



CORPORATE STRUCTURES AND THEIR CHARACTERISTICS

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ABSTRACT

In this article, the establishment of corporate structures and their specific features and formation of new ideas, organizational and methodological issues are highlighted. Corporate structures are the study of ways of placing companies in different organizational structures to implement the corporate responsibility function, to prove that it is effective in the management of corporate responsibility and identifying best practices related to organizational structures. In addition, the content and essence of modern management in corporate structures were studied.

KEY WORDS: *corporate structure, corporate management, management system, strategy, organizational structures.*

1. INTRODUCTION

In corporate structures, it includes the process of managing the organization, management activities and management mechanism. Accordingly, the concept of "management" should be considered as a generalization and reflection of the essence of the processes of regulation of complex systems of nature and society. It is necessary to determine the essence of this concept, the purpose of management activities, the process of development of control actions and its direct implementation. Some authors defined management as follows: "necessary in achieving goals." and search for the most optimal option of sufficient methods, to achieve the specified result using effective means in the process of implementation "¹ is considered

In addition, the essence of management processes in corporate management is reflected in concepts such as "state management", "economic management", "social management" in some upper and lower systems.

For example, the concept of "social management" refers to the normal functioning and improvement of individuals in society or its separate links. and describes the influence process to ensure development. From a broader point of view, optimal functioning of the system in harmonizing the current interests of social management in corporate governance and to a social system based on knowledge of objective laws and development trends to ensure order and conscious influence on its individual joints" is interpreted as ². In corporate management, management of an organization by a team of people is understood as the orderly joint purposeful activity of its members.

At the same time, corporate management - this is a set of relationships between the members of the organization in the implementation of joint purposeful activities ³. In this regard, the concept of "corporate governance" is considered to be more general and from it within any type of organization It seems fair to use it to determine the structure and process of management influence functions. Regardless of the sphere of government, corporate governance, private governance, it has a certain composition and content of planning, organizing, encouraging and controlling functions.

In addition, static norms in corporate management, normalization of management work, we can note the presence of features of organizational structures and dynamic relationships, information flows, decision-making processes, documentation, etc. Effective management and use of resources in state and corporate organizations is related to

¹ Orlov, Alexander I. "Management." (2003).

² Orekhov, Sergey, Vladimir Seleznev, and N. Tikhomirova. *Corporate management*. Litres, 2022.

³ Considine, Mark. "The corporate management framework as administrative science: A critique." *Australian Journal of Public Administration* 47.1 (1988): 4-18.



the problems of organizational construction, information supply, ratio of formal and informal groups, formation of organizational culture.

The theory of corporate management is an existing concept formed during a short period of scientific knowledge about organizations, in particular, corporate structures and is based on the synthesis of trends, and also makes extensive use of practical experience in managing corporations and the experience of their formation.

Corporate management - is a type of economic management of corporate associations, the main functions of which are the types of products, works and services, the volume of production, and the units of the enterprise that are part of the corporation in order to update it and strategic planning of the development of corporations, development of production and technology types, use and reconstruction of equipment, to achieve competitive advantages in the markets of new products and traditional markets, to ensure stable growth of labor productivity, to improve the organizational structure of the corporation and improving communication between its elements and creating services in accordance with changes in production and market conditions ⁴. In corporate structure, there is a constant and consistent provision of corporate interests, which is reflected in corporate control.

Thus, corporate governance is technically reduced to three main areas:

- Capital and property management;
- Management of the technological process, including product sales;
- Management of cash flows, working capital, liabilities.

In addition, some authors "due to corporate governance, the joint-stock company ceases to be a closed entity, the economy as a whole becomes one of its subjects" ⁵ they believe that.

However, if we examine the nature of the corporation in more detail, the corporate structure is a self-sustaining, isolated made and rather closed group characterized by the presence of the corporation's management and employees, the general corporate goals of the top management at a certain time we can conclude that there is optimal centralization with adequate authoritarianism and corporate relations built accordingly.

2. LITERATURE REVIEW

In modern literature, corporate structures and their characteristics are an integral part of the life of any enterprise. Although it is not possible to completely avoid crisis situations in corporate structures, it is possible to implement preventive measures to eliminate the crisis of the enterprise. The organizational corporate structure allows to reduce costs in many areas of activity, as the chain of transfer of management decisions to the executive is significantly shortened; helps to unite employees in corporate structures, to form their loyalty to common values, to develop priorities in the implementation of enterprise goals.

Corporate structures and their specific features and administrative management, indirect regulation and acts as a link between management, most effectively reveals their character as peacemakers and unites the interests of all participants.

In this regard, different scientists put forward different approaches, in particular, the representative of the Russian school of management According to A. Kostin (2000), who gave his opinion about the specific characteristics of corporate structures, The main principle of building the effective functioning of corporate structures is consistency and consistency. Means a unified system of communication principles, relations, rules and procedures between investors, board of directors, management and other interested parties.

For example, S.A. Kuzmin, (2006) according to Kuzmin, social responsibility in corporate structures works as a network of system interactions. each separate element and subject of interaction, realizing its own interests, inevitably affects the interests of the individuals with whom it interacts.

In corporate structures, specific features are interpreted as follows:

- a) equal cooperation between elements and subsystems;
- b) mutual cooperation;

⁴ Derevyanchenko A. A. *Social responsibility in the corporate governance system // Diss. d. sociol. n.* – 2005.

⁵ Taylor, J. (2014). *Creating capitalism: Joint-stock enterprise in British politics and culture, 1800-1870 (Vol. 53)*. Boydell & Brewer Ltd483.



c) functional hierarchical interaction between elements and subsystems connected by the hierarchy of subordination;

d) competitive interaction - subsystems are in conflict.

The analysis of the literature on this issue shows that corporate structures have their own characteristics. I.V. Zabodaeva, (2010) A corporate structure is a large association, the basis of which is synergistic relations between relatively independent organizations or divisions. The formation of synergistic relationships within corporate structures can occur on the basis of various factors that allow to achieve additional positive results.

At the same time, A.I. Tatarikina, va M.Nauka, (2004) The corporate governance system is an organizational model, in the form of a joint-stock company, the interests of its participants and owners. This system includes the composition of participants and the structure of their interaction.

In addition, G.L.Clark (1994) In corporate governance, their characteristics have a somewhat different purpose than in conventional corporate governance. In corporate governance, their distinctive features may also include new interpretations of existing rules and practices of corporate governance, including the promotion of corporate strategies designed to change the boundaries of competitive organizations.

Besides, N.James (2005) Corporate governance clearly states that joint ventures are a corporate strategy and accountability is an important factor. Also, corporate structures have their own characteristics, "directors" must set the company's values and standards and ensure that it fulfills its obligations to shareholders and others.

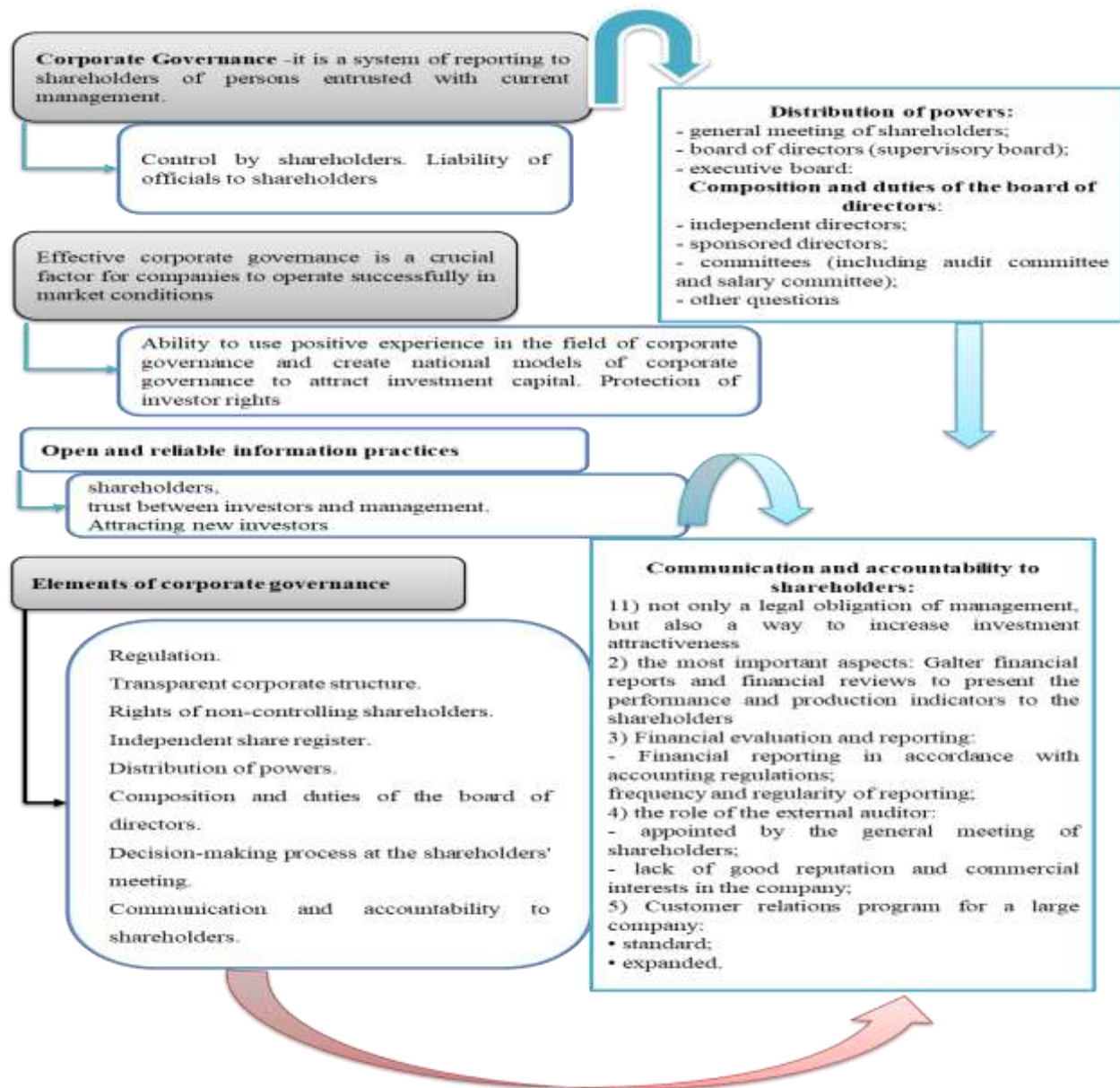
3. RESEARCH METHODOLOGY

The methodology used in this study, corporate structures and their characteristics using modern models, issues of improvement of modern management capabilities were studied by studying the specific aspects of corporate structures. In addition, the methods of analysis, synthesis, critical thinking, as well as generalization were used in corporate management.

4. ANALYSIS AND RESULTS

Foreign experience shows that the effectiveness of the corporate board of directors is related to compliance with the following principles:

1. The members of the corporate board are selected on the principle of complementarity, that is, each of them is a professional in a certain field of knowledge.
2. During the group discussion, the most important decisions are made (not only confirmed). Each member of the corporate management board can use information on the issue under consideration.
3. Members of the corporate management board are free to make decisions, they are not executors of someone else's will.
4. Decisions made by the corporate board of directors take into account the interests of all shareholders and society



Picture 1. Organization of a complex system of corporate management based on general principles⁶

The peculiarity of corporate management is that the object of management is a set of interacting business entities that are independent of each other, each of which has its own functions. Thus, the central management performs the management functions of the company: production planning, promotion, control, strategy determination, gathering information about the activities of enterprises, establishing legal relations with fiscal authorities, 'yish, profit sharing.

Corporate governance can be defined as a system of relations between the corporation's board of directors, its management, employees and other participants: shareholders, consumers, customers, suppliers, government bodies and the public.

In addition, corporate governance includes systems for determining corporate goals and means of achieving them, as well as developing control mechanisms.

⁶ By made author

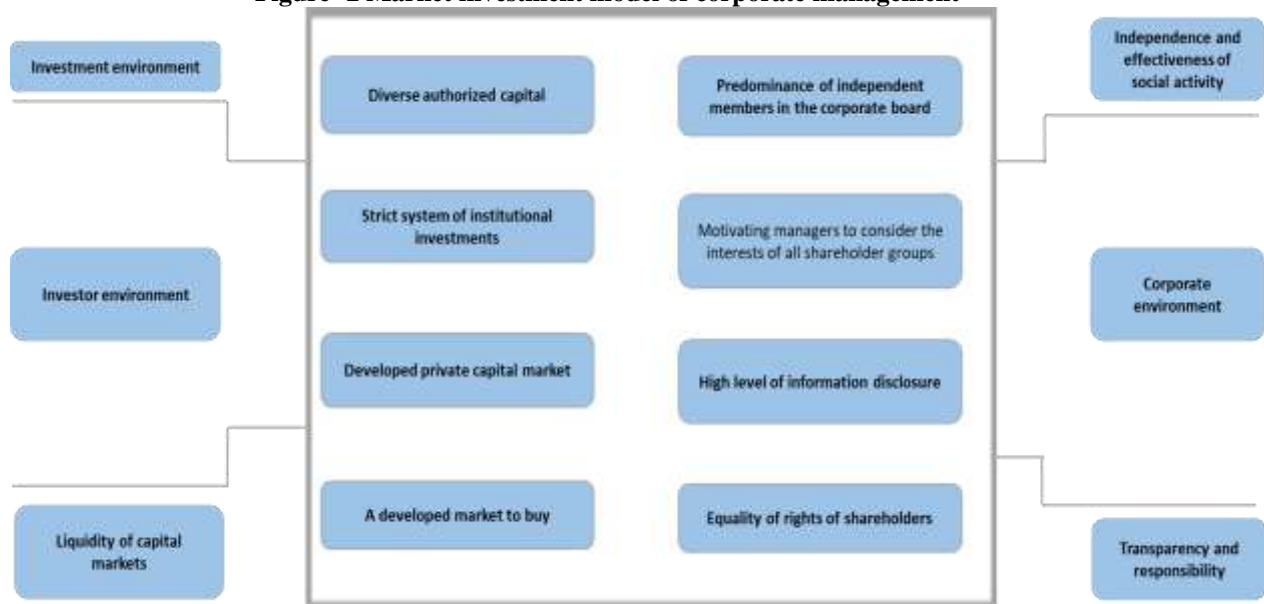
Effective corporate governance provides appropriate incentives to the board and management of the corporate organization to achieve the goals of the corporation while taking into account the interests of the shareholders. It should also contribute to the implementation of corporate control, including control aimed at more efficient use of resources.

Corporate governance is based on the following strategies and methods:

- corporate values, codes of conduct and other standards of good behavior and systems used for their implementation;
- development strategy;
- clear distribution of responsibilities and powers at all levels of management;
- effective system of corporate relations;
- corporate control system;
- a system of motivating the corporation's management and employees has been developed;
- effective technologies, communications and document circulation system of the corporation. We can see the following models in special processes in corporate structures. Thus, the Anglo-American model is characterized by the dispersion of the equity capital structure and the dominance of many small shareholders.

The company is financed by many shareholders and managed by professional managers. This approach is characterized by a high degree of division and dispersion of shareholdings, high emission activity, a developed direct investment market and a large and formed in a corporate environment characterized by the presence of active institutional investors.

Figure -2 Market investment model of corporate management⁷



However, since the corporation entered into a contract with all financial interests. If stakeholders other than shareholders are clearly defined and legally strengthened, the effectiveness of corporate design is measured by maximizing the shareholder value of the corporation. The problem of agency costs in the American model is as follows: Managers are assumed to act in the interests of the agents - the owners - shareholders of the company. But since the shareholders are dispersed, that is, each of them has a small share, managers do not have sufficient motivation to actively participate in the control. As a result, real control over the corporation is concentrated in the hands of self-interested managers. The company's agency costs reduce the motivation of investors to invest, which limits the company's performance and leads to a significant increase in the cost of capital.

Corporate management the classic method of solving the agency problem within the framework of the American model is to create a system of checks and balances in the company based on the following four principles:

⁷ Created by The Author

1. Monitoring of top managers by an independent board of directors.
2. Uniting the interests of managers and shareholders by developing incentive contracts for managers and receiving a package of shares by them.
3. Maximum possible financial and management transparency of the company.
4. Equal and fair treatment of all shareholders, including minority shareholders. The main thing here is to pay the salaries of top managers in such a way that their interests are in line with the interests of shareholders.

Moreover, the top manager's compensation package consists of three components - salary, reward for achieving short-term results by the company. annual financial report long-term activity of the company, whose value and results are determined by the company. Compliance with these rules enables the company to provide potential investors with a full and clear picture of its key management principles, ownership and performance levels and provides the following opportunities:

- comparing the level of corporate governance in different companies;
- assess your risks;
- to know how the company takes into account the interests of all shareholders, including minority shareholders;
- to have additional information when making investment decisions.

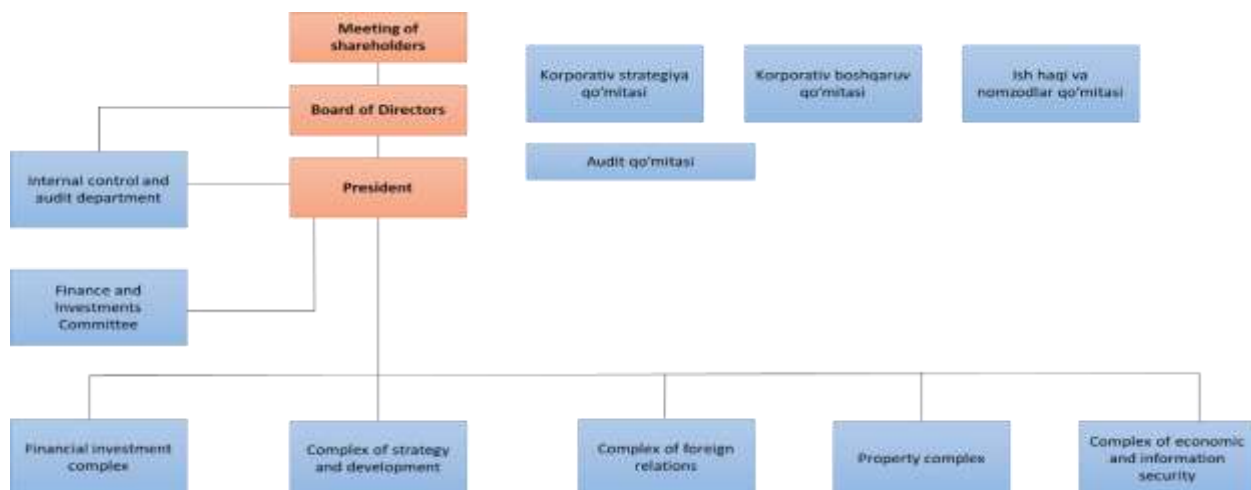


Figure - 3 The organizational structure of the Joint Stock Finance Corporation in corporate governance ⁸

The changes in the corporate management system of the society with the status of the state are clearly visible in the example of the organizational structure of the Joint-Stock Finance Corporation (Fig. 3).

Fundamental changes, in particular, strategic, auxiliary business processes of the company, to fully use the potential of increasing the value of the company and dividing into main processes, and then dividing these processes between different organizational units. A corporate center is a group of companies or a network of branches, cash flow management, investments and integrates strategic business processes that require coordination at the level of investment projects. Support processes common to all companies of the group include accounting, maintenance management.

5. CONCLUSION

Based on the above analysis, we are summarizing the conclusions and the achieved results. There are the following conclusions about corporate structures and their characteristics:

1. Theoretical and methodological foundations:

- crisis prevention: Anti-crisis management is aimed at ensuring that your organization becomes more effective and reformable in crisis situations.
- analysis and forecasting: analysis of crisis situations in advance, finding information about their causes and effects, as well as helping to predict future crises.
- communication and cooperation:

⁸ Developed By The Author



Strengthening communication and cooperation between all members of the organization allows for joint problem solving.

2. Specific Features

-Additional analysis and monitoring: corporate governance requires the establishment of analysis and monitoring systems of the organization. This allows you to monitor the organization's activities, identify problems and solve them frequently.

-Decision-making in a short period of time:

Quick and effective decision-making in crisis situations is the main feature of management organization. This requires quickly dealing with problems, making correct and effective decisions to solve them.

- Effective management of resources:

In corporate structures, focuses on effective management of the organization's resources. This includes proper allocation of financial resources, efficient use of labor and optimization of financial consumption.

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