

CORPORATE GOVERNANCE STANDARDS IN BANKS

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In the economic literature, the term "corporate governance" is usually interpreted in two ways. On the one hand, it is understood as a set of relations in the field of organization and management of the joint-stock company (corporation). On the other hand - various participants of the corporate governance society (board).

The supervisory board is considered as a system of regulating the division of rights and obligations between shareholders and employees. The corporate form of business is a relatively new phenomenon, and it has emerged in response to certain requirements of the time.

Keywords: *Corporate governance, commercial banking, strategic planning, methodological quality indicators, investor.*

В экономической литературе термин «корпоративное управление» обычно трактуется двояко. С одной стороны, под ним понимается совокупность отношений в области организации и управления акционерным обществом (корпорацией). С другой стороны - различные участники общества корпоративного управления (совет).

Наблюдательный совет рассматривается как система, регулирующая разделение прав и обязанностей между акционерами и сотрудниками. Корпоративная форма бизнеса - явление относительно новое, возникшее в ответ на определенные требования времени.

Ключевые слова: *корпоративное управление, коммерческий банкинг, стратегическое планирование, методологические показатели качества, инвестор.*

JEL: *G3, G21, O16*

Corporate governance covers the structures and processes in the direction and supervision of banks. Corporate governance regulates relations between management, the Supervisory Board, shareholders with a controlling stake, minority shareholders and other stakeholders.

Highly organized corporate governance expands the activities of companies, contributes to the sustainable development of the economy by increasing their access to foreign capital. In developing countries, the focus of government and academics on corporate governance has been focused on the potential role of corporate governance in increasing companies' access to local and global capital. However, regardless of the need for access to capital, good corporate governance results in more productive activities. Advanced management structures and processes improve the decision-making process within the company, provide effective planning for the change of senior management, increase the opportunities for sustainable development of companies, regardless of the type of activity and financial sources.

A well-organized company is accountable to its shareholders and other stakeholders (eg employees, creditors, customers, and the general public) and ensures transparency. As a result, a well-organized company from the point of view of corporate governance also has the opportunity to develop in other aspects, such as the environmental and social spheres.

As James Wolfensohn, President of the World Bank, put it: "The management of corporations in the world economy is as important as the governance of states."

Corporate governance is a complex of relationships between the company's management, the Supervisory Board, shareholders and other stakeholders. The corporate governance system consists of structures and processes designed to manage and control the company, the main purpose of which is to achieve sustainable development in companies by organizing fairness, transparency and mutual accountability. An effective corporate governance system means better control and strategic planning, reducing operational risks and litigation. The application of this system increases the international prestige of companies by ensuring transparency in companies, facilitates the attraction of investments, reduces the cost of attracted capital.

However, corporate governance is not just about procedures and rules. It is a different view of governance, the ability to see one's own interests in the interests of others.

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In recent years, the importance of corporate governance in the world economy is constantly growing. The large-scale crisis, especially in developed Western countries, has prompted companies to focus on this area. In the past, investors focused on the competitiveness and financial condition of companies, but now the corporate governance index has become more relevant, and therefore, companies trying to attract investment should first try to improve corporate governance systems.

In countries rapidly integrating into the world economy, corporate governance institutions are being established to more effectively organize public policies to increase the international competitiveness of local companies, to transform the country from an importer to an exporter, and to increase the country's investment attractiveness.

The Ministry of Economic Development together with relevant government agencies takes appropriate measures to develop and apply a modern corporate governance system model for economic entities operating in the country, prepares proposals on effective management of state assets, formation and implementation of state policy in corporate governance, participates in the development of the regulatory framework. One of the main tasks of the Ministry in this field is to develop and apply modern corporate governance systems by studying the best practices of developed countries, to take appropriate measures to build international cooperation.

Of all the financial institutions, only banks need help has the ability to provide financial resources to enterprises and at the same time control them. At one time, banks played a very important role in the economic development of many Western countries. Again, they can undertake all the work of financing and restructuring industry in countries where there are no efficient stock markets in Central and Eastern Europe. Banks are the most important and active participants in the privatization process in the region. But before doing so, banks must go through a process of fundamental restructuring. Most banks in the region suffer huge losses due to non-payment (which is a result of the legacy of the banking system). As a result, these banks are not able to invest, many are technically impossible, and there is no need to talk about the restructuring of the industry. To perform the new functions, banks must recapitalize.

Result: Corporate governance is a system of relations that covers the structure and processes in the direction and supervision of banks. These structures and processes regulate relations between management, the Supervisory Board, the controlling stake and minority shareholders, and other stakeholders. Good corporate governance increases competitiveness, facilitates corporate access to capital markets, and thus contributes to the development of financial markets and stimulates economic growth. Improving the methods of organizing corporate governance can improve the decision-making process within the company's management structure, which should increase the efficiency of financial and business operations. Well-organized corporate

Management also helps to improve the reporting system and, consequently, reduce the risk of fraud or non-compliance by the company's executives. An effective management system should help ensure compliance with applicable laws and regulations. It is also more of companies domestically and internationally should allow them to gain a good reputation.

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