

Improving Corporate Management in Energy Enterprises Producing Electricity and Thermal Energy

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ABSTRACT

Currently, the legal basis on the generation and realization of electric and thermal energy is aimed at economic and social development; the corporate management of energy enterprises plays a key role in the economic development of the country. The purpose of the research is to improve the strategy of corporate management in energy enterprises, the main concepts of the corporate management system in joint-stock companies and limited liability companies of the energy complex of Uzbekistan are considered, the structure and characteristics of corporate management are studied, and the implementation of modern forms of corporate management in joint-stock companies, some recommendations on the development of energy enterprises are given.

There are a number of tasks in our country, such as the development of modern organizational and legal forms of management, reform of the management system in energy enterprises. In world practice, there are tasks such as normalizing the production capacities of enterprises and mitigating the causes of conflict for all participants by introducing the latest scientific achievements and introducing the methods of management that allow to maximize income. The key to solving the above problems is the correct implementation of the corporate management system in joint-stock companies¹. The scientific hypothesis of this research is that the introduction of the principles of quality corporate management allows to combine the efforts of management and executive bodies, to organize the production of new products in the development and development issues, and to improve the quality of existing ones, as well as to introduce progressive forms of management². For this purpose, general scientific methods were chosen with the research method: dialectical and systematic, rising from the abstract to concreteness, logical unity and historical, systematic approach, economic and statistical methods analysis, grouping and comparative analysis³. The main conclusion and subsequent analyzes formed in the work will not only help to improve the quality of corporate management, each

¹ Abdusaidovich K. A. Investigation of theatricalities of thefts and robberies on motor vehicles //Asian Journal of Multidimensional Research (AJMR). – 2019. – T. 8. – №. 11. – C. 109-114.

² Khakberdiev A. The concepts of criminal staging, its elements, methods of Detection and investigation N //Review of law sciences. – 2020. – T. 4. – №. 1. – C. 1.

³ Abdusaidovich K. A. The theoretical basis for the classification of criminal dramatization, methods for their identification and investigation //International Journal of Psychosocial Rehabilitation. – 2020. – T. 24. – №. 8. – C. 1930-1945.

company will not only improve its image, but will also help to increase economic efficiency and stimulate sustainable development in the future.

To date, there is no clear definition of the term corporate governance in the literature, which depends on the different views of the authors based on the nature of its emergence, the functions it performs, and the tasks of various participants of corporate governance. According to the corporate governance code approved in 2016, "corporate governance is understood as a system of mutual relations between the executive body of a joint-stock company (JSC), its supervisory board, shareholders, representatives of the labor team, and other interested parties, including creditors, effectively organizing the JSC's activities to ensure the balance of the interests of the specified persons, modernization, re-equipment of technical and technological production capacities, competitive production products and their export to foreign markets⁴.

There are a number of definitions that explain the concept of corporate governance. Definitions of corporate governance fall into two main categories. The first category - these definitions are related to corporate governance, mainly the behavior related to the group of models, that is, the actual behavior of corporations, and the interaction between the corporations and the members of the stakeholders. relations⁵. The second category includes definitions related to the legal basis. This category of joint-stock companies is more relevant to the legal framework in which they operate. Defining corporate governance more broadly suggests that it is viewed as a set of mechanisms, separating ownership from management. Thus, corporate management is viewed as a system that companies and firms use, can be controlled and managed⁶. Based on the corporate governance definition, it can be said that the purpose of good corporate governance is to maximize the contribution of the company to the economy especially for all stakeholders. In other words, the concept of corporate governance can be defined as follows: the stakeholders of the company are the relationships between creditors, the company or shareholders, and corporations. According to the Central Depository of Securities, at the beginning of 2020, 602 commercial organizations in the form of joint stock companies are operating in Uzbekistan⁷. In the modern environment, competition is increasing, as a result, constant research is being conducted to manage enterprises, new productions, tools for enterprise management and competitiveness. Among such tools, corporate governance is of particular importance⁸. The corporate management system is aimed at increasing the transparency of JSC activities, creating and maintaining reliable and effective relations with shareholders and investors. Ensuring full disclosure and transparency at a high level is one of the important priorities for AJ.

When it comes to the importance of the principles and methods of implementing corporate governance, the following positive consequences can be given:

- ✓ Increasing the attractiveness of JSC and the interest of shareholders;
- ✓ increasing the value of shares and reducing the value of the capital involved;

⁴ O'zbekiston Respublikasining "Aksiyadorlik jamiyatlari va aksiyadorlarning huquqlarini himoya qilish to'g'risida"gi O'RQ-370-son Qonuni (yangi tahriri) [Elektron manba]. URL: <https://lex.uz/docs/-2382409>

⁵ Siebens H. Concepts and working instruments for corporate governance // *Journal of Business Ethics*. – 2002. – No. 1. – p. 109. – doi : 10.1023/A:1016340219437.

⁶ Xakberdiev A. A. ARBITRATION COURT: SOME ISSUES OF LAW PROTECTION // *World Bulletin of Management and Law*. – 2021. – T. 4. – C. 9-12.

⁷ O'zbekiston Respublikasi Prezidentining 24.04.2015-yildagi "Aksiyadorlik jamiyatlarida zamonaviy korporativ boshqaruv uslublarini joriy etish chora-tadbirlari to'g'risida"gi PF-4720-son Farmoni. [Elektron manba] URL: <https://lex.uz/docs/-2635197>

⁸ Khakberdiev A. A. PROSPECTS OF IMPROVING ARBITRATION COURTS AS ONE OF THE METHODS OF ALTERNATIVE DISPUTE RESOLUTION IN UZBEKISTAN // *Web of Scientist: International Scientific Research Journal*. – 2023. – T. 4. – №. 1. – C. 77-88.

- ✓ increase in the amount of capital involved per unit of nominal value of shares;
- ✓ the possibility of saving dividends (shareholders benefit due to the increase in the exchange rate);
- ✓ increase operational efficiency and capital utilization efficiency in the interests of profitable and sustainable development of JSC and its shareholders;
- ✓ improve the reputation of the company and the country.

The results of the research in the system of the electric power complex of Uzbekistan show the official participation of the members of the supervisory board in the innovative renewal of the activities of joint-stock companies in the field, the low level of professional skills of managers, and the lack of strict control by them in the implementation of production and modernization programs. The superficial approaches of the top management bodies of joint-stock companies to issues of strategic development, especially increasing production efficiency, reducing product costs, strengthening financial stability, and implementing dividend policy make the situation even more difficult⁹. Therefore, in recent years, the urgency of introducing modern corporate management forms in enterprises of the energy complex has increased dramatically and requires immediate implementation of practical measures and actions. The purpose of creating an effective corporate management system is to create an environment of trust, transparency and responsibility at the level of electric power enterprises of Uzbekistan, to stimulate the flow of long-term investments for potential investors, to ensure financial stability in the work of executive bodies of joint-stock companies, in turn, it is to create a basis for the rapid growth of production and development and to achieve support for their financial activities. It is impossible not to underline the positive effect of shareholding processes on the growth of the efficiency of the energy complex of Uzbekistan, its unique feature, in which energy enterprises are owned by the state, have a monopoly position in the national energy resources market, as well as complex and multi-level development has a release management structure¹⁰. The characteristics of this complex are influenced by the fact that income generating centers operate on the basis of other enterprises, and cost generating centers operate separately on the basis of other industrial enterprises. As a result of the legal, regulatory and institutional measures adopted in Uzbekistan in recent years, a unique structure of corporate governance was formed at the micro level, that is, at the scale of joint-stock companies, internal participants of corporate relations. It looks like this.

Based on the above analysis, the system of micro-level corporate governance is conventionally divided into three main parts: the general meeting of shareholders, the supervisory board and the executive body. The general meeting of shareholders is the supreme governing body of JSC. The Supervisory Board carries out general management of the activities of JSC and determines the long-term prospective development strategy of JSC. The executive body performs operational management in the current activities of the joint-stock company¹¹. In addition, this system covers relevant elements, including the audit commission, audit organization, corporate counsel, supervisory board committees and internal audit service. When considering the structure of corporate management in joint-stock enterprises of the electric energy network of Uzbekistan, the following are among the main goals of corporate management in enterprises:

⁹ Khakberdiev A. A. WAYS OF IMPROVING ARBITRATION COURTS IN UZBEKISTAN //INTELLECTUAL EDUCATION TECHNOLOGICAL SOLUTIONS AND INNOVATIVE DIGITAL TOOLS. – 2023. – Т. 2. – №. 14. – С. 75-81.

¹⁰ Мухамаджанов Ш.С. Корпоративное управление и его развитие в Узбекистане // Экономика Центральной Азии. – 2021. – № 2. – с. 207–224. – doi: 10.18334/asia.5.2.112020.

¹¹ Хакбердиев А. А. Ўғирлик ва талончиликка таълуқли бўлган инсценировкакани тергов қилиш //журнал правовых исследований. – 2020. – Т. 5. – №. 1.

- ✓ Increasing the level of competitiveness of JSC;
- ✓ ensuring the financial stability of the joint-stock company;
- ✓ Increasing the level of transparency of JSC activity;
- ✓ increasing the accountability of executive bodies;
- ✓ Ensuring an increase in the level of JSC capitalization;
- ✓ increasing stock exchange quotations;
- ✓ implementation of effective dividend policy.

If we take into account that energy enterprises are joint-stock companies, which bear most of the risks associated with running a business and the effective use of share capital, it is necessary to create an effective mechanism that will allow the implementation of corporate control over the sustainable development of JSC, as well as the transparency of the work of executive bodies. aimed at ensuring, restricting the behavior of managers, encouraging the actions of managers to effectively manage joint-stock enterprises¹². Although many production-technical standards and financial-economic indicators, describing the level of development of the energy sector of Uzbekistan, relatively stable corporate potential can be recognized. Orientation of energy industry enterprises to vertical integration, which is provided by the combination of two within one industry, i.e., several successive stages of the electricity production and distribution process. In this case, the main links of production and realization, the organization of a single holding, single business processes, competences in the chain of production processes of goods or services are a form of vertical integration. Integration with suppliers of raw materials is reverse vertical integration; integration with consumers-forward vertical integration. Vertical integration is recognized as an effective way of organizing the work of enterprises around the world. It is no coincidence that more than 35% of the largest electrical engineering companies included in the Fortune-500 list have implemented vertically integrated corporate management structures¹³. Vertical integration of energy production and distribution of energy enterprises of Uzbekistan is able to provide products for further development:

- reducing logistics costs for product production and sales, purchase of components for equipment;
- effective coordination of production at different stages;
- expansion of innovative and investment activities;
- successful competition, retention and expansion of market segments.

For the energy industry, all these steps consist of the construction of sources of electricity generation, their delivery to consumers, and the installation of storage systems is a necessary level of this process. The main condition for this is the rational use of energy sources in order to save production and implementation costs of production, transportation and distribution enterprises by introducing new technologies in the integration of common actions. As the demand for energy sources is constantly increasing, it is necessary to fundamentally update the mechanism of managing the development of energy enterprises of Uzbekistan. Today, in Uzbekistan, a vertically integrated holding - systems of energy production, energy distribution

¹² Хакбердиев А. А. ЖИНОЙИ ИНСЦЕНИРОВКАДАГИ САЛБИЙ ҲОЛАТЛАР //ЖУРНАЛ ПРАВОВЫХ ИССЛЕДОВАНИЙ. – 2020. – №. SPECIAL 4.

¹³ Авазходжаева Д.М. Особенности внедрения системы современных методов корпоративного управления в Республике Узбекистан // Молодой ученый. –2017. – № 15(149). – с. 321–323.

and sale of electricity to consumers, ¹⁴including all stages of the production chain, have been established¹⁵. The creation and implementation of vertical and horizontal systems in the organizational structure of industrial management can be a strong impetus in the renewal of production integration. At the same time, the creation allows the integration of highly integrated business structures (holding companies, financial industry groups, joint ventures). This, in turn, supports the development of production of new types of energy, the possibilities of modernization of existing ones, energy enterprises specializing in increasing the export potential of the sector, and the implementation of large investment projects.

medium -term prospective development of the corporate management system in electric power enterprises are as follows:

- a) reducing the comparative cost of alternative energy sources, including solar, atomic, wind and bioenergy supply sources, and introducing them to production and social sector entities in ensuring the modernization of energy enterprises;
- b) construction of new hydropower and heat stations, as well as efficient use of the capacity of large power units at existing stations;
- c) saving electricity in enterprises and organizations, as well as in objects of the housing and communal sector, by introducing the latest energy-saving technologies and strengthening the energy-saving regime;
- d) to increase production and economic efficiency due to the widespread introduction of modern information technologies, as well as optimization mechanisms for the use of human, material and financial resources in the activities of energy enterprises.

In short, in modern conditions, competition is increasing, as a result of which, constant research is being conducted on new productions suitable for competitive conditions, tools for managing enterprises and increasing competitiveness. Among such tools, corporate governance is of particular importance¹⁶.

Today, in Uzbekistan, a vertically formed integrated holding system including all stages of the production chain has been formed - from the production of energy capacities, to the sale of electricity, to the systems of energy distribution to consumers. In order to increase the effectiveness of the system, to improve the corporate management of joint-stock companies of the republic's energy complex, to fully master the necessary international financial reporting standards and to introduce a unified system of audit and accounting, to provide important facts, especially with affiliated persons in the activities of joint-stock companies, by executive bodies. it is necessary to achieve the disclosure of information about individuals about transactions. In order to improve the corporate governance system, it is necessary to create a flexible mechanism for introducing local funds as investment. In turn, it will be necessary to create reliable legal mechanisms, protect the rights of investors, reach a high level of information provision, and ensure the transparency of the corporate sector. At the same time, the main results show that the successful impact of corporate governance on work efficiency allows increasing the level of confidence of shareholders in them, to expand the scope of long-term capital attraction. Improving the quality of corporate management is a strategic task for every company, which not only helps to improve the image of the enterprise, but also is a solution for achieving greater

¹⁴ Шатагин М.Ю. Организация корпоративного управления в современных условиях // Проблемы и перспективы экономики и управления: Материалы VI Междунар. науч. конф. Санкт-Петербург, 2017. – с. 183–186.

¹⁵ Хакбердиев А. Выдвижение версий по преступным инсценировкам при осмотре места происшествия, их проверка и распознавание //Review of law sciences. – 2020. – Т. 1. – №. Спецвыпуск. – С. 171-182.

¹⁶ Авазходжаева Д.М. Особенности внедрения системы современных методов корпоративного управления в Республике Узбекистан // Молодой ученый. –2017. – № 15(149). – с. 321–323.

economic efficiency of processes and sustainable development.

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