" and "reward system" have been clarified in the bank's corporate management. It is justified that the recognition of corporate management components as systems leads to the recognition of the bank's corporate management system.

The following definition is offered: "The bank's corporate governance system is a set of coordinated relations between the state, shareholders, management bodies, bank employees and other interested parties, interests, functions, structured information flows, organizational structure in the existing institutional environment of the bank." The bank's institutional environment includes strategy, corporate governance and other local regulatory legal documents that determine the procedures and processes for achieving the bank's strategic and operational goals, as well as the fulfillment of the bank's tasks.

Conclusions and suggestions. Based on the results of the research, the following conclusions can be drawn:

1. Based on the studies, it should be noted that currently there is no single approach to reveal the essence of corporate management.

2. Corporate governance, unlike management, affects the internal and external environment of the company.

3. All existing perspectives on determining the essence of corporate governance can be grouped as follows:

- management and control system (or model);
- a mechanism for maintaining the balance of interests;
- a mechanism for protecting the interests of owners (shareholders, investors);
- the process of development and adoption of decisions;
- the system of mutual relations between the interested parties of the company.

In conclusion, as a result of studying the essence of corporate management, we have formulated the following definition. In our opinion, "Corporate management is a set of relations between the stakeholders of the company, and it is the process of development and adoption of decisions by stakeholders to perform their functions, change and update existing ones, as well as to form new interests."

At the same time, this definition can be supplemented with separate aspects that describe the spectrum of components of corporate governance. This can be achieved by highlighting the state as a stakeholder, including the interests, functions and organizational structure of the stakeholders, including structured information flows.

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