

DEVELOPMENT OF THE ECONOMIC MECHANISM CORPORATE GOVERNANCE

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ABSTRACT

The article analyzes the developed methodological approach to increasing the cost enterprises, allowing to take into account the characteristics of the enterprise, the general economic situation, and the interests of the user by changing and streamlining indicators in the cost model.

KEYWORDS: Financial performance, corporate governance, capitalization growth, investment attractiveness.

INTRODUCTION

Currently, many Uzbek enterprises have reached a stage of development at which insufficient attention to corporate governance issues may result in weakening their competitive positions. The existence of an effective corporate governance system becomes the basis for improving financial performance, improving the quality of management decisions, and achieving a balance of interests of various groups of participants in corporate relations. At the same time, coordinating the economic interests of all subjects of relations is one of the main tasks. At the same time, in the process of managing enterprises after their corporatization, numerous contradictions arise between the interests of owners, employees and consumers. This results in a slowdown in capitalization growth and loss of investment attractiveness. The author of the dissertation considers the development of the economic mechanism of corporate governance as the most promising direction for increasing the consistency of interests of participants in corporate relations.

REVIEW OF LITERATURE

Masahiko Doki, A.V. devoted their work to the study of the search for forms and methods of corporate governance, the laws of their manifestation, the practical implementation of theoretical principles. Bandurin, VM. Bautin, B.C. Gnatko, V.V. Goncharov, MI. Knepp, A.M. Lzhin, S.A. Masyutin, D.A. Pumpysky, HELL. Radygin, I.N. Tkachenko, Yu.I. Treschevsky, And A. Khrabrova, V.I. Shein, and others. Works by Yu.P. Aniskina, A.M. Bukreeva, S.A. Zhdanov, MI. Kruglova, Yu.M. Osipova, V.N. Popova, V.F. Fillipova devoted to the study of the category of economic mechanism. The problems of equity management, hanging the value of the enterprise devoted work A.Ya. Arkatova, I.A. Blanca, I.V. Ivashovskaya, N.P. Litvinenko, S. Ross, N.B. Rudyka, M. Scott, AC. Thin, N.M. Yakupova. However, the integral theoretical and practical provisions of the formation and development of the economic mechanism of corporate governance, the issues of its comprehensive assessment and impact on the results of the operation of the enterprise have not been investigated. In the light of the foregoing, it seems relevant to conduct a study related to the scientific justification and development of practical recommendations on the formation and development of the economic mechanism of corporate governance.

THEORETICAL AND METHODOLOGICAL BASIS OF THE STUDY

The study was conducted on the basis of the works of domestic and foreign experts in the field of corporate governance and management, corporate finance, systemology and mathematical modeling of economic processes, as well as materials and recommendations from scientific and practical conferences and seminars. To solve the set tasks, methods of system research, comparative and financial analysis were used. The methodological developments are based on system, process and structural-logical approaches, methods of pair comparison, factor analysis, ranking, and rating estimation were used. In the process of work on the Research, methodological developments and materials published in the domestic and foreign press, regulatory documents, and Internet resources were used.

The analysis was carried out on the basis of statistical data, accounting and other reporting of the studied enterprises, as well as information obtained in the process of communication with the top management of the analyzed enterprises.

RESULTS

It is proved that the main goal of corporate managers is to ensure the subordination and harmonization of the interests of participants in corporate relations, the fair and equitable distribution of the results of activities between them, and increase the transparency and openness of the enterprise.

In this regard, the main objectives of corporate governance are: increasing investor confidence in the activities of enterprises, protecting shareholders' rights, improving the system of remuneration of members of management bodies and remuneration of senior management, fostering a corporate governance culture, maximizing value and increasing the competitiveness of a joint-stock company.

In the course of research, it was found that the Russian model of corporate governance is currently at the stage of its formation and is quite eclectic, since it formally contains disparate components of all traditional models. In the future, a transition to a mixed model will be made, which takes into account the balance of interests of all shareholders and other participants in the corporate process.

In the research work it is proved that the functioning of enterprises after holding corporations involves the organization of management on the basis of a single mechanism that combines elements of the economic, social, organizational, legal and political content of the corporate governance process. The components of this mechanism are manifestations of certain features of corporate governance.

So, corporate governance can be seen as the coordination of the activities of shareholders, managers, employees, creditors, authorities in the functioning of a joint stock company, that is, as an organizational mechanism.

At the same time, corporate governance is a scheme for the implementation of legislative acts on participation in joint-stock companies, this shows the features of the legal mechanism, however, the parameters established by law reflect the needs of the company, and in this sense, corporate governance can be regarded as a social mechanism. In turn, these requirements are established on the basis of economically sound decisions, and therefore, corporate governance is also an economic mechanism. In this regard, we can talk about a complex mechanism corporate governance, which is formed as a system of economic, social, organizational and legal mechanisms.

Based on the noted principles and patterns, the author has developed an economic mechanism for corporate governance (Fig. 1) in the form of an integrated system based on a combination of private mechanisms of joint-stock, motivational, regulatory and legal. A distinctive feature of the proposed mechanism is the provision of a phased implementation of the totality of work to increase the value of the enterprise and protect the interests of shareholders.

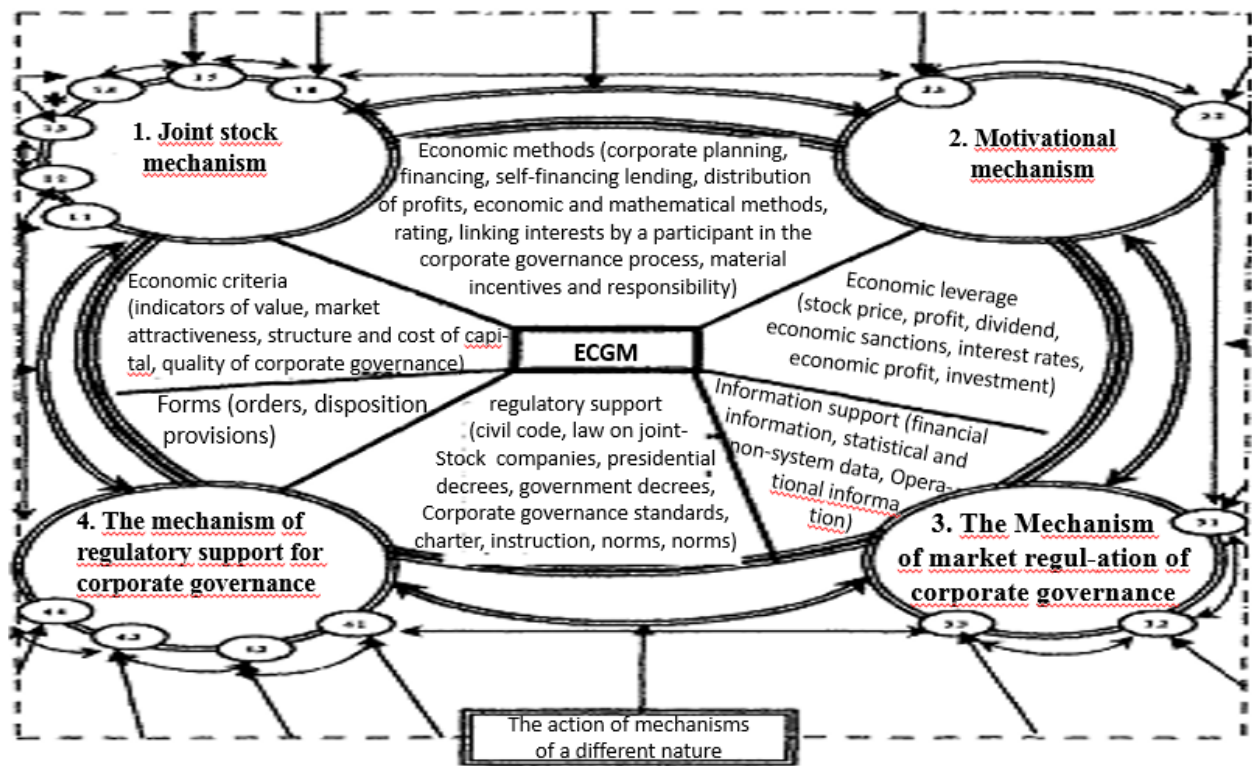


Fig. 1. Economic mechanism of corporate governance

The developed economic mechanism of corporate governance consists of the following set of main components:

1. The joint-stock mechanism, including:
 - 1.1. The accumulation and investment of capital.
 - 1.2. Determination of ownership structure.
 - 1.3. Linking the interests of shareholders.
 - 1.4. Reinvesting profits.
 - 1.5. Formation of dividend policy.
 - 1.6 Evaluation and increase the value of the enterprise.
2. The motivational mechanism, the important components of which are:
 - 2.1. Remuneration of members of the board of directors.
 - 2.2. Forms of motivation for top managers
3. The mechanism of market regulation of corporate governance, providing:
 - 3.1. The formation of the value of shares.
 - 3.2. Attraction of capital.
 - 3.3. Definition of a rating of a state of corporate governance.
4. The mechanism of regulatory support for corporate governance:
 - 4.1. Legislation
 - 4.2. Corporate Management Standards
 - 4.3. Code of Corporate Conduct
 - 4.4. Instructions, standards, guidelines and recommendations.

The main objective of the functioning of the economic mechanism of corporate governance is to balance the economic interests of all participants in corporate relations, increase the value of the enterprise and reduce the threat of opportunistic behavior. In this regard, the main objectives of this mechanism are:

- 1) coordination of economic expectations of participants in corporate relations,

- 2) maximizing the welfare of owners;
- 3) development of a methodological approach to increasing the value of the enterprise;
- 4) the formation of a motivation system for board members and senior managers.

CONCLUSION

The theoretical and practical studies of the economic mechanism of corporate governance made it possible to formulate a number of conclusions and provisions.

Corporate governance is a system of relations between the owners, the board of directors and managers of the company, as well as other interested parties, which ensures a balance of interests between them and allows you to effectively carry out the business activities of the enterprise in accordance with applicable law and international standards.

An economic mechanism of corporate governance has been developed, the distinguishing feature of which is the combination of private mechanisms — joint-stock, motivational, regulatory, ensuring the phased implementation of the totality of work to increase the value of the enterprise and protect the interests of shareholders.

A methodology for analyzing the economic mechanism of corporate governance is proposed, which is based on a system of quantitative and qualitative indicators of assessment using a mathematical method that implements the possibility of comparative analysis and determining the rating of the state of the mechanism under study.

The state of the economic mechanism of corporate governance of domestic enterprises was assessed, during which it revealed the absence of interconnections between the elements of the mechanism under consideration and the lack of development of its individual components, the development directions of this mechanism with the aim of improving it were determined.

A methodological approach to increasing the value of the enterprise has been developed, allowing to take into account the characteristics of the enterprise, the overall economic situation, the interests of the user by changing and organizing indicators in the cost model.

An algorithm for developing a dividend policy in the process of corporate governance is proposed, which includes the following main steps: choosing the type of dividend policy, conducting variant calculations to determine the distribution of net profit and the form of dividend payments, examining legal risks, evaluating the effectiveness of the dividend policy and its implementation.

A system of labor motivation for the sagans of management of a joint-stock enterprise has been developed, the difference of which is the linking of the amount of remuneration to members of the board of directors and senior management and responsibility with the results of the joint-stock company for making and implementing strategic decisions while reducing agency costs.

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