FORMATION OF THE OPTIMAL STRATEGY OF MANAGEMENT OF ACTIVE OPERATIONS IN COMMERCIAL BANKS

M. Muminova
Tashkent State University of Economics
Uzbekistan Avenue, 49, Tashkent 100063 Uzbekistan
mbmuminova@mail.ru

Abstract. The paper discusses approaches to formation of the optimal strategy of management of active operations in commercial banks. There have been analysed and systematized the directions of organization of management of active operations in commercial banks. Author described all the factors influencing effective management of active operations in commercial banks. Moreover, paper reflects the author’s theoretical concepts about the nature of strategies and their role in the management of active operations in commercial banks. Author formulated definitions of the optimal strategy and management of active operations in commercial banks. In the paper there has been developed the main steps of formation of optimal strategy of management of active operations in commercial banks. Author recommended her ways of improvement of optimal strategies of management of active operations through these steps.

Keywords: commercial banks, optimal strategy, actives and liabilities of commercial banks, management, management of active operations.

Today, during the process of severe changes in the economy the banking system is also being characterized with rapid changes. This, in turn, forces to improve new types of services and services provided to customers and forces banks to compete purely with each other. As a result, positive changes have been achieved. President of the Republic of Uzbekistan by making assessment of this situation said the following: The most important factor in ensuring sustainable economic growth was the reform of the banking system, resulting in the growth of aggregate capital of commercial banks amounted to almost 25 percent. Strengthening the banking system has created the prerequisites for reducing the Central Bank refinancing rate from 12 percent to 10 percent in 2014 and a corresponding reduction of the interest rate on loans of commercial banks (Karimov, 2015).

The achievement of the above results, further reform and ensuring the stability of the banking system is important in the formation of strategies for optimal asset management operations.

Formation of the optimal strategy of management of active operations is essential to achieve the above mentioned results, further reform and ensure the stability of the banking system.

On the basis of management of active operations there are placing the procedure and ways for the allocation of own and borrowed resources.

Everyone knows that the commercial banks increase their profitability, strengthen their liquidity and in turn affect all sectors of the economy through effective asset management. The asset management is a procedure and ways for the allocation of own and borrowed resources (Abdullayeva, 2003).

To do this, we must look at not only management and banking management, but also operational management too.

If in sphere of management there has been raised the question “what to do”, at that time in the operations management there has been come the question “how to implement it”. Fundamentals of discipline “Operational management” help managers not only to work efficiently, but also to better understand the principles of their organization (Umarxodjaeva, 2014).

However, so far, there has not been resolved a number of issues in the formation of the optimal strategy of management of active operations. If only the diversification and distribution of borrowed funds in commercial banks, we can see that the implementation of active operations associated with passive operations and the bulk of the liabilities makes up transactional deposits. It is certainly a big risk, and the client in accordance with needs has the right at any time to charge funds from bank. Attracting long-term deposits to
long-term loans is useful and reliable for the bank. At the same time we need to reduce the amount of assets outside the balance sheet and income-generating (Kosheleva, 2014). To do this, we must develop an optimal strategy for effective management of active operations.

Development of optimal strategy of management of active operations of the bank is occurred in accordance with the goals and objectives, and for a certain period, it is planned to achieve this strategy.

Control of activities is carried out through the control system which consists of internal controls and audit.

From this it is clear that asset management system is a complex and multifaceted, and the bank’s management at the same time has to solve both formal and informal issues, and at the same time, the Committee of asset and liability management monitors the implementation of the strategic plan (Salomatina, 2004).

Figure 1 shows the main tasks of the participants of system in development of optimal strategy of management of active operations. The solution of the above problems is reflected in the next phases.

First step. Collection of information

The main objective of this step is to answer the question “what is happening”. There are collected actual information about the market and its trends, applications of customers and departments, and similar situations. The following tasks are solved:

– it is collected and constantly updated information on the external environment and state of bank;
– preservation of the previous and current data;
– to provide data received or stored for further processing and analysis;
– to provide information conveniently collected or stored for further processing.

These data comes from the bank’s information system, an external source of information and analysis services of the bank.

Second step. Analysis of the situation

The main objective of this step is to answer the question, “everything is in place”, and based on the analysis of the situation it is possible to predict the consequences of its development and it is necessary to determine the need for management intervention.
Third step. Describe the purpose of management.

This step is to answer the question “what's the problem”, and we must register the problems under certain conditions, set a goal and achieve it in the process of governance. It is necessary to consider not only the external and internal factors, but also the time factor in the description of management objectives.

Fourth step. Identify resources and constraints

The next step will answer the question “what can not be done”. If the information is insufficient, it will be necessary to ask for information from the bank’s internal departments and external information sources. It is easy to use SWOT-analysis and other methods to solve the problem. The detected data by analyzing the resources and constraints is passed to the next level.

Fifth step. Assessment of the situation

The objective of this step – to analyze the majority of cases obtained from the previous steps. The situation is assessed in terms of the compatibility of the strategic objectives and high-income level.

Sixth step. Selecting solutions

It is selected the best solution after evaluating all situations. After making insurance options and determining the possible consequences of their implementation, decision makers choose the most optimal solution from their point of view. Selected solutions are directed to step of assessing the achievement of management purposes.

Seventh step. Assess the achievement of management purposes.

The selected solution will be analyzed in terms of achieving management purpose. The decision itself could be better, but can not ensure achieving the desired objectives of management. Thus, the process of evaluating the desired management objectives requires an assessment of the compatibility of management with expected and desired results.

Eighth step. Approval of the decision

The decision is provide experts for the execution. Approved decision is sent to the management system, and then to the department for monitoring for the implementation of the data collection and processing as well as analysis the situation. Consequential implementation of all stages will help to develop an optimal strategy for managing active operations. It should be understood that for further improving the management of assets and liabilities of commercial banks, it is necessary to improve governance, assess the impact of external and internal factors, develop customer service system, improve and optimize the services of financial analysis.

References