



PROSPECTS FOR IMPROVING THE QUALITY OF CORPORATE GOVERNANCE IN JOINT-STOCK COMPANIES

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ABSTRACT

In modern conditions of economic development, one of the important conditions for the functioning and innovative development of companies is an effective management system. The stability and competitiveness of existing companies directly depends on their management. Well-established corporate governance, in turn, affects the company's position in the market, the level of its modernization, digitalization and directly the standard of living of the company's employees. Today, it is considered important to organize an economically effective and scientifically sound way of assessing the quality of company management, as well as systematic work to improve the management system.

KEY WORDS

Corporate governance, efficiency, enterprise goals, production, innovation, companies, Supervisory Board, competitiveness, quality of management.

Introduction

Currently, within the framework of strategic reforms in Uzbekistan, the main emphasis is on the further development of private ownership. Measures are being taken to improve the quality of the corporate governance system by strengthening the role of supervisory boards, general meetings and audit commissions in corporate structures, ensuring the participation of minority shareholders in the management process. On improving the management system of enterprises: "There are a number of problems that do not allow enterprises to fully fulfill their functions and contribute to the socio-economic and technological development of the country, in particular, the lack of transparency of corporate governance" and on the basis of a scientific and practical analysis of the experience of modern corporate governance practices in joint-stock companies in terms of corporate governance, wide application of the most advanced achievements, as well as the reorganization of the activities of management bodies, advanced foreign and domestic experience On the basis of generalization, high-quality organization of diagnostics of the corporate governance system, development of manuals and internal corporate documents to improve the corporate governance system are defined as priority tasks.

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¹ O'zbekiston Respublikasi Prezidentining 2022- yil 28 yanvardagi PF-60-son "2022-2026- yillarga mo'ljallangan Yangi O'zbekistonning taraqqiyot strategiyasi" haqidagi farmoni

In order to create an atmosphere of social interaction between the participants of corporate relations in joint-stock companies in corporate management, ways of transition to systematic management based on compliance with the principles of conduct and transparency in corporate management are being developed.

Methodology

In this article, various methods were used. Systematic approaches, monographic observation, abstract-logical reasoning, comparative analysis, expert assessment, constructive assessment, forecasting methods for improving the quality of corporate management in enterprises are widely used.

Analysis of literature on the topic

Today, the effective development of corporate management requires a deep understanding and understanding of its essence, as well as the interpretation of scientific and theoretical approaches that allow it to be formed as a scientific specialty. In the process of transformation of the economy, the development of the management system in general is currently one of the main factors in the socio-economic development of the country. One of the essential types of corporate management for the further development of the economy is corporate management. Because the country requires the transition to the standards of introduction and development of the corporate sector.² On the concept of improving the quality of enterprise management and its activities, a large number of scientific papers were written, books were written, and in the 1920s-1925s a large number of scientific works were published on the problems of development of local enterprises. In Europe, the works of such authors as J. Roland, E. Berglof, M. Aoki, K. Hyung, D. Begg, R. Portes focus on the problems of development of corporate relations in Eastern European countries.³ The document "Principles of Corporate Governance" is recognized as the only global standard on corporate governance, in which corporate governance is described as follows: "Corporate governance is one of the key elements of economic efficiency and growth, as well as strengthening investor confidence."⁴ Among the organizations whose activities are aimed at generating income and other benefits for their participants, corporations, in fact, began to play the role of coordinators of the economic life of the state and manage property. Not only the external environment of corporations has changed, but also their internal shareholder nature. Shareholders who could not influence the management of the corporation have become ordinary depositors, and management functions have passed to the hired executive bodies of the corporation.⁵ Despite differences in corporate governance structures, countries strive to adhere to international principles of corporate governance when forming their national corporate governance systems, and in particular, to take these international principles into account when developing national corporate governance codes.⁶ In particular, it reflects the best global standards for improving the quality of corporate governance in joint-stock companies, ensuring reporting standards, dividend policy,

² Veasey E.N. The Emergence of Corporate Governance as a New Legal Discipline //The Business Lawyer N48, 1993. P.1276

³ Быков А.М. Формирование механизмов управления корпоративными образованиями с использованием современных информационных управлений. Диссертация на соискание ученой степени кандидата экономических наук. Росс. Гос. Соц. Ун. Москва 2006. С.5

⁴ Organization of Economic Cooperation and Development. OECD Principles of Corporate Governance. – Paris: OECD, 1999 (revised in 2004)

⁵ Berle A., Means G. The modern Corporation and Private Property – New York: Macmillan, 1932. – 478 p.

⁶ Suyunov D.X, Xoshimov E.A. Korporativ boshqaruv modellari: konseptual jihatlar, zamonaviy tendentsiyalar va konvergentsiya imkoniyatlari. // "Iqtisodiyot va innovatsion texnologiyalar" ilmiy elektron jurnali. № 4, iyul-avgust, 2017- yil. 7-bet.

information disclosure and achieving a high level of governance. Uzbekistan prioritizes corporate governance aimed at planning measures for sustainable economic growth and attracting the investments necessary for its implementation⁷

ANALYSIS AND RESULTS

Corporate governance is a set of laws and regulations that govern the activities of companies as a team. It also covers internal and external factors that affect the rights of their shareholders, customers, suppliers, and the interests of management bodies. In corporate governance, companies control themselves, establish values for each employee working in the company, the company's corporate culture, traditions, policies, and laws from the highest to the lowest levels. Corporate governance, which is aimed at fairness and transparency, seeks to ensure that all shareholders have the right to vote at general meetings. In such governance, all shareholders should have a positive vision of the company's future.

The issues of improving the quality of corporate governance in the company are as follows:

- the procedure for organizing a general meeting of shareholders;
- the implementation of control over key decisions by the supervisory board or general meeting of shareholders on a continuous basis;
- ensuring transparency of the activities of the executive body and thereby ensuring the transparency of information.

In particular, the best world standards for improving the quality of corporate governance in joint-stock companies are reflected in reporting standards, dividend policy, information disclosure and a high level of management. In Uzbekistan, priority is given to corporate governance aimed at planning measures for sustainable economic growth and attracting investments necessary for its implementation.

It is necessary to develop the quality of an effective corporate governance system in joint-stock companies. In order to form an effective management system of enterprises, it is necessary to determine the functions and tasks of supervisory boards established at enterprises, and to establish their directions for the development of society. The effectiveness of modernization processes in corporate governance is directly related to the success of corporate companies. Corporations that actively implement innovative management practices and processes typically achieve higher efficiency and competitiveness.

Modernization of corporate governance processes allows you to optimize business processes, reduce costs and improve the quality of products or services. This helps to increase the efficiency of the company, which, in turn, can lead to increased revenue and market share. The interest in improving the quality of governance applies not only to top management, but also to ordinary employees. If they improve their skills in strategic management and increase the consistency of thinking, this will give them the opportunity to advance in their careers.

As is known, the development of joint-stock companies in Uzbekistan, which are large corporate structures, requires the introduction of modern and highly effective management methods in these structures. Improving the quality of corporate governance in companies requires ensuring production efficiency, attracting investment in production processes, and consistent implementation of obligations to stakeholders.

⁷ Yuldashova G. Korporativ boshqaruv sifatini baholash samaradorlik mezonidir. Iqtisodiyot va ta'lim / 2024-yil 2-son.
https://doi.org/10.55439/ECED/vol25_iss2/a11

Taking into account the above, it is necessary to study the activities of Uzkimyosanoat JSC in order to study the trends in the production of chemical industry products in our country, the introduction of corporate governance, and the impact of economic cycles. In order to evaluate the results of practical work on the wide introduction of corporate governance quality improvement based on specific figures, it is necessary to analyze the development indicators of chemical production in our republic based on statistical analysis.

At the same time, despite the specifics of the corporate governance system, international corporate governance principles recommended for all countries have been developed, compliance with these principles serves to determine the level of maturity of the national corporate governance system. Indeed, in modern conditions, the scope of activities of companies is expanding and going beyond the borders of the national economy, in other words, transnationalization processes are intensifying, and the group of stakeholders in the governance system of such corporations is also expanding and diversifying. The quality of management determines the long-term competitiveness of companies of any size and type of activity. The quality of management of companies helps them to successfully implement their long-term economic activities. The quality of management is the area of responsibility of owners and managers. In some cases, this task is assigned to departments related to strategy, business process optimization or organizational development⁸

Management quality assessment is also carried out by specialists, consultants, as well as some employees of the company who have development plans in the field of management.

Companies must manage their long-term competitiveness, but if the quality of management is poor, this task becomes impossible. If there is no strategic management system, it is doubtful that the company will be able to create a complete strategy and implement it effectively. For this reason, many companies live without a strategy and until unknown shifts in the economy or consumer behavior put the company on the verge of extinction.

The corporate governance system of the Republic of Uzbekistan is similar in form to the German model. This similarity is manifested in such things as a two-tier board, the leadership of the banking system in financing. At the same time, there are also specific aspects of the national corporate governance system. For example, in the corporate structures of our country, workers and employees are not allowed to nominate candidates for or participate in the Supervisory Board. At the same time, 50% of the supervisory boards of large German corporations are made up of representatives of workers and employees. Also, in the corporate financial market of our republic, the ability of issuers to attract financial resources through corporate bonds is limited. To a certain extent, this is due to the significant complexity and difficulty of the conditions for issuing corporate bonds, but on the other hand, there are also institutional problems such as the underdevelopment of the secondary market, low liquidity of the stock market and the absence of market makers to ensure it, which ultimately reduces the possibility of using the best practices of the Anglo-Saxon model based on the stock market. Based on the research conducted, it is difficult to say that a particular system or model of corporate governance has absolute advantages. Because each model of corporate governance has sufficient conditions for effective operation in any field, and modern assessment criteria and experimental practices have been established to assess their effective operation. Also, despite the various differences in national and global corporate structures, it is advisable to use global experiences and criteria in creating national corporate

⁸. Yuldashova G. ASSESSMENT OF THE QUALITY OF CORPORATE GOVERNANCE - A CRITERION OF EFFICIENCY
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governance criteria, that is, to effectively use global experiences and principles in developing our national governance code.

2.2-jadval Development indicators of chemical production in our republic⁹

Indicators	Years					Change in 2023 compared to 2019
	2019	2020	2021	2022	2023	
Industrial output, billion soums	322535,8	368740,2	451633,9	553265,0	658991,7	336455,9 billion soums
Growth in industrial production, %	105	100,9	108,7	105,7	106	1%
<i>Production of chemical products, billion soums</i>	18974,3	21213,5	27577,9	33639,5	33838	14863,7 billion soums
<i>Growth in chemical production, %</i>	102,3	107,6	105,7	98,1	98	1,1%
<i>The share of chemical products in industrial products, %</i>	7,4	6,9	7,4	7,7	7,9	0,5 %

Based on the results of the analysis, it can be noted that the widespread implementation of improving the quality of the corporate governance system is contributing to an increase in the growth rates of product production in the industry. We can also see that there is a connection between the volume of production of basic products in the chemical industry and their sustainability and the measures taken to implement corporate governance.

Conclusions and Suggestions

The quality of the corporate governance system is mainly determined by the functions performed by the elements of the system. The quality of corporate governance processes is characterized by a measure of convergence to the main goal of the company. Factors affecting the quality of the corporate governance system of chemical industry companies included in the organizational structure of Uzkiymosanoat JSC and the joint-stock company are the reduction of production costs and the introduction of modern technologies and equipment that save energy and resources.

The widespread introduction of the mechanism for improving the quality of the corporate governance system will help increase the growth rates of product production in the chemical industry. It can also be seen that there is a connection between the volume of production of basic products in the chemical industry and the measures taken to implement corporate governance.

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