

### Theoretical Fundamentals of Bank Management

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#### ABSTRACT

*In this scientific article, concepts such as theoretical foundations of bank management, management, structure, and organizational structure are analyzed. Management methods encourage people to fulfill the objective socio-economic development laws and requirements of the society. They represent a specific method, style, way to achieve a goal.*

#### INTRODUCTION

Management methods encourage people to fulfill the objective socio-economic development laws and requirements of the society. They represent a specific method, style, way to achieve a goal. So, the management style consists in coordinating their activities in the process of achieving the goal set for the workers and employees, as well as the management object in general. Management science uses general philosophical methods dedicated to the knowledge of reality. First of all, information (facts) reflecting the management object and helping to interpret it are evaluated. This information can be related to reality at the micro, mego, and macro level. This is an empirical stage in the perception of management. In order to study and analyze the secrets of management on a scientific basis, this science uses the following research methods (Table 2). The skill of management is to have the ability to master all its methods, to use them correctly, to choose the most effective one in each specific situation. Scientifically based management requires the use of all the mentioned methods in an organic relationship.

#### LITERATURE ANALYSIS AND METHODOLOGY

Management science is a set of knowledge about management. It is related to social, economic, legal, cybernetics and other sciences.

Analysis methods of management science:

1. Systematic approach - The managed object is considered as a whole system. This approach can be different: - systematic-complex approach; - systematic-functional approach; - systematic-structural approach; - systematic - communication approach
2. Comprehensive approach - The controlled object is considered in connection with other objects and in relation

3. Structural approach - The controlled object is studied in its components
4. Situational approach - the appropriate method of management is used depending on the internal and external situation of the controlled object in certain conditions
5. Integrative approach - The managed object is managed using the above methods (situational, complex, structural approaches)
6. Modeling method - various schemes, graphs and drawings, sketch materials are prepared for managing the controlled object
7. Economic-mathematical approach - Large-scale use of mathematical methods and computing machines for the purpose of optimal market acceptance
8. Observation method - a method of collecting information about the controlled object on a planned, scientific, organized basis
9. Experiment (experiment) method - application of methods that have passed a sample experiment in relation to the controlled object in the process of management
10. Sociological observation method - conducting various questionnaire surveys, interviews, tests, infrastructural analyzes for the purpose of management. Management is closely related to economic theory.

It is based on the knowledge of economic laws and the use of economic methods in the process of managing them in accordance with them, influencing each employee and team. Management is closely related to macroeconomics, microeconomics, statistics, forecasting, labor economics, etc. The science of management is inextricably linked with the science of cybernetics, which studies the general laws of management, the processes of perception and processing of information necessary for making management decisions. Management of banking activities consists of planning, organization, regulation and control, which serve to ensure the efficiency and competitiveness of banking activities. It is known that the word "management" is derived from the English word "management" and means "management" in Uzbek. Management areas are considered areas of management, including financial management, personnel management, real estate management, and other management. Bank management is also divided into two. Financial management, which is considered a component of bank management, was formed as a separate direction in the 50s of the 20th century. It mainly includes asset and liability management, capital management, and portfolio management. The main goal of financial management is to manage bank operations and minimize risks in banking activities in this process. As we mentioned above, bank management is divided into two parts: financial and personnel management. The composition of financial management from the point of view of the management process: 1. planning; 2. analysis; 3. consists of regulation and control.

## **DISCUSSION AND RESULTS**

Planning in bank management. Through planning, commercial banks' goals, directions of activity, and possible opportunities are determined in approximate calculations. The planning process includes future and current forecast plans. These ensure the development of strategies and tactics during the banking activity. Planning determines the tasks, conditions and procedures for bank employees. By encouraging work, it ensures the fulfillment of the bank's employees' duties. In the conditions of interbank competition, the plans developed by the bank serve to develop new types of products and services. Planning is a multifaceted process that includes all departments of a commercial bank. During the planning process, the following plans can be developed: prospective plans - attracting long-term resources and effectively deploying them to achieve the goals facing the bank. Prospective plans are made for a period longer than one year. current plans - include specific issues covering the areas of banking activity in the short term. Current plans are short-term plans of a commercial bank up to one year. Object of bank

management. The following are the objects of management in the activity of banks: operations carried out by banks (asset, passive and off-balance sheet operations); results of commercial banks' activities (income, profit and performance indicators of the bank); employees and specialists involved in the implementation of banking services and operations. In the current conditions, the competition between commercial banks is intensifying, it is necessary to manage their activities and improve the quality of management. This requires ensuring the quality, level of risk, liquidity and profitability of commercial banks, not with the amount of assets and liabilities considered as the object of management. Therefore, clarification of management objects not only increases the quality of management, but also ensures simplification and effectiveness of management. Subjects of bank management are persons who participate in the management and management process of the bank. According to the participation of bank management entities, they are divided as follows: - external entities; - internal subjects. External entities indirectly participate in the process of managing banks and are considered state bodies.

The Central Bank of the Republic of Uzbekistan affects the management of banks through various methods. In particular, the economic regulations established for the services and operations of banks govern and regulate the provision of these types of services. Let's take the requirements for the lower and upper limits of large loans issued by commercial banks. Based on this, commercial banks must comply with the regulations set by the Central Bank in managing credit operations, that is, they must comply with the following norms: - unsecured loans issued by commercial banks should not exceed 5% of the first-tier bank capital; - secured loans issued by commercial banks should not exceed 25% of the bank's first-tier capital. Based on these regulations, the Central Bank of the Republic of Uzbekistan regulates credit operations of commercial banks from the outside and helps to manage credit risks.

In addition, transactions of commercial banks related to securities, transactions related to currency, investments in real estate, etc. are regulated and managed based on the requirements established by the Central Bank. The internal subjects of bank management are the bank's internal management structure - the meeting of shareholders, the Bank's board, the bank's management. Also, departments, departments and committees established in banks can be considered subjects of the management process. Bank management tools (instruments). Bank management tools are a set of rules and norms used in the implementation of bank activities and operations. Bank management tools are divided into general banking activities and tools related to a specific operation or service. The bank's charter is a set of tools or norms related to the activity of a general bank. Because the bank's charter reflects the services, operations and other areas that the bank can perform. Based on this, appropriate procedures for the implementation of other services and operations will be developed. For example, it can be divided into credit policy, deposit policy, investment policy and personnel policy. Banks reflect the methods of management of relevant management objects in their internal policy and manage them on this basis. Bank management implementation activities. In the process of managing the bank's activities, the implementation of bank management tools based on a certain sequence is a management event. For example, studying customer demand and providing services to them based on the bank's situation. Management activities are the result of the implementation of the procedures specified in the bank's internal policy. In this way, it helps to solve the issues of bank development and goals set before commercial banks. Legal support. The settlement and development of market relations caused the need to form the banking system, which is considered an important component of the infrastructure of the market economy, and the legal basis for managing their activities. Legal reforms related to banking and banking activities are being created in our republic in an integral connection with the current period of development, which is adapting to the processes of the market economy. Legal support is considered an important element of bank management and determines the legal basis of bank management. Like any relationship, banks and their relations with other entities must have a legal basis. Because the various situations that arise between the bank and the clients must be coordinated

based on certain standards. This, in turn, requires the formation of a legal framework. Legislative documents regulating the activities of banks include "On the Central Bank of the Republic of Uzbekistan", "On Banks and Banking Activities", "On Bank Secrecy", "Consumer Credit". "On", "On Mortgage" and other similar laws. When explaining their legal basis, we will study them in 4 sections. They are as follows:

Section 1. Code and laws. The laws mentioned above will be included in block 1.

Section 2. Decrees, decisions of the President of the Republic of Uzbekistan, decisions of the Cabinet of Ministers of the Republic of Uzbekistan are included.

Section 3. It includes guidelines, regulations and procedures developed by state bodies that develop legal documents - the Central Bank of the Republic of Uzbekistan, the Tax Committee, the Ministry of Finance and other such bodies.

Section 4. It includes internal procedures and policies developed independently by commercial banks. Banks develop their internal procedures and policies in accordance with current legislation and use them in their activities.

Legal regulation of relations between banks and customers, their scientific and practical analysis is one of the urgent issues, and based on comparison of these problems with the banking legislation of developed countries, giving conclusions and recommendations after studying their experience, serves to improve the banking legislation of our republic.

## **CONCLUSION**

To sum up, Bank marketing can be considered as a separate field of marketing according to its characteristics. This is the external and internal idea, strategy, tactics and policy of banking activity determined by the specific socio-political and economic situation. Management function means a set of tasks aimed at solving specific tasks related to the management of this or that object. So, management is carried out through certain functions. Determining the functions, uncovering their meaning and learning is an important condition for the proper organization of the management process. Studying the nature, classification and content of management functions is necessary to regulate the entire process of management, because, as we noted above, the content of management as a process is manifested in its functions.

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