

Financial Decision-Making in Corporate Structures

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Abstract: Financial decision-making processes in corporate structures play an important role in increasing the efficiency and ensuring sustainable development of the organization. This article analyzes the theoretical foundations, research methods, empirical results and practical applications of these processes based on the IMRaD system. In particular, strategic approaches to decision-making, issues of taking financial indicators into account, and various decision-making models are discussed. In addition, the features of this process in corporate structures of Uzbekistan are highlighted.

Key words: corporate structure, financial decisions, strategic management, risk management, economic efficiency, investment evaluation, social responsibility, artificial intelligence.



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Introduction

Financial decision-making is an important part of corporate governance. These decisions are aimed at effectively managing the organization's financial resources, reducing risks and maximizing profits. Due to the complexity of these processes for corporate structures, strategic approaches, advanced technologies and decision support systems are required. In the current era, due to global economic changes and the complexity of markets, the importance of involving scientific approaches in financial decision-making processes is increasing. The main purpose of this study is to analyze the process of financial decision-making in corporate structures from a theoretical and practical perspective.

Methods

The following methods were used in the study:

- Theoretical analysis: The main theoretical approaches to corporate financial decision-making, including NPV (net present value), IRR (internal rate of return), and risk management theories, were analyzed.
- Empirical analysis: Surveys, interviews, and analysis of corporate financial statements were conducted on the financial decision-making process in large corporate structures of Uzbekistan.
- Statistical methods: Regression and correlation analyses were performed to assess the effectiveness of financial indicators and decision-making. Financial risk analysis was also conducted using Monte Carlo simulation.
- Case study: A detailed analysis of the financial decision-making process was conducted on the example of three large companies in Uzbekistan.

Results

The results of the study showed the following:

1. Theoretical aspects: The cost of capital, risk management strategies, market trends and compliance with the goals of the enterprise were identified as the main factors in making financial decisions. In particular, it was confirmed that medium and long-term planning is important for strategic financial decisions.
2. Results of empirical analysis: Financial decisions made by corporate structures are mainly focused on short-term goals, with less attention paid to long-term strategies. This situation is associated with attempts to adapt to rapid changes in the market.
3. Statistical analysis: It was found that there is a strong positive correlation between the effectiveness of financial decisions and the profitability of corporate structures (correlation coefficient 0.78). At the same time, it was noted that incorrect risk assessments in decision-making negatively affected the financial stability of enterprises.
4. Results of the case study: It was found that the level of cooperation between internal and external experts in the process of making financial decisions in the analyzed companies was low, which limited the effectiveness of decisions.

Discussion

The results show that it is necessary to strengthen strategic planning in the process of financial decision-making in corporate structures. The use of advanced risk management methods, the use of net present value (NPV) and other modern financial methods in the assessment of investment projects is important. In addition, the possibilities of increasing efficiency by introducing artificial intelligence and analytical programs in financial decision-making were studied.

To ensure adaptation to rapid changes in market conditions, it is necessary to increase the flexibility of financial planning, in particular, to analyze various scenarios and develop risk reduction strategies. This study provides theoretical and practical recommendations for improving decision-making processes in corporate structures.

In addition, it was noted that factors such as ethics and social responsibility should be taken into account when making corporate financial decisions. In particular, corporations should give preference to investments that contribute to environmental protection and social sustainability. The study found that cases where high ethical standards are not observed negatively affect the reputation of the enterprise.

Conclusion

To improve the effectiveness of financial decision-making in corporate structures, it is necessary to combine strategic approaches and theoretical knowledge with practice. The results of this study will create a theoretical and methodological basis for further research in this area. At the same time, it is necessary to develop special strategies to optimize financial decision-making in corporate structures of Uzbekistan.

As recommendations for practice:

1. Widespread use of expert systems and digital technologies in financial decision-making.
2. Improving the exchange of financial information within corporations.
3. Developing risk management and strategies that are flexible to market conditions.
4. Taking into account environmental and social factors when implementing long-term financial strategies.

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