

USE OF ADVANCED PRACTICES IN THE CORPORATE GOVERNANCE SYSTEM OF DEVELOPED COUNTRIES

Ziyaeva Shahlo Shoakbarning qizi
the Teacher of the Department Tashkent Financial
Institute "Management and Marketing"

ABSTRACT

Certain tasks for the implementation of the principles of corporate management, developed and established by the World Economic Action, depend on the composition of ownership relations and forms of economic management in the corporate sector of the national economy. Therefore, it is explained in the article that it is necessary to adapt these principles and methods to the macro-economic situation and certain socio-economic conditions of the country.

Keywords: corporate management, experience, ownership, corporation, centralized management.

The corporate form of organizing business activity is widespread in economically developed countries and is an integral element of the economy of these countries. Accordingly, the existence of an effective corporate management system is one of the important tasks.

development strategy of the new Uzbekistan for 2022-2026, according to the goal of rapid development of the national economy and ensuring high growth rates, by ensuring stable high growth rates in economic sectors, in the next five years, the gross domestic product per capita - 1.6 times and by 2030 increase of per capita income from 4 thousand US dollars and "income the ground has been created to join the ranks of "above average countries".¹

The action strategy of the President of the Republic of Uzbekistan Sh. Mirziyoyev for the years 2017-2021 is important for the development strategy and effective management of joint-stock companies. In the action strategy "Priority directions of economic development and liberalization", the processes of developing the activities of joint-stock companies and organizing effective management include "introduction of modern standard principles and methods of corporate management, strengthening the role of shareholders in the strategic management of enterprises" is considered²

2015 of the President of the Republic of Uzbekistan in order to create favorable conditions for attracting foreign direct investment to the economy, fundamentally improving the efficiency of joint-stock companies, ensuring their openness and attractiveness for future investors, introducing modern corporate management methods, and strengthening the role of shareholders in the strategic management of enterprises. The adoption of Decree No. PF-4720 on April 24 "On measures to introduce modern corporate management methods in joint-stock companies" was an important fact. Adoption of the decree puts on the agenda the work of further improvement of legal norms aimed at wide involvement of foreign investment and managers in joint-stock companies, organization of corporate management in this direction, creation of favorable conditions.

¹28.01.2022 No. PF-60

² Appendix 1 of the Decree of the President of the Republic of Uzbekistan No. 4947 dated February 7, 2017 "In 2017-2021 Strategy of actions on five priority areas of development of the Republic of Uzbekistan". [www . lex . uz](http://www.lex.uz) .

Corporate management system economy host subject as is a form of activity characteristic of free market , to it has been scientific research , industrial development _ _ of countries an important role in social development played ak ts talent as societies emerge and develop it 's good .

International experience shows that ownership relations in the form of shareholding based on the principles of corporate governance are considered one of the main aspects of effective economic management in developed countries.³

If we analyze the foreign experiences in this regard, it is now period developed in the states corporate management ng , basically three model applies . These are : English- American, German and Japan are models. Har one corporate head _ _ models the following requirements answer to give need:⁴

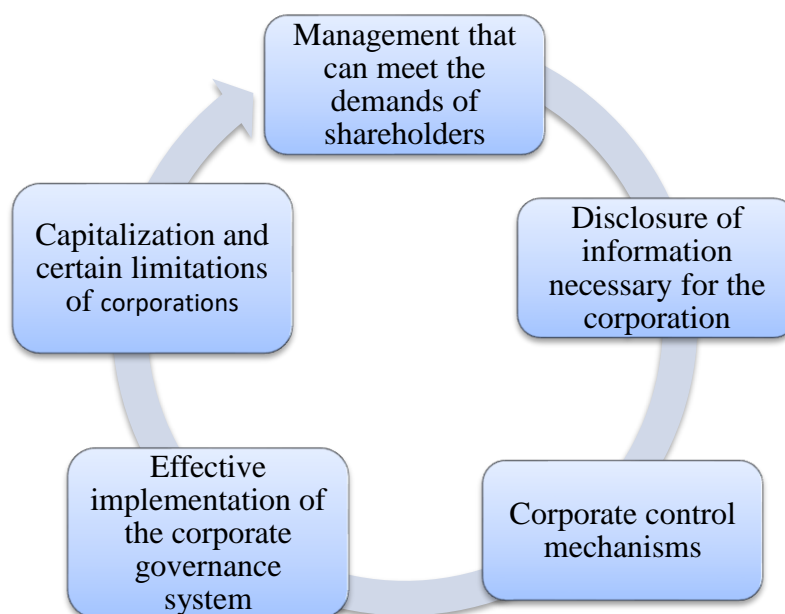


Fig. 1. Corporate _ stay cool _ placed in the models requirements⁵

Various countries surface came corporate management models from each other difference does. This situation is explained by the differences in culture, tradition, legal frameworks, economic activities and various political, economic and institutional conditions under which these models are formed. Anglo -American corporate governance is widespread in the United States, England, New Zealand, Canada and other countries, which are mainly composed of individual, independent, external shareholders who are not subordinate to corporations. The relationship between them is formed on the basis of laws and represents the relationship between the corporation and shareholders or the general meeting of shareholders through simple mechanisms between the managing director and shareholders , who participate in the main management of the joint-stock company . Actualization of the production process represents the process of initial accumulation of capital.

³Mirza and A. " Corporate management in joint-stock companies. " "Market, money and credit". 2005. Page 66.

⁴Mansurov O.B. "Corporate management in the market economy." Tashkent. Finance., 2008.-117 p.

⁵Developed by the author.

The Anglo -American corporate governance model consists of participants, managers, directors, shareholders (institutional investors , government agencies , stock exchanges, self-management organizations, consulting services). Corporate governance is coordinated through mechanisms between these three entities. The Anglo -American corporate model is a model developed in a liberalized market economy that operates through distribution and control in large corporate organizations. The legal feature of corporate management is that when investors invest their money in corporate management , they are not legally responsible for the activities of the corporation, because they entrust the management of the corporation to managers and they act as agents of investors for a certain fee. Under American law, any corporation must meet the following criteria:⁶

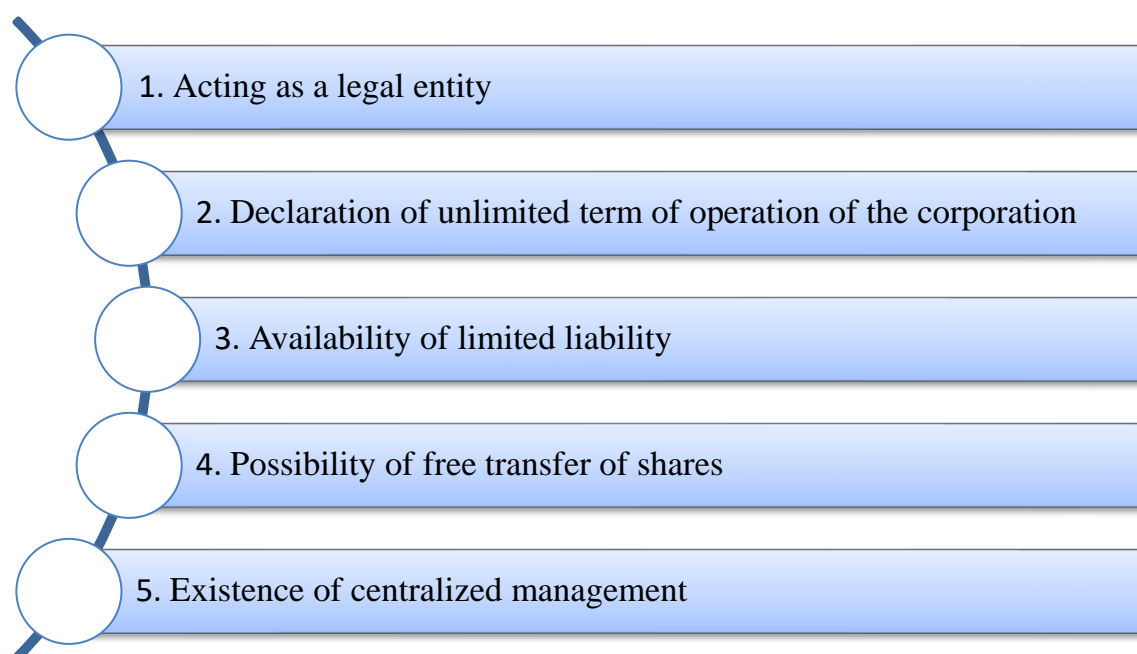


Fig. 2. Standards of American corporations.⁷

of institutional investors in corporate management led them to serious changes in the relationship of the corporation 's activities, to increase their activity in the formation and improvement of corporate relations. The board of directors of corporations in England and the USA usually consists of its internal members (insiders) and external independent representatives (outsiders) . In our opinion, the appointment of the head of management in this case leads to abuse of office . However, in 75% of the 500 largest corporations in the US , management was in a leadership position.⁸

Currently, one-level (unitary) or two-level organization of the board of directors is accepted, depending on the model of corporate governance. English-American corporation in the model to the activity of directors unitary council leadership does. In the United States, state corporation laws do not distinguish between the management and oversight functions of the board of directors, they only define the responsibility of the board of directors for the general affairs of

⁶Mazur I.I., Shapiro V.D., Olderojje N. G. _ i dr. "Corporate management." M.: Vysshaya shkola, 2003. 53 p.

⁷Developed by the author.

⁸Mansurov O.B. "Corporate management in market economy conditions." Tashkent. Finance., 2008.-119 p.

the corporation. The decision to divide the functions of board members between executive and independent directors (that is, directors representing the interests of the company and independent directors invited from outside) is taken by the company's shareholders or decided by the members of the board of directors and managers.

The Anglo-American model of a balanced system of corporate governance operates in a less developed and relatively stable external environment. The external environment forms the mechanism of disciplining influence on the corporation, first of all, the influence of commodity and financial markets. Market institutions, for example, corporate management quality independent ratings like his own discipline mechanisms uses Also, regulatory bodies and the business culture of the country also play the role of disciplining.

In Europe , the German model of corporate governance dominates. In this model, the banking system is the financial foundation of large and medium-sized corporations , and the role of individual shareholders is not so great . Banks here play the role of creditors, shareholders , investment banks and a member of the board of directors performing supervisory functions.

aims to establish long-term investment relations between the financial and industrial sectors . This situation allows Germany's main banks to have a large share of votes in public corporations . Since the supervisory board performs the control function over the board of managers , only independent directors are its members. The composition of this board is not determined by the charters of corporations , but by laws. Many Supervisory boards of open German corporations include representatives of shareholders and employees, as well as representatives of banks, as well as large suppliers of goods . (buyers) and public representatives. A characteristic feature of the German system of corporate governance is that the employees of the corporation have a relatively dominant position in the supervisory board .



Figure 3. Composition of the supervisory board of German corporations ⁹.

Another important aspect of the German model is the high concentration of equity capital . The primacy of public interest over private interest makes the goal of profit maximization secondary . Therefore, it depends on the short - term results of the corporations big no importance is given.

⁹ Developed by the author.

Although there are only two unitary and two-tier models, the American and German systems do not represent all possible types of board of directors organization. They represent the opposite points of the range of numerous and different forms of organization of corporate governance.

Corporate governance in Germany differs from corporate governance in Japan in that some operations of corporations are linked to the parent bank. In terms of organization, corporations in Germany differ from shareholder ownership in other countries in Europe with a higher share of bank and financial institutions in shareholder ownership. That is, the main package of shares belongs to banks and financial organizations. For example, two-thirds of large firms in Germany are mainly large banks.¹⁰ Indeed, of production enterprises banks with mutually relationship of the state commodity work to the producers equal to economic conditions in creation again one important condition is considered. In order to survive in the emerging competitive environment, every enterprise must have a source of financing and credit. If there is no interest in the banking sector to invest its own capital in production, then it is impossible to provide financial support for the newly emerging competitive environment in the production sector.¹¹

In Japan, where the third model applies, the structure of the board of directors is mainly copied from the American model. In practice, about 80% of Japanese public joint-stock companies do not have independent directors on their boards, and the boards themselves, like in Germany, represent the interests of the company and its main stakeholders. In this case, two characteristic features of the German model - the representation of employees and the participation of representatives of banks - are not present here. Almost all members of the board of directors of Japanese companies are representatives of the top level of management or former managers.

The Japanese model is characterized by its focus on long-term investment in industry and the close links between the industrial and financial sectors. In this respect, it is somewhat similar to the German model.

The tendency to group is a characteristic feature of the Japanese model. Economic units are linked together through comprehensive ownership of shares, forming corporate groups ("keiretsu"). Business entities that are part of the group are not subordinated only to external investors, but also to banks that are not part of the group. The mechanism of capital mobilization in each group is carried out on a collective basis through the group bank.

Japan's post-World War II experience has shown that corporate relations cannot be built solely on the basis of formal legal requirements. Legally, the American model has been adopted in this country, that is, the range of participants of the corporation is limited to shareholders only. However, as a result of the real practice of business life allowing Japanese entrepreneurs to adapt this model to their activities, a new model of corporate management was formed that meets the specific characteristics of the Japanese nation.

In Sweden, a European country unitary councils system activity shows (i.e. observation council separately structure as not separated), but his american option different respectively, here

¹⁰Kanlan S. Mission Appointment of Outsiders to Vanonese Bogrds: Determionants and Impeachment for Managers // Journal of Financial Economics 1994-P. 225-257.

¹¹Bobobekova D. " Competition environment development ways " // Economy and education no 3.-T.: TDIU, 2005. -31 p.

directors in the council company level of servants " house q ". representatives participate __ the law with is set . Such a situation, to a large extent, reflects the general socio-economic system of "Swedish tsialism" .

in Holland two council system wide spread, but n different in Germany like , here servants absolutely independent from the directors organize found observation to the councils not included. It should also be noted that the formation of corporate governance in transition economies is greatly influenced by the privatization models implemented in these countries.

in Russia the law documents of directors unitary council both two stepped the system too formation as well this the possibility of combining systems gives For example, the law allows company managers to form a board of directors, and at the same time, a collegial executive body in such a company is defined by its characteristics, as well as by the lack of well-defined ownership and management functions.

Corporate Management is different countries different in the form to be mechanisms from the features one corporate subjects ng second corporate subjects by adding is taken. In the theories of corporate management , approaches have been developed from the point of view of acquiring more corporate entities in order to increase their efficiency . Mergers of corporate entities are usually manifested by the dismissal of the managers of the merging corporation . In US corporations, takeover risk is a factor in replacing ineffective managers.

Mergers of corporations are limited in Japan. In them, intra-exchange trading is not high compared to external trading . Most firms' shares are not listed on the market. This, of course, has a negative impact on the growth of corporate control. Japan, Germany , France and in Italy Corporations __ adding get status in the USA Corporations __ adding get from the situation difference does.

This in the states corporate joining subjects ng or adding get ng levels grow go, take over all the shares in order to e mas , b alki addition of capitals as a result from him fruitful to use provide in order to or valuable papers from the market some companies ak ts iyas to buy _ with is expressed.

According to researches, corporate governance mechanisms in global operations operate on the basis of certain rules, normative documents and standards developed by regulatory state bodies, judicial bodies, and business circles themselves. Their collection forms the institutional basis of corporate governance. It can be divided into the following main elements :

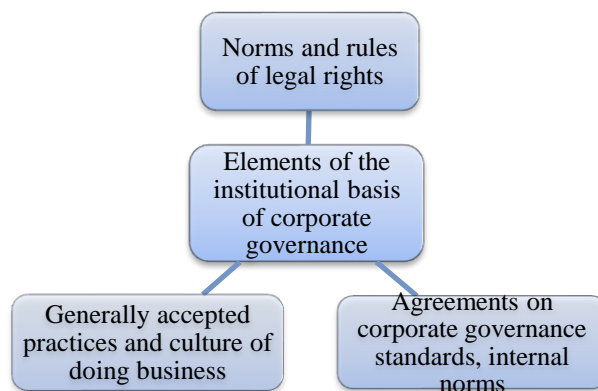


Fig. 4. Institutional basic elements of corporate governance.¹²

¹² Developed by the author.

in Uzbekistan corporate of management national model h now in the day formation stage standing, this stage for several more years continue _ _ possible Many generally accepted principles of corporate governance are reflected in national legislation . However, the practice of their implementation and traditions of corporate behavior have just begun to form . Many issues related to corporate behavior are outside the scope of the law and are ethical rather than legal in nature. Therefore, it is necessary to develop a law regulating corporate behavior and corporate culture, taking into account the foreign experience and the specific features of the national practice of corporate management. is considered appropriate. It should lay the foundation for the formation of ethical standards in the field of corporate governance and corporate culture, which will contribute to the increase of the investment attractiveness of national companies .

Corporate management of models foreign experiences _ _ learning as a result that's it to emphasize of possible models differen ts iyasini first of all seeing developed countries economic growth directions different variety with is determined. the world in the economy corporate of management he or this model of spreading main from the factors one in this world geopolitical condition and in the country formed of the model effect to do level is considered

So above _ from the ones mentioned that's it thing come it turns out today in the day corporate of management all countries and companies application for _ possible has been single strategic model available e mas. Therefore, the need to form and improve this model will always remain one of the important issues.

Market relations in developing countries that's it including in Uzbekistan too corporate management system formation different different of model elements combinatorics _ _ the way with done increase must In our opinion, the following should be taken into account in the formation and improvement of the Uzbek model :

Based on the national mentality , developing a modern concept of corporate management that is compatible with the conditions of economic globalization and national characteristics ;

strengthening the importance of corporate culture and corporate control in establishing corporate relations;

b to create opportunities for highly qualified and experienced managers;

the clarity of the news is clear and completeness , ensuring full awareness of the company's activities to the shareholders .

Summary by doing to say It is possible to operate a national company directions programming, its strategic management and planning to the goal according to organize _ _ and this about advanced abroad from experiences wide comprehensive use corporate It remains one of the most urgent issues in increasing the effectiveness of introducing strategic management methods in the management system .

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