

# Prospects for the Development of Corporate Governance of Commercial Banks in the Conditions of the Digital Economy

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**Abstract:** this article discusses the necessary organizational structure to identify and control over the achievement of strategic objectives of commercial banks in corporate governance activities in the conditions of the digital economy, as well as a set of relations between banking management bodies and other interested parties, including the creation of competence and responsibility of corporate governance bodies in the conditions of the

**Keywords:** commercial banks, digital economy, corporate governance, competition, management system, shareholders general meeting, stockadorlik society.

## 1. Introduction

Corporate governance, which is now formed in the National Commercial Banks, is developing in different stages of the reforms carried out in the years of independence in our republic. But it can be observed that this development has improved qualitatively in a short period of time, when compared to the evolution of corporate governance in world practice. The formation and development of corporate governance depends on the conditions of the market economy, the economic system in which it is formed, as a result of the reforms carried out in many ways, the economic mechanism of the interaction of the institutional units in it is the basis.

Digital technologies change the appearance and structure of the economy, disrupt the usual business models, increase competition and competitiveness among individual economic entities and the whole country, lead to an increase in the number of markets and opportunities.

At present, deep economic reforms are being carried out in every sphere of our country, the strategy of

action on five priority directions of development of the Republic of Uzbekistan in 2017-2021, approved by the decree of the president of the Republic of Uzbekistan dated March 2, 2020, number 5953 "on science, it is of great importance to develop scientific and practical proposals and recommendations aimed at determining the scientific bases of the national economy reform, proceeding from the tasks set out in the program of implementation of the priority tasks defined in the program of the year" development of enlightenment and digital economy" and the program of measures for the radical improvement of the.

## 2. Analysis of literature on the topic

The application of digital technologies in the corporate governance system of commercial banks has become the most important and priority tasks of every executive employee today. In this regard, the president of our republic Sh."Of course, we know very well that the formation of a digital economy requires the necessary infrastructure, a lot of funds and labor resources. But no matter how hard we try, when will we not get into this business today? It will be too late tomorrow. Therefore, active transition to the digital economy will be one of our top priorities in the next 5 years."

It should be noted that, as a result of the analysis of literature on the topic, in various studies, the interaction of corporate governance issues with the innovations in the process of transition to the digital economy was considered.

In particular, American Scientists H.Sarpa, A.Supremanian and K.Subramanian developed such a theory in which they showed how the internal and external dimensions of corporate governance affect innovation. They have proved that external corporate governance practices (corporate control market) affect

the level of innovation development by managers in the company in relation to internal corporate governance practices (management contracts). Another American scientist H. In his study, Shadab studied issues such as management structure, equity and capital value, internal control in the study of innovation and corporate governance, as well as how US corporate law affected the innovation activities of corporations.

The formation and introduction of the digital economy in the service sector is a complex process, which will depend on many factors. There are different views of leading foreign scientists: Don Topskot, Alex Topskot, Paul Vigna, Michael Casey on the application of digital innovation technologies in the economy, developing theoretical aspects of these processes, including the term "digital economy" by author Don Topskot in 1995 was first used in the book "Digital Economy: promise and danger in the age of the network".

The authors considered that omillarni did not pay enough attention to the application processes of innovative technologies in the field of corporate governance in the implementation.

Also, the state program on the implementation of the strategy for further development of the Republic of Uzbekistan states that: "the main factor in the production of the digital economy, using the results of processing and analysis of digital data, large volumes, compared with traditional forms of management, can significantly increase the efficiency of various types of production, technology, equipment, storage, sale, delivery of goods

Including the scientists of our country S. Gulomov, T. Berkinov, K. Abdurahmonovs made a great contribution to the application and introduction of digital and information technologies, innovations in the economy.

Admittedly, in the past years in the corporate governance of the stockholder societies in the conditions of the digital economy in our country observed a lot of interventions by state bodies on the current economic activity, therefore there was not enough adaptability and sensitivity to market trends in

them. In particular, such tasks as the development of marketplaces for corporate governance of state-of-the-art enterprises, ensuring the introduction of digital technologies into modern corporate governance methods in them are laid down.

### 3. Research methodology.

This article examines the scientific works of economists of Uzbekistan and foreign countries on the analysis of sources that provide for the development of corporate governance in commercial banks in the conditions of the digital economy. Comparative analysis of literature and hypothesis justification methods were used as research methodology.

### 4. Analysis and discussion of results

Interest in the digital economy has grown significantly due to serious changes in society and the economy. Modern technologies and platforms have helped reduce costs for enterprises and individuals on account of minimizing personal communication with customers, partners and government organizations, as well as provide an opportunity for faster and easier interaction. As a result, a digital or electronic economy arose, based on network resources. The question of "digitization" is actually a new term, which implies the involvement of IT solutions in the process of innovation management and business conduct, and as a result, the use of Information Technology in all systems ranging from internet items to electronic government. First of all, let's pay attention to the aspects of the digital economy that differ from the ordinary economy.

For example, the buyer needs a laptop. If it falls into the market and itself is directly recognized and bought for cash, it is a traditional economy. Choosing a suitable token through any trading bot in Telegram, the owner of the commodity is called a digital economy – to pay money through an electronic payment system and receive it through a service of delivery of the token. This is an explanation of the issue by the simplest household example. In fact, we are all already in the digital economy, using its convenience. For example, our monthly ones fall on plastic cards, through electronic payment we pay for utilities, telephone, Internet and other products and

services, electronically submit a tax declaration, transfer money from card to card, etc.

Digital economy-this is some kind of different economy that must be created from scratch. This means that by creating new technologies, platforms and business models and introducing them into everyday life, we are moving the existing economy into a new system.

Symptoms:

- high degree of automation;
- Electronic Document Exchange;
- electronic integration of accounting and management systems;
- electronic databases;
- CRM (Customer Relationship system) availability;
- corporate networks.

**Convenience:**

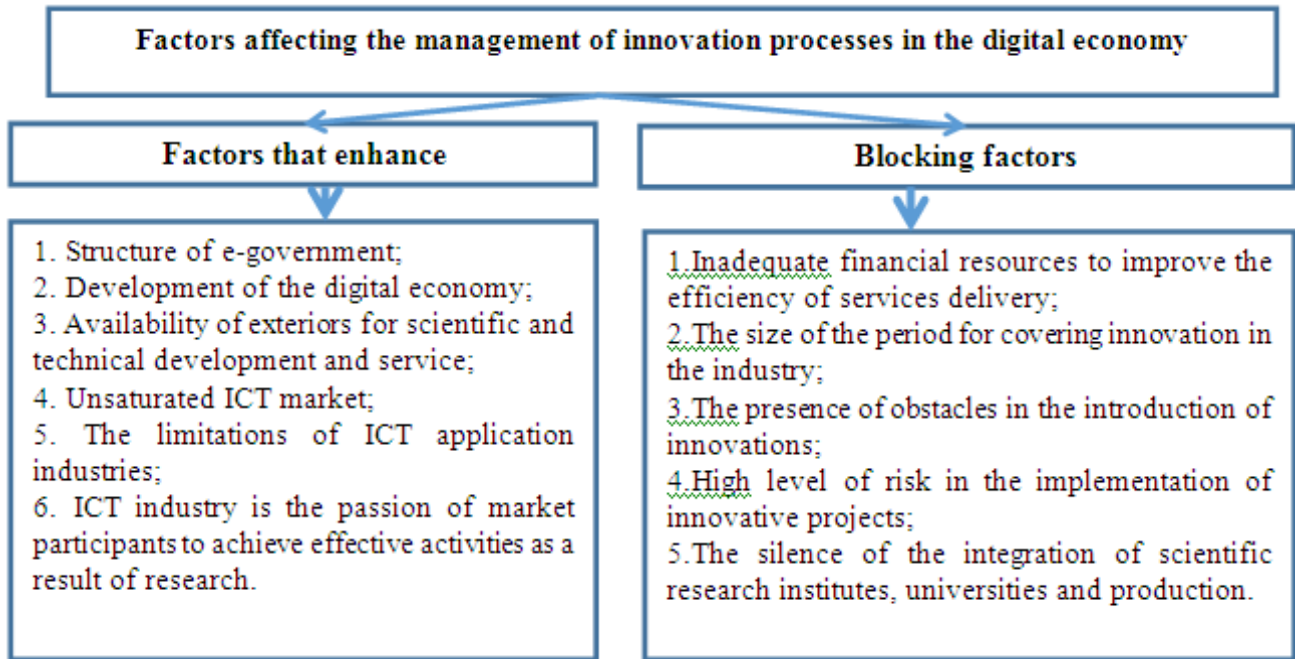
1. The costs for payments are reduced (for example, a walk to the bank and other resources are saved).
2. More and more quickly information is obtained about goods and services.
3. In the digital world, there are great opportunities to enter the global market of goods and services.
4. On the account of rapid receipt of Fidbek (consumer opinion), goods and services will be intensively improved.
5. Faster, more qualitative, more convenient.

The fact that the state chooses the path to the

development of the digital economy opens up new directions in the field of Information Technology and, in general, the turnover of electronic documents. The turn towards "digital technology" was the reason for the development of the World Internet network and quality communication. To what extent has the digital economy developed in Uzbekistan?

It is worth noting that today users are actively using Telegram bots for ordering food products. Also, various Internet shops, electronic payment systems are actively developing. So, our citizens believe in the implementation of electronic transactions. Only until now, users have been able to carry out small transactions that do not require large costs, while increasing the average purchase volume is less than willing to do so. The issue of Endi consists in the development of medium and large economic transactions and the implementation of financial transactions through digital technologies.

With the development of the Internet in the era of pandemics, the development of the digital economy is becoming more rapid. the wide application of the digital economy in various spheres of corporate governance has become one of the main factors in improving the social economic situation of society, stabilizing economic growth. The rapid increase in the process of implementation of innovative products and services provided has confirmed that it is worthwhile to consider effective corporate governance in this area. As a result of the study of the theoretical framework of the problem under study, a number of methodological approaches were formulated. In particular, factors affecting innovation activities in the digital economy were studied.



1-picture. Factors affecting innovation activities in the economy<sup>1</sup>

Based on the proposed methodology for assessing the effectiveness of corporate governance in commercial banks in the development of innovative processes in the field of the digital economy, the current situation of today was analyzed. (Table 1)

Table 1

Current situation analysis on the method of assessing the effectiveness of corporate governance in innovative processes in the field of digital economy<sup>2</sup>

№	Indicators	2016 year	2017 year	2018 year	2019 year	2020 year
1.	Innovation communication indicators	6	6,5	8	10,5	11
2.	Human capital indicators involved in innovation processes	5,5	5,5	5,5	5,5	7,5
3.	Digital business indicators	5	5	5	6	6
4.	Innovation goods and services indicators	5,5	5,5	5,5	6	7
5.	Integral indicator	22	22,5	24	28	31,5

The table below provides an analysis of the current state of affairs on the methodology for assessing the effectiveness of corporate governance in the development of innovative processes in the field of digital economy. According to the proposed methodology, the integral indicator in the current state is 31,5.

In the field of digital economy, a model has been developed to form a group of indicators, which are sources of information in the provision of information at each stage of corporate governance of innovative processes and are used in monitoring the management of innovative processes.

<sup>1</sup> Independently compiled by the author.

<sup>2</sup> Analyzed by the author



In this model, the following indicators are used for monitoring:

1. Indicators of the stage of identifying the problem and forming an innovative idea:

- analyze online references and identify the problem;
- studying competitors;
- analysis of the activities of foreign companies;

2. Indicators of the stage of development and preparation of technical documentation:

- Percentage of planning the concept of innovation process management;
- Percentage of development and organization of management concept;
- Percentage of formalization of documents to start the implementation of innovative processes;

3. Management stage indicators of the implementation of innovative processes:

- Selection of the form of management of innovative processes – the formation of a working group and the assignment of responsibilities;
- Control and regulation of innovation processes;
- To present the results of innovative processes to the implementation of production;

4. Indicators of presentation of the result of innovative processes:

- demo launch the version;
- conduct marketing research in test mode;

5. Indicators of technology transfer and commercialization:

- determining the directions of mass presentation;
- transfer and attract investment in advertising costs.

## 5. Conclusion and recommendation

In conclusion, it should be noted that the rapid introduction of modern corporate governance process into the sphere of digital economy using a wide range of scientific and technical achievements is an

important prerequisite for the development of our economy. The rapid development of modern corporate governance processes in the sphere of digital economy in the leading countries of the world in the conditions of globalization necessitates the implementation of reforms on the basis of modern innovative ideas, developments and technologies that ensure rapid and qualitative modernization of our country among the leaders of world civilization. The fact that the state chooses the path to the development of the digital economy opens up new directions in the field of Information Technology and, in general, the turnover of electronic documents. The turn towards "digital technologies" is the reason for the development of the World Internet network and quality communication.

At the same time, the conducted analysis showed that work on modernization, diversification of production, increasing its volume and expanding the range of competitive products in the domestic and foreign markets is not carried out at the proper level.

Innovation development strategy in order to develop the corporate governance system on the basis of a set of methodological and scientific-practical rules interrelated with the management of innovation processes, to adapt organizational structures to market conditions, it is necessary to make changes to the organizational structure of the company.

Due to the fact that the digital economy covers the whole world, any state project on informatization and digitization should be studied both on the basis of a single coding system, and on the basis of identifying information related to economics and management.

The most important aspect in the development of the digital economy and at the same time the most difficult stage – it is necessary to simplify the business environment and maximally reduce the cost of communication of people and business with the state.

The implementation of the above proposals into practice, in our view, will allow the growth of corporate governance in the development of the digital economy in the Republic of Uzbekistan, which in turn will have its impact on the deepening of the process of Equalization in the Real production sector of Uzbekistan.

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