

Gofurova U. X.

Student

Tashkent State University of Economics

Gofurova S.S., docent

Jizzakh Polytechnic Institute

Scientific director: Sieradzki R.J., PhD

Cracow University of Economics

THE NEED FOR CORPORATE TRANSPARENCY AND INFORMATION DISCLOSURE

Annotation: In this article, the importance of the principle of transparency and information disclosure in corporate governance, its role in the system, and the reasons for the globalization of these principles are analyzed. At the same time, in the process of analysis, it is written about ensuring the openness of information in corporate governance and the factors required in this process. Including the recommendations on establishing transparency and information openness in corporate governance system, as well as its positive effects.

Key words: Corporate governance, transparency, information disclosure, corporate system, data openness, implementation, effect;

Introduction: Information disclosure and transparency in corporate governance are fundamental principles that play a vital role in ensuring accountability, integrity, and trust within organizations. These concepts emphasize the importance of companies being open and forthcoming about their financial performance, operations, decision-making processes, and overall governance practices.

Information disclosure involves companies providing accurate and timely information to stakeholders, such as shareholders, regulators, employees, customers, and the public. This information typically includes financial statements, executive compensation details, board composition, major business transactions, and other relevant data that can impact stakeholders' decisions and perceptions.

Transparency, on the other hand, refers to the accessibility and clarity of the disclosed information. Transparent corporate governance practices ensure that stakeholders can easily access, understand, and evaluate the information provided by companies. This helps to build trust, enhance communication, and foster accountability between companies and their stakeholders.

Analysis of literature on the topic: "The Transparency Edge" by Barbara Pagano and Elizabeth Pagano is a comprehensive guide that underscores the critical role of transparency and credibility in business success. The authors stress the impact of honesty and openness on building trust with stakeholders, including customers and employees. Through practical insights and strategies, the book demonstrates how transparency can set you apart from competitors and enhance your reputation. By emphasizing the benefits of transparent practices, the authors show how businesses can leverage credibility to strengthen relationships and achieve long-term success in today's competitive marketplace. The book offers valuable advice on incorporating transparency into business operations for sustainable growth.[1] "The Transparency Fix: Secrets, Leaks, and Uncontrollable Government Information" by Mark Fenster delves into the complex world of government transparency, secrets, and leaks. The book explores how governments grapple with the challenges of controlling information flow in an era of rapid technological advancements and increasing demands for accountability. Fenster examines the tension between the government's need for secrecy to protect national

security and the public's right to access information to ensure transparency and accountability. Through a mix of legal analysis, historical examples, and case studies, the author sheds light on the evolving landscape of government transparency and its implications for democracy. Ultimately, "The Transparency Fix" offers a thought-provoking exploration of the delicate balance between secrecy and openness in governance.[2] "Information Disclosure Practices and Corporate Transparency in Uzbek Companies" by Nargiza Usmanova provides a comprehensive analysis of the information disclosure practices and levels of corporate transparency in Uzbekistan. The book examines how companies in Uzbekistan navigate the balance between disclosing information to stakeholders and maintaining confidentiality. Usmanova explores the regulatory framework, cultural influences, and economic factors that shape information disclosure practices in the country. Through empirical research and case studies, the author sheds light on the challenges and opportunities for enhancing corporate transparency in Uzbek companies. This book serves as a valuable resource for academics, policymakers, and business practitioners interested in corporate governance and transparency in Uzbekistan."Information Disclosure Practices and Corporate Transparency in Uzbek Companies" by Nargiza Usmanova provides a comprehensive analysis of the information disclosure practices and levels of corporate transparency in Uzbekistan. The book examines how companies in Uzbekistan navigate the balance between disclosing information to stakeholders and maintaining confidentiality. Usmanova explores the regulatory framework, cultural influences, and economic factors that shape information disclosure practices in the country. Through empirical research and case studies, the author sheds light on the challenges and opportunities for enhancing corporate transparency in Uzbek companies. This book serves as a valuable resource for

academics, policymakers, and business practitioners interested in corporate governance and transparency in Uzbekistan.[3]

Research methods: Logical and structural analysis, grouping, economic-statistical analysis, mutual and comparative comparison methods were effectively used in the implementation of the research objectives.

Analysis: Corporate transparency refers to the practice of companies being open, honest, and forthcoming in their communication with stakeholders, including investors, employees, customers, and the public. It involves providing accurate and timely information about a company's operations, financial performance, governance practices, and other relevant aspects. Information disclosure is a key component of corporate transparency, as it involves sharing data, reports, and other details that help stakeholders understand how the company operates and makes decisions. For thus, corporate transparency and information disclosure is becoming more global day by day. One major reason is advancements in technology, particularly in communication and transportation, which have made it easier for people, goods, and information to move across borders. Additionally, trade liberalization policies have reduced barriers to international trade, making it more cost-effective for companies to do business in multiple countries. The growth of multinational corporations has also played a significant role in driving globalization, as these companies operate in multiple countries and have supply chains that span the globe. After these causes, information disclosure is also crucial in the management system for several reasons. Firstly, it helps build trust with stakeholders by demonstrating transparency and accountability. When companies are open and honest about their operations and performance, stakeholders are more likely to trust them. Additionally, information disclosure enables informed decision-making by providing stakeholders with the data they need to assess risks

and opportunities. It also enhances accountability by allowing stakeholders to hold companies responsible for their actions.

Due to the reasons mentioned above, there is a demand to implement transparency and information openness in the corporate management system. Implementing effective information disclosure practices requires companies to establish clear policies and procedures for reporting information. This includes defining what information needs to be disclosed, how it will be collected and verified, and how it will be communicated to stakeholders. Companies also need to ensure compliance with relevant laws and regulations governing information disclosure. Fostering a culture of transparency within the organization is also important, as employees need to understand the importance of sharing information openly. Finally, companies can use technology to facilitate the dissemination of information, such as by creating online portals or dashboards where stakeholders can access relevant data.

The significance of corporate transparency and information disclosure in shaping effective corporate governance cannot be understated. The positive effects of transparency on businesses and the corporate governance system are manifold and far-reaching. Firstly, transparency plays a pivotal role in boosting investor confidence by providing stakeholders with the necessary information to make well-informed investment decisions. When companies are forthcoming about their operations and financial performance, investors are more inclined to trust them, leading to a stronger investor-company relationship.

Moreover, transparency serves as a powerful deterrent against fraud and misconduct within organizations. By making it difficult for companies to conceal unethical practices, transparency acts as a safeguard against malfeasance, thereby promoting integrity and ethical conduct. Additionally, transparency enhances a

company's reputation and brand value by showcasing its commitment to honesty, accountability, and ethical behavior. A transparent organization is perceived as trustworthy and reliable, which can significantly bolster its standing in the eyes of stakeholders.

Furthermore, fostering a culture of accountability and ethical behavior is another crucial benefit of transparency within organizations. When employees know that their actions are being monitored and that transparency is valued, they are more likely to adhere to ethical guidelines and uphold high standards of conduct. This, in turn, creates a positive work environment built on trust, integrity, and responsibility.

To introduce information openness to corporate governance effectively, several proposals can be considered. Implementing regular reporting requirements, establishing independent oversight mechanisms, engaging with stakeholders, and learning from best practices in other industries are key strategies to enhance transparency and information disclosure within organizations. By adopting these proposals, companies can strengthen their transparency efforts, improve stakeholder relationships, and elevate their corporate governance practices.

In essence, corporate transparency and information disclosure are indispensable pillars of robust corporate governance. By embracing transparency, companies can cultivate trust, enhance accountability, and foster a culture of integrity and ethical behavior. Implementing effective information disclosure practices requires a comprehensive approach encompassing clear policies, regulatory compliance, a transparent organizational culture, and leveraging technology for communication. Ultimately, transparency not only benefits businesses by bolstering investor confidence, mitigating fraud risks, enhancing reputation, and promoting ethical conduct but also contributes to a more sustainable

and responsible corporate governance framework. Embracing transparency is not just a business imperative but a moral obligation that paves the way for long-term success and stakeholder trust in today's dynamic business landscape.

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