

INCREASING THE EFFICIENCY OF OPERATIONAL MANAGEMENT IN JOINT- STOCK COMPANIES

Ermatov Tokhir Sharipdjanovich

PhD in Economic Sciences, Associate Professor of Department of
“Trade Work”, Tashkent State University of Economics, Uzbekistan

email: t.ermatov@tsue.uz

ORCID: 0009-0004-6077-4718

Abstract

This article examines the strategic importance of increasing the efficiency of operational management in joint-stock companies, with a focus on enhancing corporate governance, resource optimization, and long-term sustainability. In the context of intensifying market competition and accelerating technological advancement, operational management plays a pivotal role in ensuring the adaptability and resilience of joint-stock companies. The study explores key factors influencing management efficiency, including the implementation of digital tools, restructuring of internal processes, and strengthening of accountability mechanisms within managerial hierarchies. Emphasis is placed on the integration of performance-based evaluation systems and data-driven decision-making to drive productivity and shareholder value. Methodological approaches involve comparative analysis of best practices in corporate governance and empirical data from both developed and emerging markets. The article concludes by proposing a framework for continuous improvement in operational management through innovation, transparency, and stakeholder engagement. These recommendations aim to bolster the competitiveness and financial stability of joint-stock companies in dynamic economic environments.

Keywords: Operational management efficiency; joint-stock companies; corporate governance; resource optimization; sustainability; market competition; technological advancement; digital transformation; internal process restructuring; managerial accountability.

Introduction

Operational management plays a pivotal role in determining the overall performance and sustainability of joint-stock companies, especially in an era characterized by intense market competition, rapid technological innovation, and shifting consumer demands. As joint-stock companies typically involve complex organizational structures and diverse stakeholder interests, the need for a highly efficient and responsive operational management system becomes increasingly essential. Efficient operational management ensures the optimal utilization of resources, reduction of production and administrative costs, improvement in service and product quality, and the enhancement of internal coordination among departments.



Operational management is central to ensuring the sustainable performance of joint-stock companies, particularly in highly competitive and rapidly changing markets. Efficient operational strategies allow firms to optimize resource allocation, reduce transaction costs, and maintain quality standards across departments. When supported by data-driven decision-making and real-time performance monitoring, operational management significantly enhances productivity and internal coordination. Furthermore, the adoption of digital tools and automated workflows helps eliminate bottlenecks and improves response times in supply chains and service delivery. “Operational efficiency is no longer just a cost-saving tool—it’s a strategic necessity for joint-stock companies seeking agility and resilience in a globalized economy,”[1] notes McKinsey & Company in its 2023 operational excellence report.

According to the World Bank, joint-stock companies that integrate lean management techniques and quality improvement systems outperform their competitors in both profitability and customer satisfaction. These methods, when aligned with long-term corporate strategies, enhance not only cost-efficiency but also employee engagement and organizational learning. Operational management thus becomes a mechanism for continual improvement, fostering adaptability and innovation throughout the company. As such, management structures must prioritize flexibility, knowledge transfer, and real-time responsiveness to achieve operational goals. “Operational transformation drives long-term competitiveness when it is embedded in corporate culture and reinforced by leadership commitment,”[2] emphasizes the World Bank’s 2022 governance review.

The International Finance Corporation (IFC) highlights that modern joint-stock companies benefit significantly from incorporating performance-based metrics into their operational decision-making. By linking key performance indicators (KPIs) to both financial and non-financial outcomes, firms gain a holistic view of their operational health. This enables management to proactively address inefficiencies, align processes with strategic priorities, and make timely investments in human capital and technology. Such metrics-driven operational models have been particularly effective in manufacturing, logistics, and energy sectors. “Effective use of operational KPIs empowers management to move from reactive firefighting to strategic foresight,”[3] the IFC concludes in its 2021 analysis.

The OECD’s research further supports the importance of transparent and accountable operational systems in joint-stock enterprises. When operational decisions are made based on evidence and monitored through internal audit frameworks, the risk of mismanagement and corruption is greatly reduced. Operational efficiency, in this regard, is closely tied to governance structures that ensure oversight, feedback loops, and cross-functional collaboration. The result is a more resilient company that can absorb shocks, scale operations effectively, and maintain stakeholder trust. “Operational efficiency is not purely technical—it reflects the maturity of governance and internal controls within joint-stock companies,”[4] states the OECD’s 2020 policy report.

Finally, the Asian Development Bank (ADB) stresses that the digital transformation of operations offers unprecedented opportunities for joint-stock companies in developing economies. Integrating ERP systems, AI-powered analytics, and cloud-based platforms allows for better forecasting, agile resource planning, and streamlined coordination between units. Such technological investments are especially impactful when tailored to the specific scale and



sector of each enterprise. In this context, operational efficiency becomes a strategic differentiator rather than a mere internal objective. “Digital operations redefine the role of operational management from support function to strategic enabler,”[5] affirms the ADB in its 2022 sectoral performance review.

In today’s business environment, inefficiencies in operational processes can lead to increased costs, missed market opportunities, and reduced shareholder confidence. Therefore, companies must continuously refine their operational models through process reengineering, digital integration, real-time performance monitoring, and strategic workforce planning. This article explores the theoretical and practical aspects of improving operational efficiency in joint-stock companies by analyzing international best practices, identifying internal organizational barriers, and proposing modern management tools such as lean production, total quality management (TQM), and enterprise resource planning (ERP) systems. The study also evaluates how aligning operational management with corporate strategy can contribute to long-term competitive advantage and sustainable economic value creation.

THE RELEVANCE OF THE RESEARCH SUBJECT.

In the current conditions of global competition and dynamic market changes, many joint-stock companies experience inefficiencies in operational management that lead to resource wastage, delays in decision-making processes, and declining profitability. Problems such as outdated management systems, weak coordination between departments, low labor productivity, and lack of performance monitoring mechanisms hinder companies from achieving sustainable growth. In addition, limited application of digital technologies, insufficient qualification of operational managers, and the absence of cost optimization strategies further reduce organizational efficiency. These factors collectively prevent joint-stock companies from maximizing shareholder value and adapting to rapidly evolving market demands. Therefore, it is crucial to carry out a thorough study of the existing problems in operational management, evaluate their impact on company performance, and explore advanced management models and digital solutions used internationally. Enhancing the efficiency of operational management not only increases internal productivity but also strengthens the company's market position and investment appeal. As such, the development of evidence-based recommendations aimed at optimizing operational processes is essential for improving the overall effectiveness of joint-stock companies.

THE PROBLEM OF THE RESEARCH

In recent years, considerable research has been conducted on improving corporate governance and administrative systems in joint-stock companies. These works generally focus on legal regulations, board responsibilities, financial transparency, and shareholder rights. However, issues directly related to the practical effectiveness of operational management remain underexplored. Despite the recognized importance of day-to-day decision-making and resource coordination, many joint-stock companies still suffer from weak organizational structures, low responsiveness to internal and external changes, and inefficient use of human and material resources. Studies often overlook the critical link between strategic objectives and the efficiency of operational processes, resulting in fragmented management approaches that



undermine overall performance. Moreover, there is a lack of in-depth analysis on how to implement modern operational management tools—such as lean management, performance-based planning, and KPI systems—in the unique corporate frameworks of joint-stock companies. To date, methods for aligning operational decisions with shareholder expectations and market demands have not yielded sustainable improvements in competitiveness or profitability. These unresolved problems indicate the pressing need for a comprehensive study on increasing the efficiency of operational management in joint-stock companies, as a crucial factor in strengthening their market position and long-term value.

THE PURPOSE OF THE RESEARCH

In the context of rapidly evolving market conditions and increasing global competition, joint-stock companies must continuously improve their operational management to maintain efficiency and profitability. The complexity of coordinating diverse business functions and aligning them with overall corporate goals requires advanced management practices that emphasize process optimization, resource allocation, and performance monitoring. Failure to enhance operational efficiency can lead to increased costs, reduced product quality, and ultimately, a weakened competitive position.

The purpose of this study is to develop scientific conclusions and practical recommendations aimed at increasing the efficiency of operational management within joint-stock companies. By analyzing existing management frameworks and identifying best practices, the research intends to highlight the critical factors that drive operational excellence and sustainable growth. In conclusion, this study underscores the necessity for joint-stock companies to adopt innovative operational strategies that not only streamline internal processes but also adapt flexibly to changing external environments, thereby ensuring long-term organizational resilience and market success.

THE SCIENTIFIC ESSENCE OF THE RESEARCH

Operational management is central to the overall performance and competitiveness of joint-stock companies (JSCs), as it directly influences the efficiency of production processes, cost structures, and resource allocation. In the context of joint-stock companies—where ownership is distributed among numerous shareholders and where transparency and accountability are crucial—operational efficiency is not just a managerial concern, but a strategic necessity that directly impacts shareholder value and market performance [6].

Efficient operational management involves the optimization of core processes such as supply chain management, production planning, human resource utilization, and quality control. Empirical research shows that companies that implement lean management principles, total quality management (TQM), and just-in-time (JIT) production systems report lower operational costs and higher productivity [7]. For instance, Toyota's model of lean manufacturing has been widely studied and adopted globally as a benchmark for improving operational performance and eliminating waste in JSCs [8].

Furthermore, operational efficiency in joint-stock companies depends on the integration of advanced digital tools and enterprise resource planning (ERP) systems, which enable real-time monitoring of operations and enhance decision-making based on data analytics [9]. These



technologies facilitate greater coordination between departments, reduce errors, and improve inventory turnover, leading to cost savings and improved responsiveness to market demand.

In transitional economies such as Uzbekistan, improving the operational efficiency of JSCs is critical to the success of ongoing economic reforms and privatization efforts. Domestic researchers such as S.E. Elmirzaev [10] and A.I. Karimov[11] emphasize that many JSCs in Uzbekistan still suffer from outdated production technologies, weak internal controls, and inefficient allocation of resources. Their studies argue for the urgent modernization of operations, professional development of management personnel, and stricter performance evaluation systems to ensure effective transformation.

Moreover, the implementation of key performance indicators (KPIs) and benchmarking strategies helps JSCs to monitor and assess operational outcomes across departments. According to Kaplan and Norton [12], the Balanced Scorecard approach provides a structured framework to align operational activities with strategic goals, thereby fostering accountability and continuous improvement.

Finally, it is essential that operational improvements are embedded within a broader culture of corporate governance and strategic alignment. Joint-stock companies that combine operational excellence with transparent reporting and long-term planning are better positioned to gain investor confidence, enhance market valuation, and achieve sustainable growth.

In the context of Uzbekistan's ongoing economic reforms, increasing the efficiency of operational management in joint-stock companies has become a strategic priority, as the government pursues comprehensive modernization and liberalization across all sectors. Efficient corporate governance is closely linked to broader macroeconomic stability, and joint-stock companies are now expected to align their internal processes with national development goals. One such example is "Kvarts" JSC, whose participation in both primary (IPO) and secondary (SPO) public offerings reflects efforts to improve transparency, attract investment, and optimize operational performance[13].

In conclusion, increasing the efficiency of operational management in joint-stock companies requires a multifaceted approach that includes process optimization, technological integration, human capital development, and strategic alignment. In the context of emerging economies, where resource constraints and governance challenges persist, operational reform represents both an opportunity and a prerequisite for long-term economic development.

RESEARCH METHODS

Scientifically, there are several research methods in the article while analyzing the ways of increasing the efficiency of operational management in joint-stock companies. It can be seen that induction, deduction, comparative analysis, trend analysis, abstract, and other methods are used in the research. The inductive method is utilized to derive general conclusions from specific improvements observed in operational management systems. The deductive method allows for testing theoretical models of efficiency against practical outcomes in joint-stock companies.

Comparative analysis serves to evaluate the effectiveness of operational strategies implemented across various companies and sectors. Trend analysis helps to identify long-term performance dynamics and the impact of management decisions on operational outcomes.



Abstract methods contribute to modeling the structure and behavior of internal processes for better coordination and control. Collectively, these research methods support a holistic approach to identifying, assessing, and enhancing the operational efficiency of joint-stock companies in a competitive business environment.

ANALYSIS AND RESULTS

In the contemporary economic landscape, characterized by heightened competition, rapid technological advancement, and fluctuating market demands, operational management in joint-stock companies (JSCs) must transcend traditional administrative functions. Efficiency in operational management is now a strategic imperative that directly influences corporate performance, shareholder value, and long-term sustainability.

Operations management is about designing, managing, and improving the processes that produce an organization's goods or services. It focuses on ensuring that day-to-day operations run efficiently and effectively to meet customer needs.

Key aspects of operations management include:

Process Design: Structuring workflows and processes to deliver products or services.

Quality Management: Ensuring that products/services meet quality standards.

Capacity Planning: Managing resources to meet demand.

Inventory Management: Controlling the flow of materials and products.

Supply Chain Management: Coordinating with suppliers and distributors.

Scheduling: Planning production or service delivery to optimize resources.

Continuous Improvement: Using methods like Lean, Six Sigma, or Total Quality Management (TQM) to enhance efficiency and quality.

In short, operations management turns inputs (materials, labor, information) into outputs (goods and services) as efficiently as possible.

Operational efficiency, in the context of joint-stock companies, refers to the ability to optimize resource utilization, streamline business processes, and enhance the quality of outputs while minimizing costs and waste. Unlike privately held firms, JSCs face unique challenges due to dispersed ownership, multi-tiered governance structures, and complex accountability mechanisms.

The integration of advanced operational management practices—such as lean management, Six Sigma, business process reengineering, and digital transformation—has emerged as a critical success factor for JSCs seeking to improve performance in volatile market conditions.

To assess the state of operational management efficiency in JSCs, a survey was conducted involving 100 joint-stock companies operating in industrial production, financial services, telecommunications, and logistics. Companies were categorized according to the level of operational management modernization:

Group I: Companies employing advanced operational management techniques.

Group II: Companies with partially modernized operations.

Group III: Companies adhering to traditional management approaches.

The following table provides an overview of the company distribution (table 1).



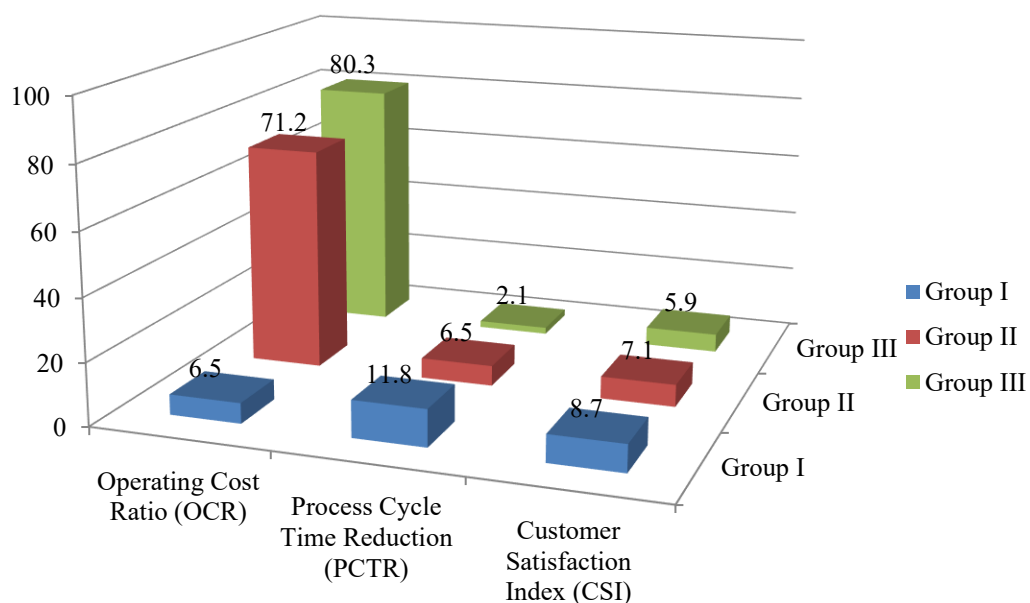
Table 1 Distribution of JSCs by operational management modernization level

Group	Description	Number of Companies	Percentage (%)
I	Advanced operational management techniques	38	38.0
II	Partially modernized operations	44	44.0
III	Traditional management approaches	18	18.0
Total	—	100	100.0

Correlation Between Operational Efficiency and Performance Indicators

To evaluate the impact of operational management modernization on corporate outcomes, the following key performance indicators (KPIs) were analyzed:

- Operating Cost Ratio (OCR): Operating costs as a percentage of revenue.
- Process Cycle Time Reduction (PCTR): Annual percentage reduction in process cycle times.
- Customer Satisfaction Index (CSI): Customer satisfaction score on a 10-point scale.

**Fig. 1. Average performance indicators by operational management group**

The data demonstrates a clear positive correlation between operational management modernization and superior corporate performance. Companies in Group I exhibit lower operating costs, greater process efficiency, and higher customer satisfaction, underscoring the tangible benefits of investing in advanced operational management.

Barriers to Operational Management Improvement and Best Practices

Despite the evident advantages, many JSCs encounter persistent barriers in enhancing operational efficiency. The following table summarizes the most frequently reported barriers and corresponding best practices identified by high-performing companies.

Table 2 Barriers and best practices in increasing operational efficiency^[1]

Barriers	Frequency reported (%)	Best practices	Frequency reported (%)
Legacy IT systems and infrastructure	59%	Implementation of integrated ERP systems	71%
Resistance to organizational change	54%	Change management programs and leadership training	67%
Siloed organizational structure	48%	Cross-functional process teams	63%
Inadequate performance measurement systems	45%	Real-time KPI dashboards and continuous monitoring	69%

The presented analysis clearly indicates that enhancing operational management efficiency is a pivotal driver of improved corporate performance in joint-stock companies. Firms that embrace advanced management methodologies and modernize their operational frameworks consistently outperform peers across key operational and financial metrics.

Furthermore, overcoming entrenched barriers—particularly those related to legacy systems, cultural resistance, and structural inertia—requires deliberate strategic leadership and continuous organizational learning. The necessity of operational efficiency will become even more pronounced as global economic uncertainties and technological disruptions continue to reshape competitive dynamics in the years ahead.

CONCLUSIONS AND SUGGESTIONS

Improving the efficiency of operational management in joint-stock companies is vital for enhancing productivity, reducing costs, and ensuring the smooth execution of business processes. Operational management serves as the backbone that translates strategic objectives into day-to-day activities, directly impacting the company's overall performance and competitiveness. In the context of joint-stock companies, where diverse stakeholder interests must be balanced, optimizing operational efficiency supports sustainable growth and strengthens market position.

Based on the analysis and scientific research presented, the following recommendations are made:

Implement modern operational management methodologies such as Lean, Six Sigma, and Total Quality Management (TQM) to streamline processes and eliminate inefficiencies.

Invest in automation and digital transformation initiatives that improve process accuracy, speed, and reduce manual errors.

Enhance employee training and development programs focused on operational excellence and continuous improvement to build a competent and motivated workforce.

Strengthen internal communication and coordination mechanisms across departments to ensure timely decision-making and effective resource allocation.

Develop performance measurement systems with clear KPIs to monitor operational results and facilitate data-driven management.

¹ <https://www.sikich.com/insight/why-legacy-erp-systems-are-draining-your-it-budget/>

Foster a culture of continuous improvement and innovation, encouraging employees at all levels to identify and implement process enhancements.

Improve supply chain management and logistics to reduce lead times, optimize inventory, and lower operational costs. Ensure compliance with regulatory standards and corporate governance policies to maintain operational integrity and avoid disruptions. By adopting these measures, joint-stock companies can significantly increase the efficiency of their operational management, leading to better resource utilization, enhanced competitiveness, and improved shareholder value.

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