PECULIARITIES OF IMPROVING CORPORATE GOVERNANCE IN JOINT STOCK COMPANIES

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Abstract: *This article discusses the essence of the corporate structure and activities of joint stock companies, increasing efficiency, introducing modern methods of corporate governance in their management, increasing the investment attractiveness of enterprises and thereby expanding foreign investment, creating a corporate governance system and improving this system.*

Key words: *joint stock company, corporate governance, investment, dividends, supervisory board.*

The deep reforms taking place in the economy of Uzbekistan not only signify the process of global political, social and economic reconstruction at the national level, but also require a radical renewal of internal management systems within each enterprise.

Today, a number of measures are being taken in the country to increase the efficiency of joint-stock companies, the introduction of modern methods of corporate governance in their management, increase the investment attractiveness of enterprises and thereby expand the attraction of foreign investment.

It is known that business organizations with different forms of management in the economy operate side by side. Among them, the management system of corporate-managed structures is much more complex and more noteworthy. It should be noted that the effective functioning of corporate governance structures, the fullness of the interests of their shareholders, investment attractiveness, the absence of financial crisis largely depends on the existing corporate governance system in the enterprise. Therefore, in the context of modernization of the economy, one of the most important tasks is the organization of corporate governance in enterprises and scientific research on ways to improve this system.

Improving corporate governance is part of the process of reforming the Uzbek economy, which is to protect private property, ensure the interests and rights of shareholders, create conditions for the formation of attractive, competitive national corporations with a special economic role in the country.

Today, the concept of "corporation" is a common term and is widely used in economic processes. The formation of scientific and theoretical approaches to "corporate governance" coincided with the development of corporations. Several approaches are distinguished in corporate governance theory: on the one hand, corporate governance theory develops along the evolution of economic theories, and on the other hand, the evolution of corporate governance theories is equated with the development of concepts to solve problems between key participants in corporate relations.

In modern conditions, the corporation associated with the joint-stock company of many individuals is the most common and important form of large business. The word "corporation"

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(latin corporatio) means union, society, union. Although corporations first emerged in the Middle Ages, in the present sense, this concept represents the optimal form of organizing the production of large-scale goods and services in a market economy. It should be noted that the role of corporations in the economy of any state is not uniformly evaluated in the scientific literature. Some researchers view corporations as the foundation of the economy, which determines the proportions and main directions of economic development. Other researchers, on the other hand, hold the opposite view, arguing that the shortcomings of large firms outweigh their advantages and thus harm the economy.

The term corporate governance itself originated historically in the mid-1970s in the United States. Later, the term became widespread in Europe, where research was continued in the areas of corporate management, corporate law, and the creation of corporate structures. Our research shows that the term corporate governance was first used by R.Ills [1] to describe the essence of corporate structure and activities.

The system of corporate relations as a process of applying corporate and private property management has been studied in the classic works of the American jurist A.Burley and economist G.Minz. [2] Although the term corporate governance is not mentioned in their work, they have studied the relationship between corporate governors - principals (outsiders, investors) and representatives - agents (insiders, managers).

In this regard, it is worth noting that the concept of corporate enterprise has a specific meaning. According to sources, a corporate enterprise is an enterprise based on the membership of its founders, participants, regardless of its organizational structure. In our opinion, such a definition, while reflecting the general aspects of this concept, cannot express its full meaning. It is expedient to define a corporate enterprise as follows: a corporate enterprise is an economic entity that ensures the harmonization of the interests of the parties involved in the effective organization of economic activity, with the separation of ownership and management of property. [3] In explaining the essence of the concept of corporate governance, as discussed above, despite the existence of different interpretations, the following definitions are most commonly used in practice.

For example, according to IA. Khrabrov, corporate governance is the organizational and legal formalization of business, optimization of the organizational structure, the establishment of relationships within the organization in accordance with the goals of the company.[4]

S. Karnaukhov defines corporate governance as the management of a certain set of synergistic effects. [5] However, in our view, these definitions apply to the results of the use of corporate forms of business and do not fully reveal the nature of the immediate problem.

The next approach is one of the most widely used approaches today, based on the separate separation of owners and management institutions as a result of the use of corporate forms of business. The main focus is on protecting the interests of participants in corporate relations from the inefficient activities of managers, including the protection of the interests of property owners-shareholders. In other approaches, corporate governance is defined as the protection of the interests of creditors who form a group of financial investors along with shareholders.

It is known that shareholders are the sources of the financial base necessary for the formation of corporate governance. Their interest in corporate governance is to receive dividends or a certain amount of profit by increasing the value of their shares in the corporation. Lenders are also financial investors who, unlike shareholders who are interested in increasing the value and profitability of a

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corporation, are interested in the stability of the corporation's financial position in order to obtain a guaranteed return.

Not only financial but also non-financial investors are interested in the corporation's activities. Most economists consider the following as non-financial investors:

- employees of the corporation;
- partners of the corporation;
- society (state, consumers, etc.).

Based on these considerations, corporate governance as a broader definition of corporate governance is defined as the protection of the interests of both financial (shareholders and creditors) and non-financial investors (employees, government, partners, etc.) and the achievement of corporate goals based on certain management principles. we recommend defining it as a set of actions.

In our opinion, today it is expedient to consider such relations between the corporation and its partners as internal relations rather than external relations of the corporation, and the interests of the product supplier are represented as the interests of a separate internal structure of the corporation.

An analysis of the economic literature shows that economists today have different views on business associations that are part of a group of corporations. The study analyzed the economic literature and categorized the types and forms of corporate governance as follows (Table 1).

Table 1

Classification of corporate governance

	Classification marks	Types of corporate governance
	According to the applied model	1.Anglo-American corporate governance. 2.German corporate governance. 3.Japanese corporate governance. 4.National corporate governance model of Uzbekistan
	According to the form of ownership of the organization	1.Corporate governance in joint-stock companies. 2.Corporate governance in equity-based organizations. 3.Corporate governance in non-profit organizations. 4.Corporate governance in state-owned organizations
	According to the hierarchy of management	1.One-tier corporate governance. 2.Two-tier corporate governance.
	According to the orientation of the system	1.Stock market-oriented corporate governance. 2.Bank-oriented corporate governance. 3.Corporate governance focused on public activities
	In terms of participation in the management system	1.Insider systemic corporate governance. 2.Outsider systemic corporate governance.
	On the concentration of ownership	1.Corporate governance in a company with a concentrated ownership. 2. Corporate governance in a property-dispersed company.
	In the direction of	1.Corporate governance focused on the interests of

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	interests	shareholders. 2.Corporate governance in the public interest. 3.Corporate governance in the interests of the corporation. 4.Corporate governance in the interests of the state.
	According to the scope of management	1.Corporate governance within the company. 2.Inter-company corporate governance.

As a result of the study and scientific generalization of scientific-theoretical approaches to corporate governance, which allowed the formation and development of corporate governance, there is no single approach to corporate governance and they are still evolving, as well as different economic, financial, legal, political, sociological and psychological considerations must be relied upon.

Thus, corporate governance is a method of interaction between the owners selected by the company, the Supervisory Board and management, a system that ensures a fair distribution of the results of the company's activities among shareholders, as well as other financial stakeholders. Also, corporate governance is a process of striking a balance between the economic and social goals of a corporation, between individual, group and social interests. In other words, it is the formation of a system of managerial relations between cooperative economic units in order to harmonize their interests.

In short, it is less accurate to link the content of corporate governance to the solution of strategic problems of corporate development; it can and is done at the operational management level, for example, in the context of the corporation's response to minority shareholder claims, the corporation's executive board's response to shareholder appeals, and so on. Corporate governance is one of the current areas of management of modern joint-stock companies, which allows to achieve additional competitive advantages by ensuring a balance of interests of different groups involved in the development of the corporation and, on this basis, increase financial and economic, and ultimately social efficiency.

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