



**Scientific Center of Innovative
Researches**
(Tallinn, Estonia)



«KROK» University
(Kyiv, Ukraine)



**Academy of Economics and
Pedagogy**
(Prague, Czech Republic)

International conference on corporation management

December 3-5, 2020

Tallinn, Estonia

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THE PROGRAM
of International conference on corporation management (ICCM)
(December 3-5, 2020)

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December 02, 2020	On-line conference
10:00 AM	Oksana Moyseenok Business attitude to social responsibility in the republic of Belarus
10:05 AM	Tatiana Kislaya Main approaches to assessing the effectiveness of business social responsibility
10:10 AM	Oleksiy Sheviakov, Ihor Shramko Dynamic sociotechnical systems of activity: social support of women in metallurgical corporations
10:15 AM	Diana Zayats Corporate culture as an important component of municipal development
10:20 AM	Victor Makarchuk Corporate environmental governance: world experience for Ukraine
10:25 AM	Sergii Petrukha, Dmitriy Bondarenko Agrarian-construction conceptualization of formation of local infrastructure of food aid to rural population
10:30 AM	Ali Abdalqhadr The impact of corporate governance on the economic development of the state
10:35 AM	Iryna Mihus Corporate fraudsters: who are they?
10:40 AM	Bogdan Ostashevskiy Competency management as a tool for optimization of engagement with stakeholders in it projects
10:45 AM	Taha Mohamed Daab The impact cost of living on international company management
10:50 AM	Oleksandr Aulin The influence of islam on public corporate governance
10:55 AM	Yana Koval Forms of realization of partnerships between business and government in the conditions of market economy development
11:00 AM	Olksandra Liashenko, Ruslan Markov Harmonization of stakeholder's interests – an imperative goal of corporate governance of economic security of the enterprise
11:05 AM	Olga Brusentseva The effect of the innovation potential on the competitiveness of the firm
11:10 AM	Rafaela Znachek Corporate management of state-owned joint stock companies of Ukraine
11:15 AM	Vasyl Shykerynets, Svetlana Filiuk Regulatory and corporate support for the implementation of state policy in the field of culture in Ukraine
11:20 AM	Irina Muntian Corporate management as an attribute of the investment attractiveness of ukrainian companies
11:25 AM	Elnur Farzaliev Corporate governance of event-industry enterprises: specific features and functions

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CORPORATE MANAGEMENT OF STATE-OWNED JOINT STOCK COMPANIES OF UKRAINE

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Within a few years, Ukraine has achieved what other countries had been doing for centuries. The nature of enterprise management has fundamentally changed, however the ideology of corporate management is changing very slowly. In fact, the joint-stock companies do not fulfill their major role – raising the capital.

During the years of independence, foreign direct investments in Ukraine amounted to less than 4 billion US dollars. The situation with portfolio foreign investments is even worse. For the third year in a row, there is a negative balance between their investment into the economy of Ukraine and making the profit thereof. Moreover, all this takes place in the conditions of one of the highest growth rates of industrial and agricultural production and low inflation in Europe.

Corporate management is the basis for business leaders to make decisions for achieving their goal as a tactical movement carried out at the operational management level, for deploying and implementing management policies and strategic direction for activities of the state-owned joint-stock companies. Efficient practices and regulation of corporate management accelerate the development of local stock markets and provide a reliable protection of shareholders [1].

Corporate management policy prioritizes over meeting the needs and interests of the related parties. Experience shows that the satisfaction of others must precede the satisfaction of the related parties. Improving the quality of corporate management in Ukraine is possible using the best practices, in particular: growing opportunities, concentration of ownership and the demand for foreign investments.

There are three types of corporate management in state-owned joint-stock companies. The first type is the creation of a legal framework for the operation of the economy. It includes the development of economic orientated laws, as all enterprises operate in this regulatory and economic field. The central government bodies having the right to make decisions and statutory basis take all the actions. The second type is the direct management of state-owned enterprises. It is used when the state is the sole owner of a joint-stock company and controls its activities through the management of the enterprise. The third type is the management of a certain state share of the statutory fund of the companies. It affects the corporate activities in compliance with the availability of the government's corporate securities. Only the executive authorities implement all actions in case of the latter two types. There must be a list of entities subject to the direct government control, in particular: 1) shares owned by the state in the property of companies; 2) property available for use by the local government; 3) property of state enterprises and organizations possessed by those for business use or operation control.

It is the efficient corporate management that can reduce corruption [2]. A better protection of shareholders' rights in reducing transaction costs for the management of foreign companies, which in turn will accelerate the inflow of foreign direct investments [3].

Companies with enhanced corporate management are more attractive to foreign investors because they provide better protection of shareholders' rights and are more transparent [4].

Joint-stock companies are the main form of economy in Ukraine; those are limited to shares with the main shareholder, an individual or legal entity. The problem of corporate management in Ukraine can be expressed in a few words. First of all, there is lack of trust in the joint-stock form of ownership, impossibility to attract funds from domestic and foreign investors to develop financial and economic activities of joint stock companies, which leads to failures in their activities, conflicts of interest of all participants in corporate relations, as well as makes the whole economic situation worse. Indeed, corporate management in practice helps the company be able to raise the capital, and investors are confident in the protection of their rights and in the efficient use of the capital they provide.

Over 70% of investors declare their readiness to pay more for shares of the companies with a good corporate management compared to those with the management at a low level.

Only by improving corporate management, Ukrainian companies may expect the current price of their shares to increase by 30-50%.

A smart system of corporate management allows not only using the opportunities of existing shareholders and the resources they provide the best way, but also attracting new investors. Given an equal production, financial and other basic indicators, the companies with a good reputation in the field of corporate management are much more expensive. This is facilitated, in particular, by investment and consulting companies being advisers and agents of portfolio investors. They consider the company's own code of corporate management as a factor increasing its attractiveness. At the same time, investors, especially portfolio investors, pay more attention to reducing their risks. In this sense, they are concerned about the transparency of companies, the quality of information disclosed by them, the methods of work of boards of directors not less than directly about financial indicators.

Misuse of corporate power by the owners harms both domestic and foreign investors. It is the low quality of corporate management at many enterprises in the country that has a negative impact on the inflow of foreign direct investments, restrains their inflow, which is so important for a consistent economic growth.

Thus, a reliable and stable activity involves an effective interaction of a wide range of businessmen with own interests. To successfully implement the best practices, it is necessary to make changes in the organizational aspect of corporate management, in particular: the expectations and needs of related parties must be exceeded; it is worth increasing the value of the related parties; the process of continuous innovation should be stimulated. The key task of the management is to

implement these changes so that the organization can implement the combined advantage and the long-term existence of the firm other than business activity, as well as the related parties' values as the main corporate goals.

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