

Ways of Implementing and Developing the Corporate Management System In Our Country

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Annotation. In this article, based on the latest changes and the implementation of the current reform program, the application of the corporate governance system to the joint-stock companies of Uzbekistan, the analysis of the compliance with the global principles of the current corporate governance, and the further improvement of the national corporate governance system in accordance with the corporate code in the context of the diversification of the economy, and in the activities of the joint-stock companies is to develop proposals and recommendations on corporate governance.

Keywords: open joint-stock company, joint-stock company, limited liability company, principles, diversification, corporate code, strategic management.

Introduction

Currently, there is rapid development in the field of corporate governance on a global scale. Today, it is not a secret to anyone that the main goal of the economic reforms implemented in our country is to accelerate economic activity on the basis of property diversity, transfer property from state ownership to the non-state sector, and thereby create various self-governing private economic units. The success of such economic reforms carried out in our country largely depends on the effective reactivation of expropriated properties, establishment of joint ventures, transformation of enterprises into joint-stock companies, especially the development of small and private entrepreneurship. On this basis, special importance is being paid to the establishment of corporate-managed links of the economy by turning most of the state-owned enterprises and organizations into joint-stock companies.

The effect of this is evident in the example of the measures taken to liberalize the economy, introduce market principles of management in industries, and create a favorable business environment. However, it is gratifying that such positive changes are being achieved in our country at a time when the global financial and economic crisis caused by the pandemic is still ongoing, the demand in the markets has decreased sharply, the instability of the business environment, and the decrease in investment activity have a negative effect on the economy of many countries.

In fact, in recent years, priority has been given to the foundation of completely new sectors of the economy, especially to the modernization of their management methods. The development strategy of New Uzbekistan for 2022-2026 of the President of the Republic of Uzbekistan Sh. Mirziyoyev is important in terms of development strategy and effective management of joint-stock companies [1]. The head of our state touched on this at the meeting and said that our radical change of principles and

approaches in the corporate management system made a great contribution in ensuring that it corresponds to real market relations and in abandoning conservative views, but the establishment of joint-stock companies around the world and the management of work in a corporate manner is considered to be the main method. He emphasized that the work we are doing in this regard is not satisfactory, and that there are still many tasks that need to be completed. It was mentioned that the corporate method is an important condition for the transition to the market economy, that it is vital to study the experience of developed countries in this regard, especially the issue of attracting young professionals who have thorough knowledge of the field and can apply marketing methods in practice.

Analysis of literature on the subject. At the same time, an in-depth analysis of the development path of our country, today's world market conjuncture has changed dramatically, and competition is intensifying in the conditions of globalization, which requires the development and implementation of a completely new approach and principles for the development of our country at a more stable and rapid pace [1].

Today, an effective corporate governance system is considered a decisive factor in making investment decisions [2], and for this reason, a company without a corporate governance system does not have the opportunity to become a full market participant in order to be competitive and attractive for investment. In world practice, the main criterion for such serious attention to corporate governance in the last decade is the desire to create a safer and more comfortable environment for investors [4].

According to the Code of Corporate Governance of the Republic of Uzbekistan, Corporate management is the executive body of a joint-stock company, its supervisory board, shareholders, representatives of the labor team and other interested parties, including creditors, in order to achieve a balance of interests, to effectively organize the JSC's activities, to modernize, to technically and technologically re-equip production capacities, to produce competitive products and is a system of mutual relations aimed at ensuring its export to foreign markets [16].

In the studies of the economist A. Berlin, who conducted research on corporate management, the issues of choosing a strategy in the management of corporations, developing enterprise management, and managing investment activities were studied [5]. M. In Hessel's research, "Corporate management is the interaction of owners and other interested parties related to the evaluation and control of the enterprise" [6]. Based on the document of Sir Adrian Cadber, the author of the corporate governance code (1992), which contains proposals for reforming the corporate governance system, corporate governance (from the English word, Korporate Governanse) is a system that ensures the management and control of the company's activities [7].

In the Republic of Uzbekistan, a number of scientists Sh.Zaynutdinov[8], D.Suyunov[9], B.Berkinov[10], M.Khamidulin[11], N.Rasulov[12] developed the theoretical and methodological foundations of some aspects of the corporate management system. researched. In particular, M.B. According to Khamidulin's research on corporate governance, corporate governance is the continuous and real influence of the owners of the corporation on the determination, definition and adoption of strategic important decisions aimed at the formation of the capital of the corporation, its more effective use for the purpose of profit and the fair distribution of the received income among all participants of corporate relations. conscious, direct participation" [11]. Another economist D.Kh. According to Suyunov, "Corporate management is a set of actions to achieve the goal of the company on the basis of

the current norms protecting the rights and interests of the owners of the entities included in the form of corporate property, as well as certain principles of management" [9].

The economic essence of corporate governance has been studied for many years, and one can witness the diversity of opinions of researchers in this regard. "Corporate management is the conscious, direct participation of the owners of the corporation in the formation of the capital of the corporation, its more effective use for the purpose of profit, and the determination, definition and adoption of strategic important decisions aimed at the fair distribution of the received income among all participants of corporate relations", it is explained. Corporations as an organizational legal form are not widely used in all countries, including Uzbekistan. From this perspective, corporations, companies, joint-stock companies, limited liability companies, etc. are summarized by the concept of corporate structure [13].

The theoretical and methodological foundations of some aspects of the corporate management system have been researched by the above scientists and other scientists. However, it shows that the issue of implementing the corporate governance system in joint-stock companies is not covered and there are not enough research works to increase the efficiency of corporate governance in our republic.

Research methodology. Different methods were used in the process of conducting research on this scientific work. Deductive methods were used in data collection and sorting. The results obtained as a result of the research were drawn as a final conclusion through the method of induction. Statistics have been widely used to compare financial and non-financial data and obtain research results. At the same time, the relationship between corporate governance and organizational behavior was studied through the method of analysis in scientific research. A synthesis method was used to calculate discussion summaries.

Analysis and results. The conducted research and studies show that further deepening of structural reforms in the economy, revitalization of investment activities of enterprises, wide attraction of foreign investments, first of all direct foreign investments and their effective use, modernization of production, technical and technological rearmament, new jobs A large amount of funds are allocated from the republican budget in order to ensure the formation and stable and rapid development of our national economy on this basis.

By reforming corporate governance, creating a favorable environment for attracting foreign direct investment, increasing the efficiency of the company, increasing the openness and transparency of the activities of providing institutions in joint-stock companies, showing their attractiveness to potential investors, including foreign partners, introducing modern methods of corporate governance. , should serve to strengthen the role of shareholders in corporate management, strategic management, and ensure the stable growth of the company's economy.

Today, Uzbekistan, one of the independent countries of Central Asia, led the reform and improvement of the corporate governance system, and as a result of the implementation of the reform program, significant changes were made to the country's corporate governance system. However, despite the recent changes and improvements in the field of corporate governance, we do not know whether corporate governance practices are implemented in accordance with the global principles of corporate governance.

It should be noted that even though corporate governance reforms are being implemented in Uzbekistan at a rapid pace, a number of unsolved problems have arisen in the corporate governance system. The main problem is joint-stock companies in which the state is the main shareholder.

The need for further development of corporate governance is related to the possibility of achieving positive results with its help: increasing the company's investment attractiveness; attracting investors ready for long-term investment of financial resources; increase operational efficiency; reducing the cost of obtaining bank loans; increase the market value of the enterprise; facilitate access to capital markets; improve the reputation of the company.

In addition, the introduction and active application of the basic principles of corporate governance in the practice of the organization can have a direct economic effect. By improving the existing corporate governance system, local business entities can expect to receive additional premiums on their share prices, ranging from 20 to 50% [14].

Currently, the main tasks of improving the corporate governance practices of Uzbek companies are as follows: first, dissemination of international experience; secondly, active participation in the normative legal regulation of the protection of the rights and interests of the owners; third, focus on attracting investments.

For this, it is advisable to conduct a number of activities in the following directions: first, to form an effective mechanism to prevent the illegal write-off of uncertified securities; secondly, to spread the principle of transparency; third, develop strict rules and procedures for corporate acquisition by formulating and clarifying the procedure for the acquisition of more than 30 percent of ordinary shares; fourth, to modernize the current procedure for establishing and liquidating legal entities; fifth, to clarify the process of formation of the board of directors; sixth, implementation of the principle of variability in relation to models of distribution of management functions and strategic management of a collegial or single body; seventh, to improve the mechanism for resolving disputes within the corporation.

Today, it can be argued that the implementation of these measures is being carried out step by step. In particular, it should be noted that the new Corporate Governance Code was adopted in 2019. According to the country's leadership, this will increase investors' confidence in the domestic stock market and increase the efficiency of organizations.

Most of the changes in the approved Code are aimed at public companies and are related to: first, to prevent the artificial distribution of control functions in the corporation; secondly, except when the owners of the shares receive other income at the expense of the organization, except for dividends or liquidation value; third, transferring the function of electing or terminating executive bodies to the board of directors; fourth, to involve independent persons in the ratio of 1:3 to participate in the board of directors.

Thus, in modern conditions, corporate governance is of particular importance. Every self-respecting company is obliged to form an effective management system based on scientific methods and innovative technologies. This allows not only to achieve positive results within the corporation, but also to increase the efficiency of production and management, to reach the international level.

In a special document approved by the Organization for Economic Co-operation and Development in 1999, which unites a group of countries with developed market economies, "one of the important elements of increasing economic efficiency is corporate governance, including the company's management (management, administration), its board of directors (supervisory board), shareholders and other set of relationships between interested parties (stakeholders). Also, corporate management determines the mechanisms of forming the company's goals, the means of achieving them, and control over its activities."

The specific features of the corporate governance system are mainly determined by general economic factors, state policy, the level of competition, specific features of the legal and economic environment, business ethics, and the corporation's awareness of its social responsibility to society, for example, in the field of ecology.

Signs of an effective corporate governance system defined by the World Bank: transparency of financial and other business information about the company's activities, the process and results of monitoring the managers' activities; protect and ensure the rights and interests of all shareholders; independence of the directors of the corporation in defining the strategy, approving business plans, making other important decisions, appointing, monitoring and replacing managers if necessary; maximizing financial flows (profits) and, at the same time, payments to shareholders.

The international principles of corporate governance are expressed as follows. European Bank for Reconstruction and Development Corporate Practices and Good Business Practices. This document was issued in 1997 by the European Bank for Reconstruction and Development — Cooper and Laybrand was prepared together with the company in order to better understand which aspects are taken into account more by reputable lenders and investors in making investment decisions. In accordance with ETTB's corporate practices and sound business practices, companies are advised to adhere to the following principles in their interactions with stakeholders: interactions with customers; employee relations; interactions with suppliers; public relations; relations with state bodies and local governments.

A company's relationship with its shareholders is of the utmost importance. For this reason, the following recommendations are included in the Code of Good Business Conduct: Basic Principles of Euroshareholder Corporate Governance In 1990, the Confederation of European Shareholder Associations was established, which included eight national shareholder associations (Belgium, Great Britain, Germany, the Netherlands, Denmark, Spain, France and Sweden). The main task of the organization is to represent the interests of individual shareholders of the European Union, to protect small shareholders, to ensure the openness of the capital market, to increase the value of equity capital in European companies, and to support corporate governance issues.

Based on the five principles of the European Union Cooperation Organization, Euroshareholders have developed their program, the main principles of corporate governance, which reflect a number of recommendations regarding the company's goals, voting rights, protection against takeovers, the right to information and the role of the board of directors.

Institutional investors, such as CalPRES (California Public Employees' Retirement System), one of the largest and most active pension funds in the United States, play an important role in the development of the equity movement. This fund was established in the early 1980s and invests in foreign companies in addition to operating in the American financial market.

The Global Principles of Corporate Governance published by KalPRES in 1996 are as follows:

1. Reporting: the board of directors or the supervisory board must report to the shareholders; the board of directors should be able to control management, and investors should be able to control the board of directors; rewarding management should be related to the long-term results of the company's activities.

2. Transparency: global competitive markets depend on the reliability and transparency of information provided by companies; companies must recognize international accounting standards; companies must report to shareholders on compliance with a best practice company code.

3. Fairness: companies should respect minority shareholders. They must ensure fair treatment of all shareholders; one share entitles its owner to one vote at the general meeting.

4. Voting methods: proxies should be clear, concise and provide relevant information to shareholders; all votes of the shareholders, given in person or on the basis of a trust deed, must be officially counted and announced.

5. Codes of best practice: all markets should develop consistent codes of best practice that company management and directors can adhere to; companies should adhere to the principles set out in codes of best practice.

Internationally recognized model principles are the basis of the main principles used in our republic today. The management system of the joint-stock company must ensure the implementation of the principles of corporate governance. Unfortunately, one of the existing problems today is the insufficient study of advanced foreign experience in corporate business management by the management and managers of most joint-stock companies, as well as the lack of a comprehensive approach to the control of this problem and the management of enterprise activities, which has a negative impact on cooperation processes. These control and management bodies do not take enough into account the specific aspects of the implementation of the management processes of joint-stock companies.

It follows from the above that today there is no single model of corporate governance that can be used for all companies in the country. Many developed and transition economies use the option of combining separate parts of different models.

Currently, the national model of corporate governance in Uzbekistan is going through the stages of improvement. Many generally accepted principles of corporate governance are reflected in national legislation. However, the practice of their implementation and traditions of corporate behavior have only just begun to form. Many issues related to corporate behavior are not legal and are ethical rather than legal in nature. Therefore, it is appropriate to develop a corporate code of conduct, taking into account the foreign experience and the features of the national practice of corporate management. It should lay the foundation for the formation of ethical standards in the field of corporate management and corporate culture. This also helps increase the investment attractiveness of national companies.

Conclusions and suggestions. Thus, the studied international experience, as well as the established procedure in practice, determine the need to introduce the institute of corporate consultants into the management bodies of joint-stock companies. The introduction of the Institute of Corporate Consultants will increase the level of legal protection of the republic's shareholders, especially minority shareholders, and will enable more effective consideration of their legal interests in the performance of the management bodies of joint-stock companies.

In most countries of the Organization for Economic Cooperation and Development, the advantage of "advanced experience of corporate governance" is that they are included in various codes, recommendations, and do not have the status of a legal-normative document. In this case, the mechanisms of compliance of these standards (recommendations) based on the rule "disclose information about compliance or explain the reasons for non-compliance" are used.

In the United States, after the large and scandalous corporate scandals of 2001-2002, steps were taken to strengthen some standards that had been considered voluntary until now. A clear example of this is the 2002 Sarbanes-Oxley Act, which has been interpreted differently in both the US and Western Europe.

On the other hand, there are different opinions regarding the strict reliance on the principle of voluntariness. However, many experts believe that the principles of advanced corporate governance should be implemented based on the combined efforts of government bodies, investor organizations, financial intermediaries and associations. According to the assessment of the level of compliance with the principles of the corporate governance system in 27 developing countries, the corporate governance system in Uzbekistan meets the average requirements (medium compliance) [20].

The development of corporate governance is also related to privatization through the transformation of state property into joint-stock companies. As a result of such works, many joint-stock companies were established in our country. The fact that large enterprises, which make a significant contribution to the growth of the country's gross domestic product, operate in the form of joint-stock companies is also a sign that the development of the field of corporate management is of great importance.

Masaru Khomman, director of the Tashkent office of the European Development Bank, said that reducing state participation in the economy and stimulating the development of the private sector is an urgent task in most countries of the world. A well-thought-out strategy for the privatization of state property is being implemented in Uzbekistan, and the fact that managers have deep knowledge is an important factor in ensuring the success of this process.

1. We have considered above that one of the most important issues of today is the construction of the structure of corporate organizations such as a joint-stock company in our country and the establishment of the basic principles and procedure of their activity, their legal status, and the formation of a complex of corporate law norms that regulate the rights and obligations of shareholders and other participants in corporate relations.

The origins and stages of development of corporate structures are improving year by year, covering several periods. In the economy of Uzbekistan, mechanisms for improving the activities of corporate management structures were created based on the experience of foreign countries and are developing day by day. This can be expressed by the activities of economic structures in the form of corporate governance operating in our country.

2. Analysis of the company's management structure, financial results, analysis of the financial situation. The purpose of conducting a financial analysis in the enterprise based on the indicators that show the effectiveness of the management activity is to assess the financial results and financial status of the enterprise in the past period, at the time of analysis and in the future, and to make an economic diagnosis. consists of putting

The main attention was paid to strengthening the position of corporate structures in the conditions of the market economy and the emergence of risk situations, as well as the effective implementation of innovative management strategies in this process, improving the efficiency of the enterprise. However, most importantly: - stabilization of production is ensured. Integrated corporate structures create a positive basis for mutual integration of technological and cooperative relations of enterprises. Due to the creation of close relations between the participating enterprises, the scope of production of products in demand in the market, capacity of work and service provision will further increase; - acceleration of scientific research progress. Integrated corporate structures help in the sustainable development of the republic's economy in the implementation of a unified technological and investment policy within the framework of scientific-practical and production technological complexes.

3. The creation of innovative techniques and technologies reduces the risk associated with production, the financing of long-term research and production cycles is improved, and strategic cooperation with foreign firms develops. The formation and development of integrated corporate structures in the country's economy will not only increase the strategic competitiveness of our national economy, but will also help in overcoming the crisis that appears in the financial and production sectors. At the same time, in order to increase the efficiency of integrated corporate structures: we believe that it is appropriate to include not only large enterprises, but also small enterprises in integrated corporate structures and to establish organic relations between them. It is possible to increase the types and forms of activities of financial organizations in the integrated corporate structures, in addition to commercial banks, investment funds, insurance companies can be included in them, due to this, temporary free funds can be quickly attracted and used effectively, as well as to reduce risks in the future (occurring in various crises). insurance against negative economic events) is achieved.

4. In order to ensure the effective functioning of many enterprises with a corporate management system operating in our republic, specific measures should be established to improve the corporate management system and increase the responsibility of the management of the joint-stock company. In this context, it is appropriate to implement the following suggestions: first, to improve the legal base of the Republic of Uzbekistan in the field of corporate governance, to develop measures to improve the activities of corporate structures; secondly, to introduce the position of corporate consultant, which is still new for the corporate management system of the Republic of Uzbekistan, in enterprises. This position is an employee who ensures regular effective communication between the owners of the joint-stock company, its executive body and the supervisory board; thirdly, to widely promote the concept of corporate behavior within corporate management structures, and thereby increase the efficiency of the enterprise; fourth, to ensure the level of openness of information in the management process of the joint-stock company, as well as regular reporting of the management bodies of the joint-stock company to shareholders or shareholders; fifth, to ensure the effective implementation of management information systems development strategies in the activities of corporate structures; to achieve efficiency in production by introducing the matrix management system of the product life cycle into the practice of corporate structures engaged in high-level service and product production.

Thus, it can be concluded from our analysis that sufficient conditions have been created in Uzbekistan for the effective functioning of the corporate management system by joint-stock companies that fully comply with the principles of IXXT, as well as for the effective implementation of corporate management. However, we have identified some weaknesses in Uzbekistan's corporate governance, where some of the global principles of corporate governance are partially implemented or not implemented at all. Taking this into account, we have developed recommendations and suggestions, and we believe that the following measures should be implemented for further improvement.

- Wider use of financial mechanisms for export support. In particular, encouraging the purchase of national goods in foreign markets through loans and establishing the necessary institutional foundations for this. Here we are talking about the implementation of export-import bank functions in different countries.

- Effective use of international settlement forms in order to ensure continuity of settlements on foreign economic activity of real sector enterprises. It is known that a significant part of the calculations of enterprises on export-import contracts corresponds to the covered letter of credit. At the same time,

commission payments for reserve letters of credit are borne by the client, causing the price of equipment and equipment imported by manufacturers to be modernized.

- Clause 11 of the General Provisions section of the Code of Corporate Governance of the Republic of Uzbekistan states "If it is impossible to comply with some of the recommendations of this Code otherwise, AJ will explain its reasons in detail following the international principle of "comply or explain" ("observe or explain") full compliance.

In short, the state policy aimed at improving business conditions, creating a favorable business environment, and the struggle in the country's existing full-fledged competitive environment encourages national firms to modernize production and technical rearmament in order to achieve superiority in terms of quality and price.

In this way, the rapid introduction of innovative technologies and modern scientific achievements into production, the diversification of the production structure is achieved. A firm that has been able to compete in the domestic market applies its experience to the international market, where the competition is even stronger. The harder the internal struggle, the greater the chance of success in the international market.

We believe that it is appropriate to implement these measures to create a full-fledged competitive environment and modernize production in our republic, as well as further increase the competitiveness of our national products.

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