

ASSESSMENT OF THE EFFICIENCY OF CORPORATE MANAGEMENT IN JOINT STOCK COMPANIES

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Annotation: Increasing the investment attractiveness of joint-stock companies and ensuring high rates of national economic growth by attracting foreign strategic investors has led to increased attention to the quality and efficiency of corporate management. At the moment, as the operation of a joint-stock company in our country requires the participation of foreign investors, it is important to introduce modern methods of corporate management, prepare financial reports based on international standard requirements, ensure and control management efficiency, correctly formulate the dividend policy and ensure high income for shareholders. It is not difficult to imagine.

Key words: Corporate Management.

For this reason, the extent to which corporate governance is implemented in investee companies and its effectiveness are increasingly important when making investment decisions. In a similar way, the criteria and methods for evaluating and diagnosing the effectiveness of the corporate management system of companies are also improving. This, in turn, is the reason for the formation of a strong competitive environment among rating agencies in terms of developing services for determining company ratings on corporate governance.

Evaluation of the effectiveness of the corporate management system of joint-stock companies in Uzbekistan is carried out in 2016 on the basis of a special questionnaire developed and approved by the State Committee for Assistance to Privatized Enterprises and Development of Competition of the Republic of Uzbekistan and the Scientific and Educational Center of Corporate Management. In accordance with the recommendations of the Corporate Governance Code, the management bodies of the joint-stock company link the amount of remuneration of the members of the supervisory board with the financial results of the joint-stock company and the results of an independent evaluation of the corporate management system.

According to our analysis, the following problems remain in evaluating the effectiveness of the corporate management system of the joint-stock companies of our republic based on the questionnaire mentioned above:

1. Failure to provide an explanation of cases of non-compliance with the recommendations of the Corporate Governance Code and to publish them on the company's web page or on the single portal of corporate information (www.openinfo.uz). Accepting code recommendations as a "condition" in most societies, not disclosing cases of non-compliance, indicates a lack of understanding of the principle of "comply or explain" or a lack of qualifications and skills of employees responsible for the openness of corporate information.
2. Problems in ensuring publication of information related to mandatory disclosure in the state language, Russian and English languages on the website of the joint-stock company or other

sources provided for by law. In most joint-stock companies, the ability to provide high-quality translation of published information in three languages remains limited. It is noteworthy that in strategically important companies with 100% state-owned ordinary shares, the preparation and publication of information in three languages is considered important for achieving high scores in the independent assessment of the corporate governance system. However, companies whose shares are not intended to be sold to foreign investors have to pay certain costs for publishing information in English.

Table 1 The structure of the corporate governance rating index

Category	<i>The state share was 100 percent enterprises (%)</i>		<i>The state share is 100 percent enterprises without (%)</i>	
	Weight (%)	Number of questions	Weight (%)	Number of questions
<i>1. Directors the role of the board</i>	30	22	25	22
<i>2. Transparency and information openness</i>	30	18	25	19
<i>3. Audit</i>	30	24	20	20
<i>4. Stakeholders and corporate citizenship</i>	10	8	10	8
<i>5. To shareholders equal treatment To shareholders equal treatment</i>	0	0	20	15
<i>Total</i>	100	72	100	84

Source: Compiled by the authors based on data from the Asian Development Bank.

Based on the research, it is appropriate to note that in the development of the corporate management system of joint-stock companies in our country, attention and demand for the openness of corporate information is increasing.

In our opinion, we consider it appropriate to introduce the following scientific proposals and practical recommendations to improve the efficiency of the corporate management system and improve its assessment:

First of all, it is necessary to completely exclude the questions on the evaluation of the preparatory processes for the introduction of the Corporate Governance Code from the questionnaire on the evaluation of the corporate governance system in joint-stock companies. According to our analysis, since 2016, the scores of joint-stock companies on these questions have remained unchanged. Of course, at the initial stage, understanding the nature of the code's recommendations and preparing for its implementation are of high importance. However, it is now more important to fully cover the implementation of the Code's recommendations than to prepare for its implementation.

Secondly, to be able to fully assess the level of compliance with the recommendations of the corporate governance code, it is necessary to ensure that the recommendations of the code are included in the questionnaire. For example, joint-stock companies are limited to reflect the recommendations of the code in the documents, in practice, the governing bodies do not care enough about the exact mechanisms of implementation of these recommendations. Therefore, in accordance with the recommendations of the Corporate Governance Code, in the regulations on the

general meeting of shareholders, before the general meeting is held, to provide shareholders with the necessary information on the agenda, including the position of the supervisory board on the issue on the agenda of the general meeting; despite the fact that a separate internal document of the joint-stock company provides for the possibility of concluding a joint stock agreement for shareholders, including minority shareholders, in order to form their joint position in voting, in practice, clear and effective mechanisms for the implementation of the above-mentioned recommendations have not been developed. Employees of joint-stock companies responsible for corporate management are trying to maximize the score determined only on the effectiveness of corporate management with excuses such as "execution is not indicated in the questionnaire", "recommendations are included in the documents". This requires systematic revision and improvement of this questionnaire.

Thirdly, the number of independent members should be set at no less than 15% of the number of members of the supervisory board determined by the charter of the company, and only those candidates who meet the criteria for determining the independent member should be voted in their election. That is, even if the election for independent members seems to be organized separately, it is carried out according to the established procedure for the election of the members of the supervisory board.

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