



## IMPROVING THE METHODS OF EVALUATING THE EFFICIENCY OF CORPORATE MANAGEMENT

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**ABSTRACT:** - In this article, the principles of the development of the financial management system of enterprises are highlighted and analyzed, and based on the latest changes and the implementation of the current reform program, the application of the corporate management system to joint-stock companies of Uzbekistan, the analysis of compliance with the global principles of current corporate management and creating a national corporate governance system.

**KEYWORDS:** Joint-stock company, strategic management, evaluation, method, corporate management, corporation.

### INTRODUCTION

Currently, there is a rapid development in the field of corporate governance on a global scale. The main goal of 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- It is not a secret to anyone today that it is the creation of self-governing private economic units. The success of such economic reforms implemented in our country depends to a large extent on the

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effective reactivation of expropriated properties, establishment of joint ventures, transformation of enterprises into joint-stock companies, especially the development of small and private entrepreneurship. According to the first point of view, corporation means any joint stock company (JSC). Today, about 31 thousand open joint-stock companies (OJSC) operate in the Russian Federation, which requires the creation and correction of an effective corporate governance mechanism. From another point of view, a corporation is any organization that meets the characteristics of corporate identity, which include:

- 1) structurally complex property complex;
- 2) complex organizational structure of management (several legal entities and individuals, including banks and/or other financial institutions);
- 3) a high level of diversification (the organization works in at least five sectors/fields of activity);
- 4) presence of headquarters (main organization) and branches/representative offices abroad;
- 5) international employees;
- 6) the number of employees in the main organization is at least 1000 people;
- 7) implementation of online business support;
- 8) the share of export business operations in the organization's income is at least 30%;
- 9) preparation of financial reports in accordance with international standards;
- 10) implementation of business and emission activities;
- 11) quotation of shares in the market (listing);
- 12) compliance with "soft legislation" (corporate codes of conduct, etc.);

13) the organization's contribution to the country's gross domestic product (GDP) is at least 0.5-1 percent;

14) business transparency, i.e. financial and information openness of the organization;

15) the presence of a consolidated report, but not to determine the taxable base, but to have a general idea of the work of the entire organization.

In the Republic of Uzbekistan, a number of scientists [Sh. Zaynutdinov, D. Suyunov], B. Berkinov, M. Khamidulin, N. Rasulov have researched the theoretical and methodological foundations of some aspects of the corporate management system. In particular, in the research conducted by MB Khamidulin on corporate management, Corporate management is the definition, definition and strategic decision-making of the owners of the corporation aimed at forming the capital of the corporation, using it more effectively for the purpose of profiting, and the fair distribution of the received income among all participants of corporate relations. is a conscious, direct participation in ensuring a permanent and real impact on acceptance". According to DK Suyunov, one of our economists, "Corporate management is a set of actions to achieve the goals of the company based on 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." A method is a way of doing research or making an impact. From the point of view of research, the method means the methods used in the process of studying the object of management. Management methods are methods of influencing employees and production teams as a whole, and these methods involve harmonizing the activities of these employees and teams in the process of achieving the set goals.

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The economic nature of corporate governance has been studied for many years, and one can witness the diversity of researchers' opinions in this regard. "Corporate management is the conscious and real influence of the owners of the corporation on the determination, definition and adoption of important strategic decisions aimed at the formation of the capital of the corporation, its more effective use for profit purposes and the fair distribution of the received income among all participants of corporate relations. , is a direct participation", it is explained. Corporations as an organizational legal form are not widely used in all countries, including Uzbekistan. From this point of view, it is represented by the concept of corporate structure, summarizing corporations, companies, joint-stock companies, limited liability companies, etc. The need for further development of corporate management is related to the possibility of achieving positive results with its help:

- increasing the investment attractiveness of the company;
- attracting investors ready for long-term investment of financial resources;
- increase the efficiency of activity;

reducing the cost of obtaining bank loans;

- increase the market value of the enterprise;
- facilitating access to capital markets;
- improve the company's image and reputation.

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%. The problem of "corporate management" began to gain

urgent importance in Uzbekistan, especially since the second half of the 90s of the last century. Global processes, in particular, the growth of interest in corporate governance in the USA and other countries in the 1980s (as a reaction against the inadvertent acquisition of controlling stakes at a time when institutional investors became stronger), the global financial crisis of 1997-1998 and developing countries the problems of corporations have become extrinsic motivations to do so. In 1999, the signing of the Organization for Economic Co-operation and Development Principles of Corporate Governance led to the generalization of the experiences of the member countries of the Organization for Economic Co-operation and Development in this regard. The principles themselves have become a set of potential models and guidelines for countries with economies in transition. The main indicator of corporate governance that a company should strive for is the effectiveness of corporate governance. According to the definition of the World Bank, the characteristics of effective corporate governance are:

- "transparency";
- disclosure of financial and other information about the company's activities;
- processes of internal control over management activities; .to protect and ensure the rights of all shareholders;
- independence of directors in determining the company's strategy, approving business plans, making other important decisions, appointing managers, monitoring their activities, dismissing managers if necessary. The Organization for Economic Co-operation and Development distinguishes the following aspects of effective corporate governance: integrity, confidence of investors in the protection of their funds;

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"transparency" timely disclosure of reliable and complete information about the company's own financial situation;

accountability - managers report to company owners;

- responsibility for compliance with laws and ethical standards of the company. The result of effective corporate governance is manifested both locally and globally: effective corporate governance at the company level ensures that the company maximizes profits while protecting the interests of shareholders and all stakeholders; effective corporate governance at the state level serves the development of the private sector, the stock market and the entire economy.

The corporate management system in joint-stock companies in our country is being evaluated on the basis of a questionnaire consisting of one hundred questions, which was approved on July 25, 2016 by the State Competition Committee of the Republic of Uzbekistan and the Scientific and Educational Center of Corporate Management and is divided into 9 evaluation directions. The evaluation directions are as follows: 1. Evaluation of the preparation process for the introduction of the corporate governance code.

2. Assessment of compliance with the recommendations of the Code. 3. Assessing the compliance of the JSC organizational structure. 4. Evaluation of the conduct of the competition. 5. Evaluation of the transition to publication in accordance with MHXS and XAS. 6. Evaluation of the introduction of modern management systems (ISO, ERP, ITTKI, etc.). 7. Evaluation of information policy. 8. Evaluation of financial results. 9. Evaluation of other areas of JSC activity.

The main tasks of corporate management are as follows: - controlling the current financial

and economic activities of the corporate structure; protection of rights and legal interests of shareholders (including minority shareholders); - maximization of business value by increasing the investment attractiveness of joint-stock companies; - control over defining development strategies and their implementation, etc. The historical development of corporate management also served the formation of corporate management theories. Such theories are: - theory of shareholders; - theory of agency; - theory of contracts; - theory of interested parties; - the theory of corporate social responsibility. Currently, two groups of methods of evaluating corporate management are used. Methods of using management criteria (ratings, monitoring systems); methods using economic criteria (economic potential and efficiency results are evaluated). serves as an indicator of the level of relevant risks for creditors and partners. The corporate governance rating is used by the board of directors and company management to objectively assess the level of corporate governance effectiveness. A high rating of corporate governance or its positive dynamics always has a positive effect on the financial result, capitalization of the organization and its value.

## **CONCLUSION**

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 activities, 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. in order to increase the attractiveness of future investors and create

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favorable conditions for the management of enterprises: to ensure their openness for joint-stock companies, to strengthen the role of shareholders in the modern corporate management strategy. The origin and development stages of corporate structures covering several periods, is improving year by year. 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.

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