CORPORATE MANAGEMENT EVALUATION TOOLS IN JOINT STOCK COMPANIES UNDER ECONOMIC UNCERTAINTY CONDITIONS

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The growth of entrepreneurial activity in an environment of economic uncertainty, which is linked, among other things, to Ukraine's integration into the global economic space, leads to a greater emphasis on the adoption of corporate management principles and standards by Ukrainian enterprises. The following evidence supports the growing importance of corporate management for Ukrainian companies. First, one of the most important prerequisites for the formation of a public company in developing countries is the introduction of corporate management, which entails the recognition of general principles of business management, as well as the clear and transparent distribution of full powers and responsibility for the company's value increase among key stakeholders. Second, corporate management quality is rapidly becoming one of the most essential components in reducing the uncertainty of a company's operating and development environment by delivering information transparency to all stakeholders. Third, the execution of transformational projects in the organization serves as a catalyst for qualitative and large-scale management system improvements. And without expert consultation support, this is nearly impossible.

In Ukraine, the privatization of domestic companies is resulting in the gradual establishment of a corporate management institution. With the growth of major Ukrainian businesses, the acceleration of corporatization processes, and the proliferation of holding corporations, the demand for corporate management standards to be developed and implemented has grown significantly.

Despite the growing necessity for joint stock companies to implement corporate management principles, the majority of them in Ukraine lack de facto corporate management or have poor quality corporate management.

The study's appropriate information space is formed by the study's thematic diversity and theoretical eclecticism of corporate management efficiency issues. In the monograph «Modern corporation and private property» [1], the creators of the theory of corporate management, A. Berle and G. Means, defined two areas of research: aspects of management in corporations with varying levels of ownership and management responsibility to stakeholders. The emergence and development of agency theory has been linked to a major increase in corporate management studies. The works of notable scientists M. Jensen, H. Demsetz, B. Klein, and E. Fami had a considerable impact on the establishment of the principles of division of responsibilities and powers, as well as the formation of a corporation's motivating management system [2].

The role of the corporation, as the most complex and promising organizational form of entrepreneurship, is growing in the era of post-industrial, information society, because it is the most competitive element of a highly concentrated and integrated world economy.

The problem of comprehending the nature, functioning, and specific qualities that establish the corporation's place in the economy and its relationship with economic agents, on the other hand, remains unsolved.

Due to legal factors (distribution of property rights; ignoring the rights and interests of individual owners), economic factors (predominance of managerial qualifications and skills, the effect of negative synergism, complexity of corporate control mechanisms; information asymmetry), and social factors (disagreement of economic interests of different groups of economic agents; determinism of individual behavior of the owner depending on the statutory contribution) and institutional factors (change of the role of the corporation as an institution of the global economy; change of the place and role of the owner-shareholder; contradictions between private and collective bases of the corporation), a number of problems related to the specifics of corporate management have arisen [2].

Solving these issues necessitates the development of effective mechanisms for the interaction of the corporation's varied interests and those of its owners, as well as the harmonization of property relations and the resolution of conflicts between them.

According to the «Modern Dictionary of Foreign Languages», a corporation (from the Latin corporatio) is an association, a union created on the basis of professional or class interests. A. Berle and H. Means [1] highlighted the two most essential characteristics of the corporation as a new form of capitalist enterprise: massive capital concentration and a crucial role for hired management.

In most foreign countries, corporations are organizational entities that have combined the required resources to create products and offer public services. This type of organization has grown in popularity across the globe, since:

– it reduces the financial risk to shareholders by excluding their liability to creditors of the corporation outside of the capital invested in shares under existing legislation;

– it allows for the issuance of additional shares as well as the issuance of other securities to raise capital;

– continues to operate even after the change of shareholders;

– encourages investors to invest on advantageous terms;

– enables corporate owners to successfully implement strategic plans on the basis of collective interests.

One of the main factors influencing the successful operation of a corporation is the possibility of its access to investment capital [1].

The definition of a corporation as a joint stock company is generally accepted and a priority in the economic literature. The rigorous separation of owners and managers, as well as the limitation of liability, are the fundamental dividing lines between the corporate and non-corporate sectors, despite the disparities in legal grounds between industrialized countries [3].

Unfortunately, the phrasing of the notion of «corporation» in present Ukrainian legislation differs greatly from international practice. «A corporate enterprise is created by two or more founders by mutual decision, operates on the basis of combining property and/or business or employment of the founders (participants), general management, on the basis of corporate rights, including through the bodies created by them, the participation of the founders (participants) in the distribution», according to the Commercial Code of Ukraine [4].

The recently adopted Law on Joint Stock Companies [5] does not consider a joint stock company as a corporation, but introduces such a concept as «corporate management».

The concept «corporate management» is commonly used in Western economic literature and is quickly gaining traction in Ukraine. This is owing to the widespread use of corporate management and ownership in Ukraine, as well as the need to control it and the rapid growth of such ownership. Corporate ownership is not simple, and corporate management as a category is a complicated system of economic connections that involves numerous internal and external elements [2].

Understanding the main content of corporate management is one of the most important components of determining the principles and mechanisms for increasing its efficiency. Based on a review of approaches to interpreting the essence of corporate management, we can say that there are at least seven different ways to understand such a definition (Table 1).

Table 1. Basic approaches to the definition of «Corporate management»

Approach	«Corporate management» definition
Regulatory and legal	A system of legislation, regulations and management practices in the private sector that allows a company to conduct business and continue to operate, accumulating long-term economic value by increasing the value of shares
Organizational and legal	Management of a company's organizational and legal registration, optimization of organizational structures, and establishment of internal and interfirm relationships in accordance with established goals
Relational	The system of relationships between investors-owners, managers, and stakeholders that ensures the company's efficient operation and the balance of interests of all parties involved in corporate relations
Managerial	Corporate culture management, or a set of basic traditions and attitudes, as well as the principles of a company's behavior in regard to its primary subsystems and elements, as well as in relation to society
Organizational and managerial	The system of bodies, offices, methods, and functions that have regulatory authority over a company's operations
Financial	A system of entities and mechanisms of management influence that guarantees the company's cash flows flow optimally at all times
Financial and property	The chosen method of self-government, which provides a fair and equal distribution of outcomes of activities between all shareholders, as well as «financially interested persons, primarily debtors and investors»

Source: author's own based on [1-3, 6-9]

Since there are so many different approaches to understanding the essence of corporate management, a multidimensional assessment of its efficiency is possible. It's worth noting that the efficiency of corporate management should be evaluated in three ways:

1) legal protection of the company's owners' rights, interests, and powers in the formation and management of property;

2) economic, legal, and mental components of the formation of the corporate management mechanism;

3) ensuring the effectiveness and efficiency of the developed corporate management system.

Thus, corporate management is a modern type of management activity of a joint stock company, which is characterized by the presence of corporate strategy, corporate style of work of managers at all levels, corporate culture, financial and information openness, protection of shareholders and owners of other securities of the issuer.

Corporate management main responsibilities include:

– establishing and maintaining an efficient mechanism for analysis, current and strategic management, acceptance of management decisions, and control over the company's activity;

– ensuring an equal and fair treatment of all shareholders;

– balancing the interests of shareholders, managers, employees, customers, partners, and suppliers, i.e. stakeholders, of the company. [10].

The use, implementation and legislative consolidation of the principles of corporate management allows to take into account the interests of different groups of shareholders. The Principles of Corporate Management is a document that defines the rules by which relations are built in financial markets around the world and compliance with which is one of the necessary conditions for attracting investment. The Organization for Economic Co-operation and Development (OECD) has developed a list of general principles of corporate management that can be used in legislation by countries with economies in transition. These principles, which are not binding even on OECD member countries, are an attempt by the international community to establish a generally accepted framework for corporate management. The OECD sets out in detail the five principles of modern corporate governance (Annex A).

The corporate management system is an organizational model that a company uses to represent and safeguard its investors' interests. The type of implementation of the model depends on the structure of the company, which exists within a market economy, and reflects the very fact of separation of management functions and ownership of the organization [11].

Different corporate management models exist in the developed world. The corporate management model is a representation of the most significant qualities, attributes and patterns of corporate management as an object of socio-economic reality, established by the researcher to gain new knowledge about the corporate management system in accordance with the purpose of the study [12]. Experts distinguish three models of corporate management: Anglo-American, Japanese and German.

The Anglo-American model (used in corporations in the UK, US, Australia, New Zealand, Canada and some other countries) is characterized by the presence of individual and institutional investors and the number of independent (growing) shareholders not related to corporations (called «external» or «outsiders»), as well as a well-developed legal framework that defines the rights and responsibilities of three key players – the board of directors, managers and shareholders [11].

Close linkages with a vital bank, financial, and industrial network underpin the Japanese model (keiretsu). The Bank offers loans and services for the issuing of securities, current accounts, and consulting to its corporate clients. This bank is frequently the company’s largest internal shareholder. Since independent shareholders have little power over the company’s policy, their number is tiny [11].

The German model is built on the banking system (banks serve as creditors, voting agents, and depositories), as well as shareholders and employees [12]. The German model has three distinguishing characteristics that set it apart from other models: bicameral board with executive and supervisory boards; legal constraints on shareholders’ voting rights, such as the company’s charter limiting the number of votes a shareholder can cast at a meeting, which may or may not correspond to the number of shares he owns [12].

For Ukraine, which is transitioning to a market economy, improving company management is a top concern. Corporations’ competitiveness might be harmed by a lack of attention to corporate management issues. The establishment of corporate property and the method for managing economic security as crucial conditions for successful and efficient corporate activity require specific attention.

Today, Ukraine’s corporate management system is in the early stages of development and formation, sharing characteristics with Anglo-American (institutional investors and shareholders play a major role), German (the company’s management system consists of executive and supervisory boards), and Japanese corporate management systems (some markets show signs of a key bank and financial-industrial network, insider shareholders are more interested in long-term control of the company than in making a quick profit).

Institutional and integrative trends of market transformation, active attraction of foreign investment, and battling the risks of hostile takeovers are among the most important factors leading to the establishment of the institution of corporate management in Ukraine.

Large trade, logistics, industrial enterprises, industrial and financial groups, holding and international companies make up the corporate sector of the domestic economy today, and they play an important part in assuring the country’s economic progress. They are becoming more active participants in the financial markets, and they are looking for external sources of finance through the initial public offering (IPO) method.

The global financial crisis may act as a catalyst for the adoption of corporate management standards in Ukrainian businesses. Difficult economic situations, in general, not only impede the successful development of businesses, but also create the environment for improving or dramatically changing public management concepts and real-world management methods. Analysts point to one of the causes of the global economic downturn: investors' irrational financial actions, which resulted in huge public and private capital losses. The introduction of a new management logic, which is based on ways to prioritizing the welfare of company owners, according to most experts, should become an effective mechanism for protecting the interests of owners and investors.

Corporate management is an important element of an efficient market economy. Shareholders and other stakeholders should have access to relevant information and the ability to exercise control and influence over management to ensure that the company's assets are used for the benefit of all those individuals. Control is exercised through both internal management procedures and external legal regulatory mechanisms. The ability to exercise such control is important both in economically developed countries and in developing economies.

There should be clear and acceptable manner in which shareholders exercise their ability to control management's operations and participate in crucial decisions for investors and creditors.

The following companies' effective corporate management practice ensures that they consider the interests of a diverse variety of stakeholders and that their management is accountable to their shareholders. This, in turn, helps to maintain the confidence of investors, both foreign and domestic, and to attract long-term loans [13].

Using the appropriate methodology of corporate management assessment, it is necessary to analyze the system of interaction between the company's management, its supervisory board, shareholders and other stakeholders, as well as conduct a comprehensive assessment of management standards on four separate components, namely [14]:

- ownership structure and influence of the owners;
- relations with interested persons;
- financial transparency and disclosure of information;
- structure and methods of work of management bodies.

Compilation of corporate management rating is regulated by the Guidelines for the establishment and operation of independent information and rating agencies specializing in providing information services in the stock market of Ukraine, which, in turn, are developed on the basis of the Concept of rating system of regions, sectors of the economy, economic entities [15].

In a competitive market environment, the corporate management rating and analysis performed for this reason enable such a corporation to position itself in comparison to rival issuers of securities. The corporate management rating provides an analysis of the efficiency of the interaction between management, the supervisory board and shareholders of the company and other persons with a financial interest in it. The internal structure and methods of corporate management [16-23] are the primary focus of the investigation. The focus is on whether the country's corporate management meets the basic standards of local legislation and regulatory principles, which may include an examination of the country's corporate management (analysis of the legal, regulatory and information infrastructure).

The company's corporate management rating is a current conclusion about the level of compliance of the company's corporate management practices with codes and principles and best practices in this area [13].

In addition, each of the four separate components can be rated on a scale from highest to lowest. These are the following components and subcomponents:

1. Corporate capital structure:

– transparency of the structure;

– concentration of capital and influence from the owners.

2. Relations with stakeholders:

– regularity of shareholders' meetings, the possibility of participation in them and obtaining information about their holding;

– procedures for voting and conducting shareholders' meetings;

– property rights (registration and transfer, equality of property rights).

3. Financial transparency and disclosure:

– disclosure standards;

– timeliness and availability of disclosed information;

– independence of the auditor.

4. The structure and methods of the company's management bodies:

– structure and composition of the supervisory board;

– the role and efficiency of the board of directors;

– independence of external directors;

– policy in the field of remuneration, evaluation of the results of the work of the managing bodies of the company.

Existing approaches appear to be flawed in the face of economic uncertainty since they do not take into consideration both qualitative and quantitative indications, reducing the overall impact of such an assessment. As a result, the proposed Methodology for producing corporate management ratings [13] is based not only on the evaluation of qualitative indicators of company management, but also on the quantitative indicators of its operations (Fig. 1).

The rating is compiled only on the basis of public data disclosed by the joint-stock company on the websites of news agencies authorized by the State Commission on Securities and Stock Market and on the website of the company itself. On the basis of the questionnaire developed by the author (Appendix B), the systematization of information is carried out to determine and evaluate quality indicators. The procedure for convening and holding a general meeting of shareholders is assessed on the following grounds (Table 2).

QUALITATIVE INDICATORS

– the procedure for convening and holding the General Meeting of Shareholders;
– the procedure for issuing shares of the company;
– work of the Supervisory Board of the company;
– organization of the work of the executive body of the company;
– disclosure of information and its transparency;
– control over the financial and economic activities of the company.

QUANTITATIVE INDICATORS

– return on capital;
– return on equity;
– payback period of equity;
– coefficient of financial independence;
– coefficient of financial stability;
– earnings per share;
– dividend per share
– dividend yield.

Fig. 1. Qualitative and quantitative indicators for assessing the state of corporate management of joint stock companies

Source: author's own

Table 2. The procedure for convening and holding a general meeting of shareholders

Indicator	Points
The General Meeting of Shareholders is held annually, shareholders have access to documents related to the agenda, have the right to make proposals on the agenda, participate in discussions and voting, as well as receive complete and accurate information about the financial and economic condition of the Company and its results of its operations.	5 points
The general meeting of shareholders is held annually, shareholders have access to documents related to the agenda and have the right to make proposals on the agenda, participate in discussions and voting on the agenda, using bulletins of the approved form.	4 points
The Annual General Meeting of Shareholders is held once a year, and shareholders have the ability to view materials relating to the agenda and submit suggestions to supplement the agenda with specific topics no later than 30 days before the meeting.	3 points
The Annual General Meeting of Shareholders is held once a year, and the Company provides shareholders with the opportunity to become acquainted with the documents linked to the agenda at any time between the time of notification of the General Meeting's convening and the day of their holding.	2 points
The general meeting of shareholders is held annually no later than 4 months after the end of the financial year, shareholders are notified no later than 45 days before.	1 point

Source: author's own

The procedure for issuing shares of the company is assessed on the following grounds (Table 3).

Table 3. The procedure for issuing shares of the company

Indicator	Points
The company issued registered and bearer shares, ordinary and preferred in undocumented form, the register is kept in the depository.	5 points
The Company carried out additional issues of ordinary registered shares in undocumented form, the register is kept in the depository.	4 points
The company carried out additional issues of ordinary registered shares in documentary form, the register is maintained by an independent registrar.	3 points
The company issued ordinary registered shares in documentary form only upon creation, the register is maintained by an independent registrar.	2 points
The company issued ordinary registered shares in documentary form only upon creation, the register is maintained at the enterprise.	1 point

Source: author's own

The work of the company's supervisory board is assessed on the following grounds (Table 4).

Table 4. The work of the supervisory board of the company

Indicator	Points
The Supervisory Board oversees the executive body's activities, protects all shareholders' rights, reports to the General Meeting of Shareholders, has independent members, determines the Company's main objectives, develops a strategy to achieve them, and evaluates its activities annually, including using a rating system. It has a corporate secretary role in its organizational structure.	5 points
The Supervisory Board oversees the executive body's operations, protects all shareholders' rights, reports to the General Meeting of Shareholders, has independent members, sets the Company's key objectives, and invents a strategy to achieve them.	4 points
The Supervisory Board monitors the activities of the executive body, protects the rights of all shareholders, reports to the General Meeting of Shareholders, its members have the necessary knowledge and experience. It consists of independent members.	3 points
The Supervisory Board monitors the activities of the executive body, protects the rights of all shareholders, reports to the General Meeting of Shareholders, its members have the knowledge, qualifications and experience necessary to perform their duties.	2 points
The Supervisory Board monitors the activities of the executive body on a voluntary basis, its members do not have sufficient qualifications and experience in this field.	1 point

Source: author's own

The organization of work of the executive body of the company is assessed on the following grounds (Table 5).

Table 5. Organization of work of the executive body of the company

Indicator	Points
The Executive Body is in charge of the Company's current and future management, and it reports to the Supervisory Board on the implementation of operational and long-term strategies, as well as the company's financial and economic position.	5 points
The Executive Body is responsible for the Company's current and future management and submits a report on the Company's operational plans to the Supervisory Board at least once every three months.	4 points
The executive body is responsible for the Company's current and future management in conformity with the law.	3 points
The Executive Body develops and coordinates with the Supervisory Board the draft annual budget and strategies of the Company.	2 points
The executive body manages the current activities of the Company.	1 point

Source: author's own

Disclosure of information and its transparency are assessed on the following grounds (Table 6).

Table 6. Disclosure of information and its transparency

Indicator	Points
The company publishes annual and quarterly reports in official publications and on the website, and sends the annual report together with the auditor's report to shareholders, clients, partners, and investors on a regular basis. The Company communicates all changes in financial and economic activity that may impact the value of securities or income earned on them within two days of the occurrence. The corporation submits applications to rating agencies on a regular basis.	5 points
The company regularly discloses not only annual but also quarterly reports in official publications and on the website, as well as distributes the annual report together with the auditor's report to shareholders, clients, partners and investors.	4 points
The company regularly discloses not only annual but also quarterly reports in official publications and on the website.	3 points
The Company regularly submits an annual report, the form of which is provided by the NSSMC (National Security and Stock Market Commission) and publishes it in one of the official publications, as well as places an electronic version of the report on the website.	2 points
The Company regularly submits an annual report, the form of which is provided by the NSSMC (National Security and Stock Market Commission) and publishes it in one of the official publications.	1 point

Source: author's own

Control over the financial and economic activities of the company is assessed on the following grounds (Table 7).

Table 7. Control over the financial and economic activities of the company

Indicator	Points
The Company engages an independent audit company, which does not change, to protect the rights and interests of shareholders. The audit commission and the Supervisory Board of the Company are both very efficient. The Company has formed an Internal Control (Audit) Department.	5 points
The Company engages an independent audit company, which does not change, to protect the rights and interests of shareholders. The audit commission and the Supervisory Board of the Company are both very efficient.	4 points
The Company retains an independent audit company to protect the rights and interests of shareholders, which has not altered in the recent 3-5 years. The audit commission of the company is quite efficient.	3 points
The Company uses independent audit firms that have not changed in the last three years to protect the rights and interests of shareholders.	2 points
The Company engages independent audit companies, which are continually changing, to protect the rights and interests of shareholders.	1 point

Source: author's own

The return on capital metric measures how many hryvnias of net profit are generated for every UAH invested in assets. Positive developments in the company's activities are reflected in the increase in this indicator. The following criteria should be used to evaluate return on capital (Table 8).

Table 8. Return on capital

Indicator	Points
exceeds 0,1	5 points
in the range from 0,05 to 0,1	4 points
In the range from 0,0 to 0,05	3 points
In the range from -0,1 to 0,0	2 points
less than -0,1	1 point

Source: author's own

The return on equity measures how many hryvnias of net profit are generated for every UAH invested in the company's equity. Return on equity should be assessed as follows (Table 9):

Table 9. Return on equity

Indicator	Points
exceeds 0,1	5 points
in the range from 0,05 to 0,1	4 points
in the range from 0,0 to 0,05	3 points
in the range from -0,1 to 0,0	2 points
less than -0,1	1 point

Source: author's own

The equity payback period indicates how much and for how long the equity will be offset by the company's net profit. This figure should be as low as possible. The payback period of equity should be estimated as follows (Table 10).

Table 10. Payback period of equity

Indicator	Points
less than the operating cycle (less than 1 year)	5 points
in the range from 1,0 to 1,5 року	4 points
in the range from 1,5 to 2,0 років	3 points
in the range from 2,0 to 2,5 років	2 points
Exceeds 3 years	1 point

Source: author's own

Characterizes the ability of the company to meet its external obligations from its own sources and shows the independence of the company from borrowed funds. The critical value is 0,5. When the value of the coefficient decreases, the company loses its independence. The coefficient of financial stability (independence) should be estimated as follows (Table 11).

Table 11. The assessment of the coefficient of financial stability (independence)

Indicator	Points
exceeds 1,0	5 points
in the range from 0,75 to 1,0	4 points
in the range from 0,5 to 0,75	3 points
in the range from 0,2 to 0,5	2 points
less than 0,2	1 point

Source: author's own

The coefficient of financial stability shows the security of debt with equity. The critical value is 0.5. When the coefficient decreases, the company loses its financial stability. The coefficient of financial stability should be estimated as follows (Table 12).

Table 12. Coefficient of financial stability

Indicator	Points
exceeds 1,0	5 points
in the range from 0,75 to 1,0 року	4 points
in the range from 0,5 to 0,75 of the year	3 points
in the range from 0,25 to 0,5 of the year	2 points
less than 0,25	1 point

Source: author's own

Earnings per share is the amount of net profit per ordinary share of the company in hryvnias. The increase in this statistic suggests that the company's corporate management is improving. The following is a formula for calculating earnings per share (Table 13).

Table 13. Earnings per share

Indicator	Points
higher than the nominal value of the share more than 2 times	5 points
higher than the nominal value of the share less than 2 times	4 points
equal to the par value of the shares	3 points
lower than the nominal value of the share less than 2 times	2 points
lower than the nominal value of the share more than 2 times	1 point

Source: author's own

Dividend per share indicates how many hryvnias of net profit are distributed per ordinary share of the company after dividends on preferred shares are paid. Dividend per share should be estimated as follows (Table 14).

Table 14. Dividend per share

Indicator	Points
higher than the nominal value of the share more than 2 times	5 балів
higher than the nominal value of the share less than 2 times	4 бали
equal to the par value of the shares	3 бали
lower than the nominal value of the share less than 2 times	2 бали
lower than the nominal value of the share more than 2 times	1 бал

Source: author's own

Dividend yield is the percentage of a company's net earnings that is paid out in dividends on ordinary shares. It is dependent on the company's dividend policy. Dividend yield should be estimated as follows (Table 15).

Table 15. Dividend yield

Indicator	Points
exceeds 1,0	5 points
in the range from 0,75 to 1,0	4 points
in the range from 0,5 to 0,75	3 points
in the range from 0,2 to 0,5	2 points
less than 0,2	1 point

Source: author's own

The previously computed indicators are given appropriate weighting coefficients based on the performed expert surveys (Appendix B) (Table 16).

These weights were derived based on a poll of specialists now employed in a variety of businesses, as well as banking institutions, investment firms, government agencies, and other organizations. The overall score for evaluating a joint-stock company's level of corporate management is calculated by multiplying the amount of points acquired for each factor by a weighting factor and then summing the results:

$$R_{crop} = F(X_i) = \sum_{i=1}^{n}[B_i \times K_i] \quad (9),$$

where R_{crop} – total score for assessing the level of corporate management of the Company; B_i – the number of points for the i-th factor ($i = 1,...,n$); K_i – weighting coefficient of the i-th factor ($i = 1,...,n$).

Table 16. List of weights

Indicator	Weighting coefficient
the procedure for convening and holding the General Meeting of Shareholders	0,10
the procedure for issuing shares of the company	0,08
work of the Supervisory Board of the company	0,10
organization of work of the executive body of the company	0,10
disclosure of information and its transparency	0,12
control over the financial and economic activities of the company	0,10
return on capital	0,02
return on equity	0,05
payback period of equity	0,05
coefficient of financial independence	0,10
financial stability coefficient	0,05
earnings per share	0,05
dividend per share	0,05
dividend yield	0,03

Source: author's own

Based on the total score of the corporate management level, joint-stock companies are ranked according to classes A, B, C, D and E. The corresponding calculations of the Company's corporate management rating are performed using Excel 2000.

Table 17 is used to rank joint-stock companies according to their classes.

Table 17. Criteria for assessing the state of corporate management of a joint stock company

Class	Characteristics of the class	Total score
A	The joint-stock company manages its business efficiently, with open information about its major activities, interactions with shareholders, the Supervisory Board, and the Audit Committee. The examination of the coefficients used to evaluate the Company's profitability and market activity reveals that its operations are trending in the right direction. The company maintains a consistent dividend policy that is available to all shareholders.	From 4,2 to 5,0
B	The joint-stock company has efficient corporate management, which is characterized by open information on the company's main activities, relationships with shareholders, the Supervisory Board, and the Audit Committee, but there is no information about the company's ability to maintain this level for an extended period of time. Companies in this category require additional attention due to probable flaws that jeopardize efficient corporate management. An examination of the Company's profitability and market activity coefficients may reveal negative tendencies in its operations.	From 3,4 to 4,2
C	In the key areas of operation, interactions with shareholders, the Supervisory Board, and the Audit Committee, the joint-stock company conducts corporate management, which is characterized by an insufficient level of information openness. For issued shares that do not have a significant market value and do not come into free circulation on the stock market, the Company holds an open subscription. The Company's Supervisory Board merely oversees the executive body's actions and reports to the General Meeting of Shareholders. The examination of the factors used to evaluate the Company's profitability and market activity reveals unfavorable tendencies in its operations.	From 2,6 to 3,4
D	In the major activities and contacts with shareholders, the joint-stock corporation undertakes corporate management, which is defined by an insufficient level of information openness. The stock of the company has a low market value and is not in high demand. The Company's Supervisory Board has only visual oversight over the executive body's operations, which it reports to the General Meeting of Shareholders, and external audit companies are invited to conduct a full inspection. The Company's activity analysis reveals non-profitability and minimal market activity.	From 1,8 to 2,6
E	The joint-stock company is in charge of corporate management, which is marked by a lack of professionalism and information transparency. The stock of the corporation has a low market value and is not in high demand. The Supervisory Board is a volunteer organization that monitors the actions of the executive body; nevertheless, its members lack the necessary skills and experience in this field. The Company's activity analysis reveals non-profitability and minimal market activity. The chances of the Company meeting its obligations to its stockholders are limited.	Less 1,8

Source: author's own

Conclusions: Thus, the proposed tools will aid in assessing the state of corporate management in times of economic uncertainty, identifying factors that affect joint stock company activities, and improving corporate development plan.

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