



**MODERN CORPORATE MANAGEMENT SYSTEM
SCIENTIFIC APPROACHES TO THEORETICAL BASIS**

Khabibullaeva Shirinkhan Tahir qizi

Doctoral Student of the Higher School of Business and Entrepreneurship
under the Cabinet of Ministers of the Republic of Uzbekistan

ABSTRACT	KEYWORDS
This article analyzes the understanding of the management system at corporate enterprises, the views of economists on this issue, reflects the principles of development of corporate governance, ways of implementation, as well as scientifically based conclusions on this issue.	Corporate enterprises, corporate governance, rule, standard, guideline, principle, risk, sustainable, culture, stakeholder, principle, efficiency.

Introduction

In the Republic of Uzbekistan, after the adoption of the Law "On the Protection of Joint-Stock Companies and Shareholders' Rights" and the amendments and additions made to date, and in the conditions of globalization of the world economy, the transition to modern standards and methods of conducting business activities and managing joint-stock companies is being carried out rapidly. Issues such as the economic aspects of introducing modern standards and methods of corporate management, the formation of an effective system of management of joint-stock companies, the principles of management, and the factors affecting its introduction are currently relevant.

Today, for the development of corporate governance, its legal foundations are being improved, in particular, according to the Decree of the President of the Republic of Uzbekistan dated January 28, 2022 No. PF-60 "On the development strategy of the new Uzbekistan for 2022-2026", "Improving the financial and economic efficiency of companies, in order to optimize corporate management, to introduce automation of production and management processes (ERP) systems, to allow the purchase of state securities by non-residents, to increase liquidity in the market of corporate securities, and to attract foreign investors and international financial institutions to privatization processes in enterprises with a state stake. the definition of tasks means that it is relevant to organize the assessment of corporate governance.

Analysis of Literature

The origin and development of corporate governance can be divided into several stages:

1. In history, in 1555, the first London-Moscow trading company was established in London. A Council with representatives from both sides was established in the company, and this Council mainly dealt with general issues of company management.
2. The second period was 1600, when the Ost-Ind (East India Company) company was externalized, and by 1612, a board of directors consisting of 24 members and 10 committees were established under this board. As a result, for the first time ownership and management duties were separated. In this regard, in 1776, Adam Smith in his work "Research into the causes and nature of the wealth of nations" states that: "Abandoned property creates problems for management", that is, the idea that it is a negative mechanism for controlling management and managers is of great importance.
3. The third period was also in the Netherlands, the Dutch East India Trading Company, where for the first time the owners were excluded from the processes of management and control of their property or the function of the owner. This led to the creation of a Board of Directors to solve this problem. The composition of the board of directors consists of 17 people, members from 6 states of the Netherlands. Legal documents have been adopted in various countries regarding the legal development of the activities of these companies.

For the first time in 1844, the law on joint-stock companies was adopted. In the legislation, obligations in the form of new responsibility of ownership were introduced. In addition, in 1931, A. Burley and G. Minzlar published the book "The Modern Corporation and the Private Owner" (USA). It was the first time that ownership duties were clearly distinguished from control duties.

In the USA, in 1933-1934, the Securities Act was passed, which regulated the stock market. At this stage, the Act "On Securities and Exchanges" (1934) made it possible to provide information openly, and this year, a commission was created to oversee the laws and activities of the securities market and exchanges.

In 1968, it was the first in the countries of the current European Union to adopt the Law on Companies. At the beginning of the 1990s in Great Britain, the business empire was in crisis. Controversies arose in Great Britain: a number of companies (Polly Peck, BCCI, Maxwell) showed that they were engaged in defrauding shareholders and that corporate governance in practice should be improved to protect investors. As a result, the Cadbury Committee published the first code of corporate governance in 1992. (Great Britain). Since 1993, companies listed on the UK stock exchange have started reporting on how they are complying with the code.

Analysis and Results

The periods of development of corporate management in Uzbekistan were different and were formed as follows:

Recognizing the listed four stages of expropriation and privatization of property, which have become important in the formation of the corporate governance system in Uzbekistan

(Table 1), the point of view is put forward that this Decree, which gave the opportunity to develop corporate management relations in a new context, initiated a decisive stage in the development of the corporate management system.

One of the principles of modern management is the principle of periodic reorganization of management and production structure in enterprises. Practice shows that it is very important to

introduce news into management in the organization. Such reorganization is required to be carried out every 2-3 years, and in current conditions even faster, 1-2 years or continuously. Enterprises that fail to introduce innovations in management lose their reputation, are forced to give up their positions in the market to stronger competitors.

There is no single definition of "corporate governance". According to the definition of the World Bank, corporate governance is understood as a combination of legislation, norms and appropriate practices of the private sector, which enable the company to attract financial and human resources, conduct effective activities, and ultimately, its shareholders, while respecting the interests of shareholders, other interested parties and society. ensures its existence by increasing its long-term economic value.

Corporate management is distinguished as the main type, as an object of management, it is considered to have its own characteristics, management is carried out for the benefit of shareholders and is aimed at ensuring the development of corporations, taking into account the rights of shareholders, and developing shareholder relations based on the strategy of the corporation. As a result of such management, a corporate culture is created and a complex of principles, customs and procedures for their implementation is formed.

We consider it permissible to quote the opinions of several researchers-scientists in revealing the essence of the concept of "corporate management". According to some scientists, "Corporate management is the interaction of owners and other interested parties related to the assessment and control of the enterprise's activities." In this definition, the task of corporate governance is limited only to the assessment and control of the enterprise's activities. Management principles, goals and tasks of the enterprise are not provided.

The scientists of our country have also tried to explain the term "corporate management", among which the following definition is noteworthy: "Corporate management is a strategically important strategy aimed at the formation of the corporation's capital by the owners 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. is a conscious, direct participation in determining, defining and providing a permanent and real influence on decision-making" . Emphasizing the scientific basis of the definition, it can be noted that it does not fully take into account the specific aspects of the business environment of Uzbekistan.

According to another group of authors, the concept of "corporate management" is closely related to the concept of "corporation", but

it is not quite correct to understand corporate governance as only the management of corporations. Currently, the term "corporate management" is used in a relatively broad sense, and refers to management with a high level of organization and specificity of the enterprise's activities. The concept of "corporate governance" is still controversial for many in terms of its essence. Without a clear definition of this concept, experts may continue to debate the importance of corporate governance.

"Corporate management is a system of relations between the managers and owners of the enterprise related to ensuring the efficiency of the enterprise and protecting the interests of the owners and other participants." Here too, having a certain legal basis, controlling economic activity, providing information and other elements of corporate management were not taken into account.

The effectiveness of joint-stock companies depends on their management strategy and correctly defined business goals.

Therefore, he expressed the opinion that the effectiveness of corporate management is also considered an important indicator, and it is a combination of three groups of indicators that determine the effectiveness of corporate management.

The concept of "corporate management" includes the field of scientific and practical knowledge and the field of practical activity related to the organization and regulation of the activities of large enterprises in the form of a corporation.

Table 1 Corporate management in the Republic of Uzbekistan periods of system formation

Stages	Intervals	Naming	Symbols	Results
First period	From 1990 to 1996	Reform of property relations and formation period of corporate management relations	The legal foundations of property relations were formed and the first joint-stock companies, small and private enterprises were created	Theory of corporate management researches were carried out to create the foundations. The practice of corporate governance ensured the creation of elements of corporate governance
Second period	From 1996 to 2015	A corporate management system was created and there was a period of its improvement	Adoption of the Law of the Republic of Uzbekistan "On the Protection of Joint-Stock Companies and Shareholders' Rights" Decree of the President of the Republic of Uzbekistan dated January 24, 2003 "On Measures to Radically Increase the Share and Importance of the Private Sector in the Economy of Uzbekistan" and subsequent regulatory documents	The idea of corporate management appeared in society, the class of owners expanded, and the importance of corporate structures in business development increased. The state's efforts to improve the corporate governance system have increased: joint stock companies have been enlarged, the powers of the Supervisory Board have been increased, corporate consultant, auditor service institutes have been introduced, etc.
The third period	2015-present	Introduction of modern standards and methods of corporate management	Improvement of corporate governance created the ground for living.	Introduction of modern standards and methods of corporate management, adoption of the Code, introduction of independent members to the supervisory board, etc.

Writes another author. In this definition, corporate governance refers to corporations and other forms of large enterprises. But corporate governance should also include management of small businesses and private enterprises.

In addition, it can be seen that the problem of corporate management is covered in more detail and more broadly in the scientific research of leading scientists. Corporate management is a set of actions carried out to achieve the goal of the enterprise based on the current norms protecting the rights of the entities that are part of the corporate property form, as well as certain principles of management. "The concept of "corporate management" includes the field of scientific and practical knowledge and the field of practical activity related to the organization and regulation of the activities of large enterprises in the form of a corporation," writes another author.

From the point of view of management psychology, corporate governance is also viewed as a management system aimed at shaping corporate culture. That is, it includes a set of general traditions and moral principles of management.

In the principles of corporate governance of the Organization for Economic Cooperation and Development, the concept of "corporate governance" is defined as a complex of relations between the company's administration, its management, shareholders and other interested parties.

According to other definitions, corporate governance is:

- a system of mutual relations between company managers and owners (shareholders) on issues of ensuring the efficiency of the company's activities and protecting the interests of owners and other interested parties (employees of the company, creditors, partner enterprises);
- all laws, norms, regulations, actions and procedures aimed at solving the problems caused by the direct removal of corporate property from the control of the owners;
- a set of organizational, legal and economic activities that bring together the interests of the main stakeholders in organizing the effective management of the company.

In addition, in our country, on December 31, 2015, the "Corporate Management Code" adopted by the working commission for improving the corporate management system in Uzbekistan was adopted, and the code also defines corporate management as follows: Corporate management is the executive body of a joint-stock company (JSC), its supervisory board, shareholders, representatives of the labor team and other interested parties, including creditors, in order to achieve a balance of interests, it is a system of mutual relations aimed at effective organization of JSC activities, modernization, technical and technological rearmament of production capacities.

In our opinion, using the definitions given above, the meaning of the concept of "Corporate management" can be revealed as follows: Corporate management is aimed at ensuring and protecting the rights, interests and equality of shareholders, investors and all subjects (shareholders) interested in the activities of a joint-stock company. It is understood as a set or sum of actions aimed at obtaining maximum benefit by performing the task and function set before it.

So, to conclude, the essence of corporate governance is to provide shareholders with the opportunity to effectively control and monitor management activities in order to increase the value of the enterprise, the legal basis for the introduction of internal control management methods and external legal and regulatory mechanisms, as well as the modern standards of corporate governance based on world experience.

Therefore, the essence of corporate governance is manifested in giving shareholders the opportunity to effectively control and monitor management activities in order to increase the value of the enterprise. This form of control implies internal management methods and external legal and regulatory mechanisms. Shareholders want to know clearly the level of responsibility of company officials for the results achieved. Investors are more interested in being able to influence important decisions.

In our view, corporate relations includes all laws, rules, regulations, measures and procedures aimed at solving the problems caused by the removal of corporate property from the direct control of the owners. With their help, organizational, legal and economic activities are carried out to effectively manage the enterprise, to unite the interests of the main interested parties. Therefore, based on the definition we gave above, the environment in which corporate governance is implemented is also important.

In the process of forming a corporate environment, business entities of various forms and various individuals are involved (Figure 1).

As can be seen from the given picture, the role of the external and corporate environment in the development of the joint-stock company is very large.

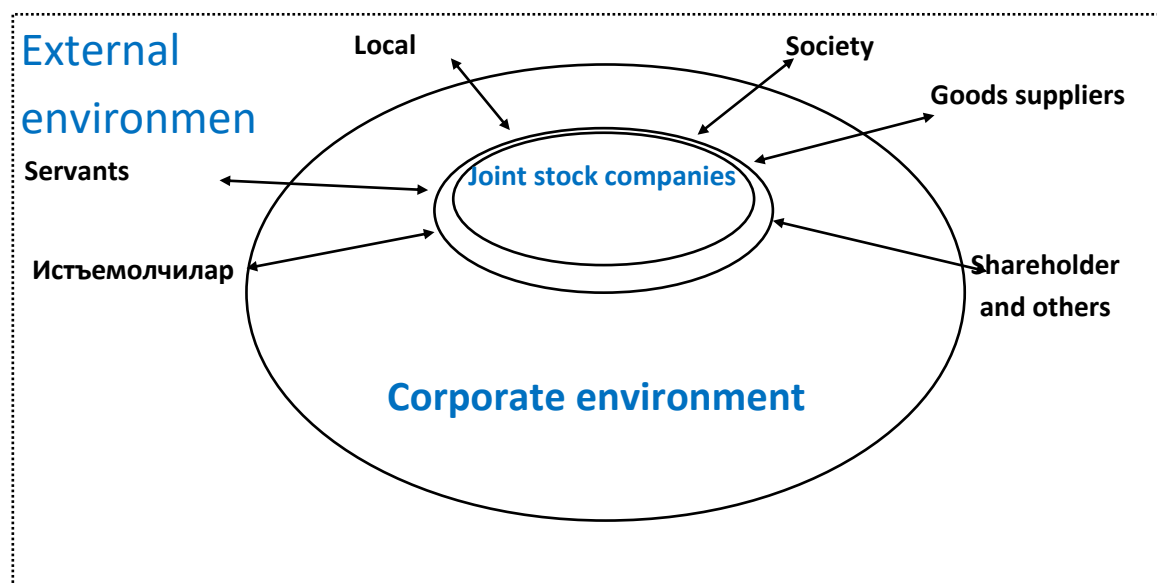


Figure 1. Scheme of the corporate environment that ensures the development of joint-stock companies.

Conclusions and Suggestions

Thus, taking into account the current state of introducing modern standards of corporate management and corporate relations in joint-stock companies, it is possible to define the following as the primary tasks of improving corporate governance and management in enterprises:

- in-depth understanding of the essence and possibilities of corporate law by members of the supervisory board, managers and shareholders themselves;
- development and adoption of a complete package of regulatory documents regulating the management activities of direct joint-stock enterprises;
- involving a wide range of shareholders in the conscious management of the work of joint-stock companies at the highest level;
- ensuring the maximum openness and transparency of the activities of enterprises for shareholders and investors;
- to increase the level of interaction between the upper and executive bodies of the management of joint-stock companies and to develop ways to introduce modern standards and methods of corporate management.

References

1. Ўзбекистон Республикасининг “Акциядорлик жамиятлари ва акциядорларнинг ҳуқуқларини ҳимоя қилиш тўғрисида”ги Қонуни, 1996 йил 26 апрель (янги таҳрири, 20 март 2019 й № ЎРҚ 531).
2. Ўзбекистон Республикаси Президентининг 2022 йил 28 январдаги “2022 — 2026 йилларга мўлжалланган Янги Ўзбекистоннинг тараққиёт стратегияси тўғрисида”ги ПФ-60-сон Фармони.

3. Ўзбекистон Республикаси Президентининг 2022 йил 8 апрелдаги “Тадбиркорлик муҳитини яхшилаш ва хусусий секторни ривожлантириш орқали барқарор иқтисодий ўсиш учун шарт-шароитлар яратиш борасидаги навбатдаги ислохотлар тўғрисида” ПФ-101-сонли Фармон.
4. OECD Corporate Governance Factbook 2021. <https://www.oecd.org/corporate/Corporate-Governance-Factbook-Chapter-4.pdf>.
5. Berle A., Means G. The modern Corporation and Private Property – New York: Macmillan, 1932. – 478 p; Eells R.S.F. The Meaning of Modern Business: An Introduction to the Philosophy of Large Corporate Enterprise. – New York: Columbia University Press, 1960. – 427 p.
6. Электронно-цифровое общество: плюсы и минусы эпохи сетевого интеллекта / Дон Тапскотт; пер. с англ. И. Дубинского; под ред. С. Писарева. М.: Рефл-бук, 1999. 403 с.
7. Lane N. Advancing the digital economy into the 21st century // Information Systems Frontiers. 1999. Vol. 1, No. 3. P. 317-320.
8. Суюнов Д.Х. “Корпоратив бошқарувнинг замонавий халқаро стандартлари ва усуллари жорий қилиш”. “Халқаро молия ва ҳисоб” илмий журнали. № 3, июнь, 2021 йил. issn: 2181-1016.
9. Brynjolfsson E., Kahin B. Introduction. Understanding the Digital Economy. Cambridge: MIT Press, 2000. P. 1-10.
10. Mesenbourg T. L. Measuring the Digital Economy. U.S. Bureau of the Census. URL: <http://www.census.gov/content/dam/Census/library/working-papers/2001/econ/digitalecon.pdf>.
11. Д.Х. Суюнов Корпоратив бошқарув механизми: муаммо ва ечимлар. Монография - Т.: Академия, 2007.
12. Д.Х. Суюнов ва бошқалар. Электрон тижорат. Дарслик. -Т.: 2023.-298 бет.
13. Suyunov D.H Theoretical principles of improving the modern corporate control system in joint stock companies. International Journal of Economic Perspectives, 16(11), November 2022. 90-97. Retrieve from. 2022 by The Author(s). ISSN: 1307-1637. Impact Factor: 5.865.