

Improving management of enterprises based on corporate governance

Khudayarov Ikram Abdukarimovich

Republic of Uzbekistan

Under the Cabinet of Ministers

Higher School of Business and Entrepreneurship

"Business Management"

graduate student

Abstract: In the era of rapid economic development, corporate governance plays an increasingly important role in the development of enterprises. High-quality accounting information has a profound impact on the company's internal environment. Corporate governance is the owner's rectification and improvement of the internal organization of the enterprise, and formulates a solution to its own problems. The improvement of corporate governance requires the specification of accounting information. It is necessary to link the internal accounting system with the accounting standards, the establishment of the corporate governance structure and the internal audit supervision mechanism, and effectively improve the implementation of accounting standards.

Key words: improvement, management, development, Corporate, accounting, information, effective, internal organization, control.

INTRODUCTION Corporate governance is divided into internal corporate governance and external corporate governance. A sound corporate governance structure is of great significance for preventing accounting fraud. The serious distortion of accounting information in China is largely due not to the accounting itself, but to the imperfect corporate governance structure in China, the lack of effective supervision and control of the management authorities, and the serious internal control phenomenon. In order to fundamentally manage the distortion of accounting information, in addition to improving relevant accounting standards and improving the quality of accounting personnel, an effective corporate governance structure should be established to reduce the manipulation of accounting information by management authorities. Governance Structure and Accounting Standards Implementation

1) Overview of corporate governance structure

The corporate governance structure is an important part of modern enterprises and an important part of the enterprise. To improve the internal structure of the company, it is necessary to clarify the various internal relationships. The division of labor

between directors, shareholders and senior management should be clear. Although they are closely related, close relationships can easily lead to unclear powers of responsibility, leading to many problems that affect the normal development of the company. The company's governance needs to formulate a series of appropriate rules and regulations, in order to have a good normative role, to restrict the behavior of senior management personnel, to immediately restrict the occurrence of bad behavior, and to have incentive mechanisms for behaviors that are conducive to the company's development. For rewards, motivate employees [1] .

Participants at all levels of the company have their responsibilities and powers. The board of directors, senior management and employees are all related, can't be separated from any relationship, and need to clarify their responsibilities and follow the rules. At the same time, it also Have their own structure, can develop common goals while complying with the system, provide effective means, and develop better. Most of China's corporate governance structure adopts the system of "separation of powers". The rights between the board of directors, shareholders and senior management must be restricted. Each level can be supervised and checked against each other, and the rights cannot be biased toward one party. This will ensure the smooth development of the company.

2) Overview of the implementation of accounting standards

With so many years of hard work, China's market economy construction has achieved results to a certain extent, but there are still many unsatisfactory places in many aspects [2] . Among them, the asymmetry of accounting information, the authenticity of accounting quality, and the impartiality of accounting supervision still exist, so that seemingly small problems will have a great impact, even far-reaching impact. In many enterprises, there is a problem of accounting information asymmetry. This is a manifestation of market failure, and this will seriously affect the country's prosperity and development. Therefore, whether the accounting information of a country is fair and transparent determines the normal development of the market. It also determines the role of the country in the construction of a market economy. To achieve such a demand, we must constantly improve the accounting standards system, and use accounting standards to strengthen each link, make up for the shortcomings, and continue to develop in a good place. We should grasp the key points so that we can better play our role, implement accounting standards well, and improve corporate governance structure [3] .

Good performance must be supported by the application of good corporate governance mechanisms as well. The economic crisis that hit Asia in 1997 was identified as related to the poor performance of companies and the weak

competitiveness of companies in these countries, as well as weak protection of investors (Setiawan, et al., 2005 in Pratiwi, 2010). Conditions that year still left an impact on the financial scandals of large companies in 2008 such as Lehman Brothers and in 2012 such as JP Morgan. The case makes the company management obliged to act professionally in managing the company and the decision making must be based on the interests of its shareholders, but this is often done by management to take actions that can be selfish by ignoring the interests of other parties in the company. Therefore, protection is needed for various interested parties, namely by implementing Good Corporate Governance in the company. Corporate governance is a concept proposed for the improvement of company performance through supervision or monitoring of management performance and ensuring management accountability to stakeholders by basing on a regulatory framework (Marihot,2007). Corporate governance refers to the methods of organization that are regulated, administered, directed or controlled, and the objectives for which it is regulated. Various participants, who have an interest in the organization, determine the direction and performance of the organization. Major participants are shareholders, management and the board of directors (Dellaportas, 2005). According to the Minister of Finance of the Republic of Indonesia based on the decision No.740/kmko/1989 dated June 30, 1989, stated that the performance is the company's achievements in a period that reflects the level of health of the company. Company performance is a measure of the success of managers in running a company. Therefore, both public and private companies must view corporate governance not only as mere accessories, but also as an increase in company performance and value (Darmawati, 2004)[4].

Measurement of company performance in this study using Tobin's Q ratio Tobin's Q is a useful indicator to measure the performance of companies that judging by the way in managing the asset management company (Sudiyanto, 2010) in the measurement of company performance using Tobin's Q. This research tries to develop previous studies which have not been consistent, by replicating research conducted by Darmawati, et al. (2004), by adding GCG mechanism consisting of: number of boards commissioner, audit quality, ownership managerial and foreign, its influence on company performance, which is listed on the stock exchange Indonesia. Theory Basis and the Formulation of Hypotheses Agency Theory Agency theory is a theory used in this study. Agency theory explains the relationship between two people, namely agents (managers) and principals (company owners). The topic of corporate governance is a critical one for any enterprise, large or small. Good corporate governance practices can help to ensure the success of the enterprise,

while bad corporate governance can lead to its downfall. In this blog post, we will explore the role of leadership in corporate governance, the importance of transparency, and strategies for ensuring effective corporate governance. We hope that by the end of this post, readers will have a better understanding of how to create and maintain a successful enterprise[5].

Corporate governance is the set of rules, practices, and processes by which a company is controlled and directed. It encompasses everything from the way the board of directors is elected to how executive compensation is determined. Good corporate governance helps to ensure that a company is run in an ethical and responsible manner, with the best interests of all stakeholders—including shareholders, employees, customers, and the community—taken into consideration. There are a number of different models of corporate governance, but all share certain basic principles. These include accountability, transparency, fairness, and responsibility. Accountability means that those in positions of authority can be held accountable for their actions[6]. Transparency refers to the timely disclosure of accurate and complete information about the company's finances, operations, and management. Fairness means treating all stakeholders equitably and fairly. And responsibility means acting in an ethical manner and in compliance with all applicable laws and regulations.

By establishing appropriate incentives and controls, corporate governance can help reduce conflicts of interest and improve the company's financial performance by increasing the value of the company and the return on investment for shareholders. Good governance can come in many forms but is usually characterised by accountability, leadership, integrity and transparency. Ensuring your business' executive team are recognised for these qualities is a critical component of building a robust corporate reputation. It also determines how an organisation is governed. This applies to several aspects of the business, such as setting the organisation's vision, purpose and strategic goals, providing the right leadership and culture for Management to reach those goals, and establishing clear parameters for measuring performance. The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company.

Corporate governance is the system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies. Management's responsibilities include strategic planning, risk management and financial reporting. An effective management team runs the

company with a focus on executing the company's strategy over a meaningful time horizon and avoids an undue emphasis on short-term metrics.

Project governance is a governance strategy that guides decision-making over projects that are being directed by and overseen by a corporation, nonprofit, or other organization. A project governance strategy outlines the processes, procedures, and authorities that bring a concept through to completion. Projects are usually things that help companies or other organizations to build capital. Project governance outlines the relationships between various groups and individuals that are involved in project management effort[7].

Developing managerial skills is important for all professionals. According to the World Economic Forum, people management is one of the top 10 skills needed to thrive in today's workforce. Additionally, research by Gallup shows companies with talented managers experience greater profitability, increased levels of productivity, and higher employee engagement scores—highlighting how vital management is to an organization's culture and success[8].

Whether you're an aspiring or seasoned manager, there are actions you can take to improve how you oversee and guide people, products, and projects. Here are seven ways to become a better manager and advance your career. Sound decision-making is a crucial skill for managers. From overseeing a team to leading a critical meeting, being an effective manager requires knowing how to analyze complex business problems and implement a plan for moving forward. Five times more likely to strongly agree they receive meaningful feedback. Three times more likely to strongly agree they're motivated to do outstanding work. Two times more likely to be engaged at work. Keep the conversation informal when delivering feedback, and focus on the person's progress toward organizational goals rather than their personality. In addition, help them chart a plan for moving forward, and affirm your role as a trusted advisor as they tackle next steps[9].

Beyond regular check-ins, set a consistent cadence for reflecting on and reviewing your team's work. In one study by Harvard Business School professors Francesca Gino and Gary Pisano, it was found that call center employees who spent 15 minutes reflecting at the end of the workday performed 23 percent better after 10 days than those who did not. In a video interview for Management Essentials, HBS Professor Amy Edmondson says reflection is crucial to learning. "If we don't have the time and space to reflect on what we're doing and how we're doing it, we can't learn," Edmondson says. "In so many organizations today, people just feel overly busy. They're going 24/7 and think, 'I don't have time to reflect.' That's a huge mistake, because if you don't have time to reflect, you don't have time to learn. You're going

to quickly be obsolete. People need the self-discipline and the collective discipline to make time to reflect.”

CONCLUSION Based on the explanation above, it can be concluded that:

1. The implementation of the principle of transparency and the principle of independence in SMEs, in general is average. Meaning that SMEs are good enough in implementing the principles of openness and independence. As with the implementation of the principle of fairness and the principle of responsibility in SMEs, in general are in the categories of very good and good. In general, it means that SMEs already implement the principles of fairness and the principle of accountability. But in terms of implementation of accountability, generally SMEs are still not applying these principles. But overall, the category is average, so there is still much to be improved, especially transparency and accountability. For example, the SMEs must make a financial report and be held accountable to the owners of the companies.

2. The implementation of good corporate governance in SMEs is categorized as good. Although the company's governance is not good, this does not affect the profit earned, because SMEs are not too concerned with managerial interests.

REFERENCES

1. Department of Accounting, Ministry of Finance (2015) Internal Accounting Control Specification. Economic Science Press, Peking.
2. Li, D.F. (2016) Accounting System Design. China Central Radio and Television University Press, Peking.
3. Tang, J.Q. (2015) Science and Technology Information. Accounting Research, 2, 32-33
4. Abor and Adjasi, 2007, “Corporate Governance And The Small And Medium Enterprises Sector: Theory And Implications,” Corporate Governance, Vol. 7(2), pp. 111-122.
5. Afifah, 2009, Peran Kewirausahaan dalam Memperkuat UKM Indonesia Mneghadapi Krisis Finansial Global. Dalam Working Paper in Accounting and Finnace, Bandung: Universitas Padjadjaran.
6. Agoes, 2005, Peranan Internal Audit Departement Enterprises Risk Management, Dan Good Corporate Governance Terhadap Pencegahan Fraud Dan Implikasi Kepada Peningkatan Mutu Lulusan Perguruan Tinggi Di Indonesia
7. Salemba Empat. Arafat, 2008, How To Implement Good Corporate Governance Effectively, Jakarta: Skyrocketing Publicher.
8. Ait, 2011, Peranan Audit Internal Dalam Menunjang Efektifitas Pengendalian Internal Kas, Bandung: Buletin STIE Ekuitas.
9. Akhmad Daniri. 2005. Good Corporate Governance , Konsep dan Penerapannya dalam Konteks Indonesia, Cetakan pertama, Jakarta : Gloria Printing.