

## **ORGANIZATION OF MANAGEMENT IN BUSINESS ENTITIES WITH STATE PARTICIPATION**

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**Abstract.** Considering the increasing attention in recent times to improving management in business entities, we conducted research and analysis of the organization level of the management system in state-owned enterprises, management principles and methods, and their positive consequences.

**Key words:** Principles and methods of management, supervisory board, founder, joint-stock company (JSC), strategy, corporate relations.

The formation of effective management institutions that could significantly complement and strengthen the mechanism of market competition and contribute to the establishment of an effective institutional environment is becoming increasingly urgent. This issue is relevant in the context of deep and large-scale transformation in Uzbekistan's economy, caused by both scientific and technological progress and its systemic and structural changes, carried out in the process of forming a market environment and developing a multi-structured economy.

In Uzbekistan, during the years of independence, special attention has been paid to ensuring citizens' rights and freedoms, democratizing the state structure, deepening market reforms, and creating necessary guarantees for the protection of private property, entrepreneurship, and small and medium-sized businesses. Work in this direction consistently continues [1].

One of the important directions of the program of reforms, structural transformations, and economic diversification for 2022-2026 is ensuring reliable protection of private entrepreneurship and small business interests, increasing the role of private property, and gradually reducing the state's presence in the economy.

It should be noted that to date, significant work has already been carried out in Uzbekistan in this direction. In particular, the regulatory framework for corporate governance has been formed, corporate governance bodies have been established in all joint-stock companies, consulting organizations are functioning, and relevant government decisions have been adopted to accelerate the implementation of quality management systems in enterprises

As a result of denationalization and privatization, numerous joint-stock companies have been created and are currently functioning in Uzbekistan. According to official statistics, as of July 1, 2025, the number of joint-stock companies was 649, of which 251 had state participation.

Joint-stock companies in the republic are represented mainly by large industrial enterprises. Key players in this market include JSC “Uzbekneftegaz”, JSC “Almalyk Mining and Metallurgical Combine”, JSC “Uzbekugol”, JSC “Uzkimesanoat”, JSC “Uzavtosanoat”, and several other industrial giants.

Issues of personnel training for this sphere are of great importance in the reform process. In this context, it is worth noting the activities of the Higher School of Business and Entrepreneurship under the Ministry of Economy and Finance of the Republic of Uzbekistan, where in a short period, with the participation of leading foreign specialists, advanced training was organized for the heads of JSCs, banks, and enterprises of Uzbekistan. Many of them have completed internships at the best corporations in Europe to closely study international experience in this area [2].

Special attention is paid to widely attracting foreign investors to business entities, creating favorable conditions for their active participation in corporate governance, modernization, and technical and technological re-equipment of production.

In Uzbekistan's conditions, the most acceptable and justifiable option is a form of ownership where, along with domestic investors, foreign investors also become shareholders. More than 4 thousand such enterprises, created with the participation of foreign capital, already operate in our country. There are examples of successful operations of enterprises fully based on foreign capital and foreign corporate governance methods.

The JSC management system aims to increase the transparency of activities, create and maintain reliable and effective relationships with shareholders and investors. Ensuring a high level of transparency and completeness of information disclosure is one of the most important priorities for JSCs.

Speaking about the importance of implementing new management principles and methods, in our opinion, the following positive consequences can be cited:

1. Increasing the attractiveness of JSCs and the interest of shareholders (investors);

2. Increase in share value;
3. Increase in the volume of attracted capital per unit of nominal share value;
4. Improving operational efficiency and capital use efficiency in the interests of profitable and sustainable development of JSCs and their shareholders;
5. Enhancing the reputation of the company and the country.

By examining corporate governance issues, we can conclude that the state's role as a participant in enterprise management is important. This is evident in the following:

- the state invests funds in certain economic sectors or regions for the purpose of their development;
- the state ensures control over the functioning of strategic economic sectors;
- the state creates sources of income to replenish the state budget and increases job creation.

Also, the goals of the state as a shareholder are much more complex and comprehensive compared to the goals and objectives of private owners. The state can be guided by various goals not related to the company's financial results [3].

Any joint-stock company, including those with state participation in the capital, has a developed network of corporate relations. The main participants in corporate relations are entities related to the company's functioning, influencing its activities, or dependent on it in a particular form or degree. First and foremost, these are the management bodies of the joint-stock company, shareholders, personnel, including management. Each participant in corporate relations has certain interests and strives to realize them [4].

The corporate governance system, which allows for integrating the efforts of higher and executive management bodies in developing a balanced strategy for production development, mastering new product manufacturing, and implementing progressive forms of management, opens up broad prospects for successfully addressing these tasks. Therefore, in the Action Strategy for the Further Development of the Republic of Uzbekistan for 2022-2026, among the priority areas for economic development and liberalization, the need to “introduce modern international standards and methods of corporate governance, strengthen the role of shareholders in strategic management of enterprises” has been noted.

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