

IMPROVING THE PRACTICE OF INCREASING THE EFFICIENCY OF MANAGEMENT OF INNOVATION PROCESSES IN COMMERCIAL BANKS

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***Abstract.** This article discusses the theoretical views of improving the efficiency of management of innovation processes in commercial banks, thanks to this, the issues of the development of the credit system have been studied. Practical proposals on Innovative activities of banks are also given, characterized by high uncertainty, which in turn requires the use of flexible and adaptive risk management models.*

***Keywords:** innovation activity, commercial bank, loan, bank loan portfolio, loan portfolio management, profitability, risks, diversification.*

One of the main factors in the efficient operation of commercial banks is the policy of constant updating of banking products and management systems. This follows from many conditions that determine the innovative type of economic development. First, banks and clients of banks are business partners. Each of them pursues their own goals, but at the same time they participate in each other's affairs. This is expressed in the preservation and increase of the capital of clients on the basis of a balanced financial and innovation policy of the bank, which, in turn, ensures the formation of the bank's income. Secondly, the innovative activity of banks is a factor in their competitiveness, and not only in the internal, but also in the external environment. Thirdly, the innovative activity of the bank is connected with the development of new communications and banking technologies. Commercial banks that sell innovative goods (services) face a number of problems associated with insufficient methodological elaboration of the issues of innovation management. The banking sector, in contrast to the sphere of material production, has certain features in the organization of the innovation process. These include a large number of customers and high dependence on them; strong interbank competition, which necessitates innovation; unpredictable process of emergence of new ideas that are not related to the results of scientific research.

Innovation activity is characterized by high uncertainty, which in turn requires the use of flexible and adaptive risk management models. The objective difficulties in the practical implementation of innovations in banks show that innovation activity requires the allocation of innovation risk management to a separate area of risk management of a commercial bank, the main elements of which, on the one hand, take into account the characteristics of the bank's activities, and on the other hand, can significantly reduce the damage from the occurrence of risky situations and increase the effect of the commercialization of innovations.

Under these conditions, research in the field of risk management tools for the innovative activity of a commercial bank becomes relevant, which determined the choice of the topic of the dissertation work.

There are a number of approaches to the issue of defining the concept and essence of the loan portfolio of a commercial bank, which in various economic literature were interpreted differently by a number of foreign scientists, Russian scientists and domestic economists.

For example, the American scholar-economist Chris J.Barlton describes Diana McNaughton's loan portfolio as involving a categorization of loans. This definition is part of the bank's loan portfolio.

According to russian scholar-economist N.Sokolinskaya: "The loan portfolio consists of the sum of short-term and long-term loans". In this definition, this situation, which focuses on the term of the loan, does not fully reveal the essence of the loan portfolio. Because the terms and compliance with the requirements for loans issued by a bank can only be an important factor in determining the quality of a loan portfolio. A significant contribution to the development of the theory of innovative development was made by such scientists as S.Yu.Glazyevev, A.Kleinekht, N.D. Kondratiev, M.I.Tugan-Baranovsky, J.Schumpeter, Yu.V.Yakovets and others.

The issues of developing the management of innovative activities of commercial banks were considered in the works of A.A.Ayupov, I.T. Balabanov, A.S.Borisova, V.I.Vagizova, B.S.Vikulov, Yu.N.Zakharov, P.A.Isaev, I.B. Koch, J.P.Kurmanova, O.I.Lavrushin, A.B. Muravieva, T.V.Nikitina, I.M.Podlozhenov, T.O.Popov, I.A.Semagin, E.A.Utkin and other scientists.

E.A.Grishina, I.N.Demchuk, V.A.Kondratov, V.I.Korneichuk, A.I.Polishchuk, Yu.Yu.Rusanov, T.A.Ustinova, V.I.Chalenko and others dealt with the problems of risk management of innovative activities of banks .

Another well-known Russian scholar-economist O.I.Lavrushin describes that "the concept of a loan portfolio in the banking business usually means the amount of loans of a particular bank". At the same time, he believes that the formation of a loan portfolio in a bank and its analysis will increase the chances of lending to customers, which will make it possible to accurately develop the strategy and tactics of a commercial bank.

According to L.I.Abalkin, G.S.Panov, the loan portfolio of commercial banks is a classification of loans by quality and composition. This definition, in our opinion, has a positive approach to disclosing the essence of the loan portfolio. On the positive side, they highlight the need for factor-based categorization, depending on the quality composition of loans.

Local scholar-economists in this area are Sh.Z.Abdullaeva, T.S.Malikov, S.Kh.Norkobilov, T.M.Karaliev, Z.A.Kholmakhmadov, M.B.Nurmurodov, A.K.Kadyrov N.F.Karimov studies of deserve attention.

According to Sh.Z.Abdullaeva, the loan portfolio of banks is the sum of bank claims on a scale of loans, which are classified according to certain criteria based on various credit risks. In his definition, the scientist-economist specifically touched upon the classification of loans based on certain criteria and, at the same time, credit risks.

Research Methodology

As a theoretical and methodological basis for this article, conclusions, suggestions and recommendations in relevant areas were taken by studying general economic literature and scientific articles, research by economists on the effective management of a loan portfolio in commercial banks, analyzing their feedback, peer review, monitoring processes, a systematic approach to economic phenomena and processes, a comparative analysis with the experience of the author

Analyze and results

Modern economic conditions imply the creation of a banking system that complies with international banking practice, based on improving the efficiency of banking activities in our country, preventing existing problems in the activities of commercial banks.

As in any activity, banking provides the possibility of obtaining higher income by placing available funds on the basis of the least risk. Higher profitability, in turn, increases the level of risk in the operations that banks conduct, since banks work mainly with resources attracted from abroad. On the one hand, they are responsible to their shareholders, and on the other hand, they have obligations to clients who have entrusted their funds and use banking services. For this reason, commercial banks operate with risks that are several times higher than the risks of other business entities.

Analyzing the specifics of the definitions discussed above, we believe that the loan portfolio can be defined as follows: the bank's loan portfolio is the sum of the total volume of loans issued by the bank, which are considered necessary for the bank's lending operations.

Table 1.

**Gross domestic product (GDP) in the Republic of Uzbekistan,
 volume and level of commercial bank loans**

Specification Name	2019г.	2020 г.	2021г.	2022г.
1	2	3	4	5
GDP (billion sum).	511 838,10	529 391,40	602 193,0	734 587,7
Banking assets (billion sum).	272 726,90	272 726,9	366 121,1	444 922,5
Assets to GDP ratio, in percent	53,30	51,50	60,80	60,57
Credit investments (bilard sum)	211 580,50	211 580,5	276 974,8	326 385,6
Credit investments (bilard sum)	41,3	40	46,0	44,4

From the data presented in Table 1, it can be seen that, in 2018-2021, the gross domestic product of the Republic of Uzbekistan and commercial banks tended to increase the volume of loans issued. The volume of credit investments directed to the real sector of the economy as of January 1, 2022 is 326,385.6 billion soums, it can be seen that the volume of credit reached 41.4 percent in relation to GDP.

Despite the totality of studies of various aspects of the innovative activity of commercial banks, the issues of risk management tools for the innovative activity of banks are not sufficiently developed, which determined the choice of the topic, the purpose of the dissertation research task.

The purpose of the dissertation research is to substantiate the theoretical aspects and practical recommendations for improving the risk management of innovative activities of commercial banks.

In accordance with the goal, the following research tasks have been identified:

- highlight the most significant risks of innovative activities of commercial banks;

- develop guidelines for risk management of innovative activities of commercial banks based on the morphological method;
- highlight the risk factors of innovative activities of commercial banks;
- substantiate the relationship between the strategy of innovative development of commercial banks and the risk management system;
- develop guidelines for managing the strategic risk of innovative activities of a commercial bank.

The subject of this dissertation research is the totality of economic relations that are formed in the banking services market, in the aspect of managing the risks of innovative activities of a commercial bank. The object of the study is the innovative activity of commercial banks of the Republic of Uzbekistan.

The theoretical and methodological basis of the dissertation were the works of national and foreign scientists on the theory of innovative development of the economy, banking management and risk management, materials of scientific seminars and conferences.

In the process of performing the dissertation work, such general scientific research methods as a systematic and morphological approach to the study of economic phenomena, expert assessments, formalization and modeling were used.

The information base of the study was the regulatory legal acts of the Central Bank of the Republic of Uzbekistan, scientific publications; materials of periodicals and the Internet.

The scientific novelty of the study lies in the theoretical and methodological substantiation and development of methodological and scientific-practical recommendations for improving the risk management system for innovative activities of a commercial bank.

The following main results, reflecting the scientific novelty of the research, have been obtained and submitted for defense in the work:

- three significant risks in the innovative activities of commercial banks have been identified: operational risk, risk of loss of business reputation and risk of lower profitability, and operational risk among these risks is decisive;

- methodological recommendations have been developed for managing the risks of innovative activities of commercial banks based on the combinatorics of the components of the balanced scorecard and the stages of preparation and implementation of an innovative banking product (service), which allows us to consider the morphology of the risks of innovative activities of a commercial bank, their internal structure and make management decisions on this basis to reduce risks; the proposed approach is a new development, which significantly expands the possibilities of managing the risks of innovative activities of commercial banks;

- the risk factors of the innovative activity of a commercial bank are identified according to the stages of preparation and implementation of innovation, the ranking of risk factors using expert assessments is carried out, which helps to identify key risk factors and identify areas of risky activity of the bank in the morphological risk matrix of innovative activity;

- substantiated the relationship between the strategy of innovative activity of commercial banks and the risk management system, based on the coordination of the stages of strategic management of the innovative development of a commercial bank and the stages of risk management;

- developed methodological recommendations for managing the strategic risk of innovative activities of a commercial bank in the system: "strategic map of a new product - directed graph -

directed graph adjacency matrix", which provides unlimited opportunities for modeling strategic risk in the implementation of an innovative development strategy and making effective management decisions to minimize it and neutralization.

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