

MANAGEMENT IN ECONOMIC SECTORS AND ENTERPRISES

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THE INFLUENCE OF THE NET FINANCIAL RESULT OF THE ACTIVITIES OF THE STATE ENTERPRISES OF UKRAINE ON THE EFFICIENCY OF THE USE OF THEIR CAPITAL IN THE CORPORATE MANAGEMENT SYSTEM

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Abstract

Increasing the efficiency of corporate management of state-owned enterprises in the current military conditions of Ukraine is an important factor in ensuring an increase in their profitability. The increase in the rate of return on equity is a guarantee of further socio-economic development of state-owned enterprises. The purpose of the article is to study the relationship between the net financial results of the activities of state-owned enterprises and the profitability of their capital as an important task of improving the efficiency of corporate management of state-owned enterprises of Ukraine. Systematization of the main data on the state companies of Ukraine, which were selected for analysis, was carried out, in particular: LLC "Gas supply company "Naftogaz of Ukraine"; National Energy Company "Ukrenergo"; State enterprise "National Atomic Energy Generating Company "Energoatom"; Public joint-stock company "Ukrhydroenergo"; Boryspil International Airport. An analysis of the statistical data of the Organization for Economic Cooperation and Development for the years 2014–2019 of the net financial result of the activities of state-owned enterprises of Ukraine and the profitability of their capital was carried out. A correlation-regression analysis was conducted to determine the influence of the net financial results of the activities of state-owned enterprises on the profitability of their capital. It was found that there is a reliable positive relationship between the net financial result of the activity of state-

owned enterprises of Ukraine and the profitability of their capital. The results obtained during the correlation-regression analysis for the considered state enterprises are summarized. A model of corporate management of state-owned enterprises is proposed. The model presents management subjects (the state, shareholders, external investors, staff, etc.). The main four blocks that make it possible to ensure effective corporate management are presented: the supervisory board, the board, strategic planning, ownership policy.

Keywords: financial results, correlation-regression analysis, profitability, equity, model, corporate management.

JEL: G38, G30.

Introduction

The relevance of the research is related to the intensification of the reform in the field of corporate management of state-owned enterprises. Currently, about 3.5 thousand state-owned objects are registered in Ukraine, in particular, almost 40% of them have stopped their work, and about 30% are unprofitable (Government portal, 2023). The main task of the reform is to increase the efficiency of management of state enterprises, in particular to increase their financial and operational financial results. The reform envisages a radical change in such areas as: "transparency and reporting", "corporate management", "privatization", "liquidation", "rent", which should increase the profitability and profitability of state-owned enterprises. This is what led to the choice of the research topic.

Literature review

Financial problems of the development of domestic enterprises in the aspect of increasing the efficiency of corporate management were studied by many foreign scientists, in particular, Acharya et al., 2015 (considered threats to financial stability in developing economies in terms of corporate debt formation); Shen, & Zhang, 2016 (conducted empirical studies of financial development, in particular considered aspects of corporate investments, financial constraints, profitability); Alfaro et al., 2017 (they analyzed the problems of financial debts, in particular, the formation of financial results and their impact on the return on capital).

The impact of financial results of corporate sector enterprises on return on capital depends on many parameters, one of which is time (Huanga & Wang, 2015). It is this parameter that is included in the dynamic correlation-regression model of the influence of financial results of enterprises on profitability. Corporate governance has a positive impact on both return on assets and earnings per share (Khan, Khidmat, & Saleem, 2020). In addition, there is a positive effect of ownership concentration on return on assets and earnings per share.

The work of many domestic scientists has been devoted to the above problems and other problems of the development of corporate governance, in particular by state enterprises. Corporate finance plays an important role in the system of increasing the efficiency of corporate management and is a significant determinant of its development (Zymovets & Tereshchenko, 2015). The influence of the financial system on the financial support of domestic enterprises of Ukraine was studied (Davydenko, 2014, p. 76-80). The place of corporate finance in the financial system of Ukraine is considered, in particular, the importance of the growth of financial results of domestic enterprises is emphasized (Seliverstova, 2013, p. 84-90), which is considered an important factor in the growth of the return on capital. In addition, important additions to the topic of this study are given in scientific works, in particular (Seliverstova, 2013, p. 84-90) (investigated the influence of the monetary transmission mechanism on the financial condition of enterprises); (Krysovatyi & Riazanova, 2013, p. 7-27) (examined the problem of corporate finance in the context of the challenges of modern innovation economy); (Stetsko, 2017, p. 107-115) (the functional connections between corporate finance and the capital market were studied). Despite the comprehensive disclosure by domestic scientists of the problems of the formation of the corporate governance system, in particular

of state-owned enterprises, the problem of identifying the relationship between financial results of the activities of state-owned enterprises and the profitability of their capital, the identification of which will make it possible to increase the efficiency of the corporate management system of state-owned enterprises of Ukraine, which in modern military conditions acquires additional relevance.

Task

The purpose of the work is to study the relationship between the net financial results of state-owned enterprises and the profitability of their capital. In accordance with the set goal, the following tasks are set in the work:

1. To reveal the influence of the net financial result of the activity of state-owned enterprises of Ukraine on the profitability of their capital;
2. Build a correlation-regression model of the influence of the net financial result of the activity of state-owned enterprises of Ukraine on the profitability of their capital and evaluate its statistical adequacy and reliability;
3. To propose a model of corporate management of state-owned enterprises from the standpoint of the importance of ensuring an increase in the volume of net financial results and an increase in the profitability of their capital.

Research methods

Correlation analysis was chosen as the research method. Correlation analysis makes it possible to establish the nature and closeness of the relationship between the net financial result of the activities of state-owned enterprises of Ukraine (x) and the profitability of their capital (Y); quantitatively measure and determine the degree of influence (x) on (Y); calculate the quantitative changes of the analyzed phenomenon (x) during forecasting (Y) and, based on the information received, develop recommendations for finding reserves for the growth of the net financial result of the activities of state-owned enterprises of Ukraine in the system of improving the efficiency of corporate governance, in particular in the direction of building an effective model of corporate governance of state-owned enterprises.

In accordance with NP(S)BO 1 "General requirements for financial reporting" the composition of articles and the form of financial reporting (Oblik-Pres, 2024a) are determined, where the indicator (x) "Net financial result" (Net financial result: profit) is displayed. In addition, in accordance with the order of the Ministry of Finance of Ukraine, the "Methodical recommendations for filling out financial reporting forms" dated 03.28.2013 № 433 (Verkhovna Rada of Ukraine, 2013) were approved, which describes in detail the procedure for forming financial reporting, in particular, the "Net financial result". It is calculated as the algebraic sum of profit or loss before taxation (income tax and profit (loss) from discontinued operations after taxation) (Oblik-Pres, 2024b).

The indicator "Return on capital" (Y) makes it possible to assess the effectiveness of investing funds in the enterprise and makes it possible to determine the profit from each hryvnia invested in the enterprise. This indicator can be calculated in several ways, in particular by the ratio of profit before paying taxes to the amount of funds raised (Shkola biznesu Nova Poshta, 2022). When assessing the influence of the net financial result of the activity of state-owned enterprises of Ukraine (x) on the profitability of their capital (Y), a linear regression equation (formula 1) was constructed (Chatterjee & Simonoff, 2013):

$$Y_x = a_0 + a_1x, \quad (1)$$

where Y_x – is a one-factor linear regression equation;

a_0, a_1 – parameters (coefficients) of the regression equation;

x – is the influence factor.

Let’s find the unknown parameters of the equation (formula 1) using the method of least squares. The unknown parameters (a_0, a_1) are proposed to be found by the method of least squares. For this, a system of normal equations is built. The closeness of the connection is estimated using the linear correlation coefficient. The share of the variation of the studied result characteristic (Y) is caused by the influence of the factors (x) included in the regression equation 1 is determined using the coefficient of determination (D). It is proposed to estimate the probability of the multiple correlation coefficient (as well as the correlation equation in general) by calculating the F-criterion (F). The correlation coefficient, F-criterion (F) was calculated using the MS Excel program.

The algorithm for evaluating the impact of the net financial result of the activities of state-owned enterprises of Ukraine (x) on the profitability of their capital (Y) provides:

1. Construction of a linear regression equation (formula 1).
2. Construction of a system of normal equations for a linear regression equation (formula 1).
3. Evaluation of the statistical adequacy and reliability of the constructed linear regression equation (formula 1).
4. Carrying out a quantitative assessment of the degree of influence of the net financial result of the activity of state-owned enterprises of Ukraine (x) on the profitability of their capital (Y).
5. Analysis of the obtained results of the impact of the net financial result of state-owned enterprises of Ukraine (x) on the profitability of their capital (Y).
6. Development of a model of corporate management of state enterprises.

The information base of the research is data from the official websites of state-owned enterprises of Ukraine, data from experts of the Organization for Economic Cooperation and Development (OECD), data from open sources of information on the Internet, publications of domestic and foreign scientists.

Research results

In the course of the research, we will analyze the five largest state-owned enterprises of Ukraine, in particular: LLC "Gas Supply Company "Naftogaz of Ukraine", National Energy Company "Ukrenergo", State Enterprise "National Atomic Energy Generating Company "Energoatom", PJSC "Ukrhydroenergo", International Airport "Boryspil" ", we summarize the data in Table 1.

Table 1

Systematization of basic data on state-owned companies of Ukraine selected for analysis

The company name	Characteristic	Description
LLC Gas Supply Company Naftogaz of Ukraine (Naftohaz Ukrayiny, 2024)	Purpose of activity	A leading company that is a supplier of gas to household customers, business representatives and industrial enterprises of our country. The company continuously and stably provides gas to more than 12.3 million Ukrainian households, 4.9 thousand representatives of medium and small businesses throughout Ukraine.
	Mission	Care and provision of energy resources for Ukrainians, safe and uninterrupted supply of gas and electricity at competitive prices. Preservation of national gas resources through popularization of eco-awareness and eco-consumption.
	Values	Openness, efficiency, care for the consumer.

Continuation of table 1

The company name	Characteristic	Description
National Energy Company Ukrenergo (Natsionalna enerhetychna kompaniya Ukrenerho, 2024)	General characteristics	A private joint-stock company with 100% of the shares owned by the state, which belongs to the sphere of management of the Ministry of Energy of Ukraine. Ukrenergo is one of the key participants in the electricity market and performs the functions of commercial accounting administrator, settlement administrator, fulfills its obligations to ensure public interests in the process of functioning of the market, and also manages the work of the balancing electricity market.
	Mission	Creation of conditions for the sustainable development of Ukraine's economy by ensuring the functioning of a competitive, transparent and liberal electricity market unified with EU countries and equal opportunities for unhindered and continuous access of all market participants, including renewable energy sources to the transmission system.
	Slogan	Driving the power of changes – reflects our goal to be an example of changes in Ukraine.
State enterprise National Atomic Energy Generating Company Energoatom (Natsionalna Atomna Enerhoheneruyucha Kompaniya Enerhoatom, 2024)	General characteristics	The company is the operator of four nuclear power plants – Zaporizhzhya, Rivne, South Ukrainian and Khmelnytsky, which operate 15 nuclear power units. Energoatom forms approximately 4% of the national GDP and ranks 1st in the volume of electricity production. Energoatom provides about 55% of Ukraine's electricity needs, in the autumn and winter periods this indicator reaches 70%. Energoatom ranks 7th in the volume of nuclear energy production, and is among the 5 largest nuclear power plant operators in the world.
	Mission	Safe and reliable production of electricity for the sake of energy security, energy independence, safety of personnel and population, sustainable development of the economy and a carbon-free energy future of Ukraine.
Ukrhydroenergo (PrAT Ukrhidroenerho, (2024)	General characteristics	The largest hydrogen generating company of Ukraine, included in the list of the 15 largest enterprises of the state sector of the economy, the total assets of which make up 70 percent of the total indicator in the state sector. The company includes ten stations on rivers, including the Dnipro and Dniester.
	Values	A person is the highest value of the company, on which the attitude towards each employee is built. For Ukrhydroenergo, its dignity, health, well-being, motivational aspects and safety are important.
	Mission	We create ecological energy from water in a modern and reliable way. We ensure energy stability and security of Ukraine, contribute to the social and economic development and competitiveness of the state.
International Airport Boryspil (Boryspil International Airport. 2024)	General characteristics	The main air gate of Ukraine, the state-owned commercial enterprise of civil aviation. 62% of national passenger traffic and 85% of cargo traffic are concentrated here. Boryspil International Airport was included in the rating of the most efficient airports in Europe according to the version of the International Council of Airports ACI Europe with passenger traffic from 10 to 25 million and the TOP-10 of the rating of The World's Best Airports in 2022 of the best airports in Europe.
	Mission	Striving for improvement in the direction of infrastructure development, attracting new airlines and improving the quality of service.

Source: systematized by authors

The calculation period is from 2014 to 2019, that is, the period for which systematized data can be obtained. An additional argument for the selection of this research period is that after 2020, unfortunately, the COVID-19 pandemic began to spread in Ukraine and the passage of the war, which had an extremely strong impact on the decline in the pace of economic development, in particular, on state-owned enterprises.

Before conducting the correlation-regression analysis, we will provide statistical data on such indicators as: net financial result of the activity of state-owned enterprises of Ukraine (x), profitability of their capital (Y) in Table 2.

Table 2

Statistics of the net financial result of the activity of state-owned enterprises of Ukraine (x) and the profitability of their capital (Y) in 2014–2019

Year	The name of the state enterprise									
	"Naftogaz of Ukraine"		"Ukrenergo"		"Energoatom"		"Ukrhydroenergo"		MA "Boryspil"	
	X, thousand hryvnias	Y, %	X, thousand hryvnias	Y, %	X, thousand hryvnias	Y, %	X, thousand hryvnias	Y, %	X, thousand hryvnias	Y, %
2014	-85044810.00	-76.10	-1198528.00	-18.90	-6494416.00	-4.00	475966.00	2.80	-126818.00	-2.40
2015	-25096084.00	-7.30	820396.00	13.50	1168184.00	0.80	1090543.00	6.20	696460.00	13.10
2016	26528989.00	6.10	3012096.00	41.40	187126.00	0.10	2209718.00	11.60	1385931.00	24.50
2017	39330153.00	8.90	1748031.00	19.70	-1321755.00	-0.80	1465533.00	7.20	1731420.00	28.80
2018	13613258.00	3.30	2558941.00	26.90	4631828.00	3.60	3668256.00	16.50	1857920.00	27.80
2019	50658211.00	12.90	1864095.00	7.70	3773641.00	2.90	3222610.00	13.00	1532861.00	17.10

Source: taken and systematized by Organization for Economic Cooperation and Development, 2021.

Based on the given data, the following main conclusions can be briefly drawn:

- Among the five state-owned companies considered in Table 2, only one had a positive net financial result or net profit in 2014 – this is Ukrhydroenergo – UAH 475,966 thousand, the rest had a loss. The main cause of unprofitable activity is the political processes in the state, in particular, the conduct of ATO/OOS in Ukraine, which had a significant impact on the development of the economy of Ukraine, in particular the considered state-owned companies. In 2015, the situation with the unprofitability of the enterprises in question improved. Yes, only "Naftogaz of Ukraine" had a loss in 2015 in the amount of "minus" UAH 2,509,6084 thousand. The rest of the considered state enterprises in 2015 had a net profit.

- Since 2016, almost all the considered state enterprises began to work with profit, except for the company "Energoatom", which in 2017 had losses in the amount of "minus" UAH 1,321,755 thousand. In 2019, compared to 2016, the net profit of Naftogaz decreased by 90.95%; "Ukrenergo" accordingly decreased by 38.11%; "Energoatom" grew 20 times; "Ukrhydroenergo" grew by 45.84%; MA "Boryspil" grew by 10.6%

- According to the rate of return on capital, it can be said that Naftogaz had a positive value since 2016 at the level of 6.10%, which gradually increased until 2019 and amounted to 12.9%. That is, each hryvnia of Naftogaz investors brought the company almost 13 kopecks. net profit. The state company "Ukrenergo" obtained the highest result in terms of return on capital, in which the highest result was recorded in 2016 – 41.40%, but in 2019 this value decreased to 7.7% or 5.4 times. The value of the return on capital in the state company "Energoatom" did not exceed 4% during 2014–2019, and in 2019 the corresponding value was only 2.9%, which is 4.45 times less compared to "Naftogaz" and 5.9 times less compared to MA "Boryspil". State

company "Ukrhydroenergo" uses capital effectively, because the value of return on capital fluctuated during 2015–2019 at the level of 2.8–16.5%. In 2019, the corresponding value was 13%. MA "Boryspil" is one of the effective owners and rationally uses the capital of its investors. Thus, the highest level of return on capital was recorded in 2017 – 28.8%, which is 41% more compared to the corresponding value of 2019.

The results of the conducted correlation-regression analysis regarding the study of the influence of the net financial result of the activity of state-owned enterprises of Ukraine (x) on the profitability of their capital (Y) are shown in Table 3.

Table 3

Results of the conducted correlation-regression analysis regarding the study of the impact of the net financial result of state-owned enterprises of Ukraine (x) on the profitability of their capital (Y)

Value indicator	The name of the state enterprise				
	"Energoatom"	"Energoatom"	"Energoatom"	"Energoatom"	"Energoatom"
a_0	4.4451033	-3.5260718	0.21254165	1.5098738	0.6335789
a_1	0.000000604	0.0000127	0.000000681	0.00000398	0.0000148
r	0.9426	0.9379	1.000	0.9836	0.9540
D	0.8885	0.8797	1.000	0.9675	0.9102
F	5.64	5.41	25.70	10.91	6.37
F_t	2.78				
Y	$Y = 4.4451033 + 0.000000604$	$Y = -3.5260718 + 0.0000127$	$Y = 0.21254165 + 0.000000681$	$Y = 1.5098738 + 0.00000398$	$Y = 0.6335789 + 0.0000148$

Source: authors' calculations.

So, the correlation-regression analysis carried out regarding the study of the impact of the net financial result of the activities of the state-owned enterprises of Ukraine (x) on the profitability of their capital (Y) revealed the unambiguity of the specified impact. Thus, there is a reliable positive relationship between the net financial result of the activities of state-owned enterprises of Ukraine (x) and the profitability of their capital (Y).

Let's summarize the results obtained during the correlation-regression analysis for the considered state enterprises. Considering the state-owned company "Naftogaz of Ukraine" it was established: the correlation coefficient (r) was – 0.9426, the determination coefficient – 0.8885; Fisher coefficient (F = 5.64). The constructed correlation-regression equation is characterized by statistical reliability and adequacy, because the Fisher coefficient is greater than the table value ($F_t = 2.78$), i.e. ($F > F_t$). Therefore, the increase in the volume of the net financial result of "Naftagaz of Ukraine" by one thousand UAH. will lead to an increase in the profitability of his capital by 0.000000604%. That is, the growth of net profit will have a positive and significant impact on the growth of the return on capital and lead to a greater return on every hryvnia invested by the investor in the activities of Naftogaz of Ukraine.

Considering the state-owned company "Ukrenergo", it was established: the correlation coefficient (r) was – 0.9379, the determination coefficient – 0.8797; Fisher coefficient (F = 5.41). The constructed correlation-regression equation is characterized by statistical reliability and adequacy, because the Fisher coefficient is greater than the table value ($F_t = 2.78$), i.e. ($F > F_t$). Therefore, the increase in the volume of the net financial result of "Ukrenergo" by one thousand hryvnias will lead to an increase in the profitability of his capital by 0.0000127%.

Considering the state company "Energoatom", it was established: the correlation coefficient (r) was -1.000 , the determination coefficient -1.000 ; Fisher coefficient ($F = 25.70$). The constructed correlation-regression equation is characterized by statistical reliability and adequacy, because the Fisher coefficient is greater than the table value ($F_t = 2.78$), i.e. ($F > F_t$). Therefore, the increase in the volume of the net financial result of "Energoatom" by one thousand hryvnias. will lead to an increase in the profitability of his capital by 0.000000681% .

Considering the state-owned company "Ukrhydroenergo", it was established: the correlation coefficient (r) was -0.9836 , the determination coefficient -0.9675 ; Fisher coefficient ($F = 10.91$). The constructed correlation-regression equation is characterized by statistical reliability and adequacy, because the Fisher coefficient is greater than the table value ($F_t = 2.78$), i.e. ($F > F_t$). Therefore, the increase in the volume of the net financial result of "Ukrhydroenergo" by one thousand UAH. Will lead to an increase in the profitability of his capital by 0.00000398% .

Considering the state company "MA Boryspil" it was established: the correlation coefficient (r) was -0.9540 , the coefficient of determination -0.9102 ; Fisher coefficient ($F = 6.37$). The constructed correlation-regression equation is characterized by statistical reliability and adequacy, because the Fisher coefficient is greater than the table value ($F_t = 2.78$), i.e. ($F > F_t$). Therefore, the increase in the volume of the net financial result of "MA 'Boryspil'" by one thousand hryvnias will lead to an increase in the profitability of its capital by 0.0000148% , and accordingly, the profit per share of investors will increase.

In order to increase the volume of the net financial result (net profit), there is a need to find appropriate ways to increase the return on capital of state-owned enterprises, which is considered as an important criterion for the effectiveness of corporate governance on the part of their management. Considering that corporate governance is considered in theory as a system that combines the following elements: management bodies, business responsibility, information disclosure and shareholder rights, we will place more emphasis on the formation of a modern management model of state-owned enterprises, which in particular will make it possible not only to increase management efficiency enterprise, but also to realize the rights of the shareholder (shareholders) to receive decent dividends from the invested capital.

The effectiveness of the functioning of enterprises, as evidenced by the experience in the corporate governance system of many developed countries, depends on the chosen model of management of state enterprises. Thus, this model consists of the following blocks: strategic planning, development and approval of ownership policy, creation of independent supervisory boards, development of a system of incentives for supervisory boards and the board. Having analyzed the experience of the functioning of the corporate governance system on the example of state enterprises (Atamanchuk & Makohin, 2022; Atamanchuk, 2021, p. 184-189; Manzhula, 2015, p. 22-27; Korobka, 2016, p. 80-83; Iorhachova, 2018), we will propose a model of corporate governance of state enterprises (Fig. 1).

As can be seen from the model of corporate management of state-owned enterprises (Fig. 1), management subjects can be: the state, shareholders, external investors, personnel, etc. Each of them strives to get the maximum benefit. For example, the state seeks to obtain a positive and sufficient net financial result (profit) in order to ensure the socio-economic development of the country. Private investors are looking to get decent dividends on stocks, profits, etc. The main four blocks that make it possible to ensure effective corporate governance are presented: supervisory board, board, strategic planning, ownership policy. An important element of the model is "property policy", in particular, providing the opportunity for owners (investors, shareholders) to take an active part in the enterprise management system through the realization of their rights, in particular the right to receive income (profit, dividends); the right to receive economic and financial information, the right to analyze financial results and draw conclusions on the basis of which, in particular, in the direction of personnel policy implementation; the right to manage the company; the right to find effective managers who are able to effectively manage all resources (material, financial, human, intellectual) and ensure high profitability and profitability of state enterprises.

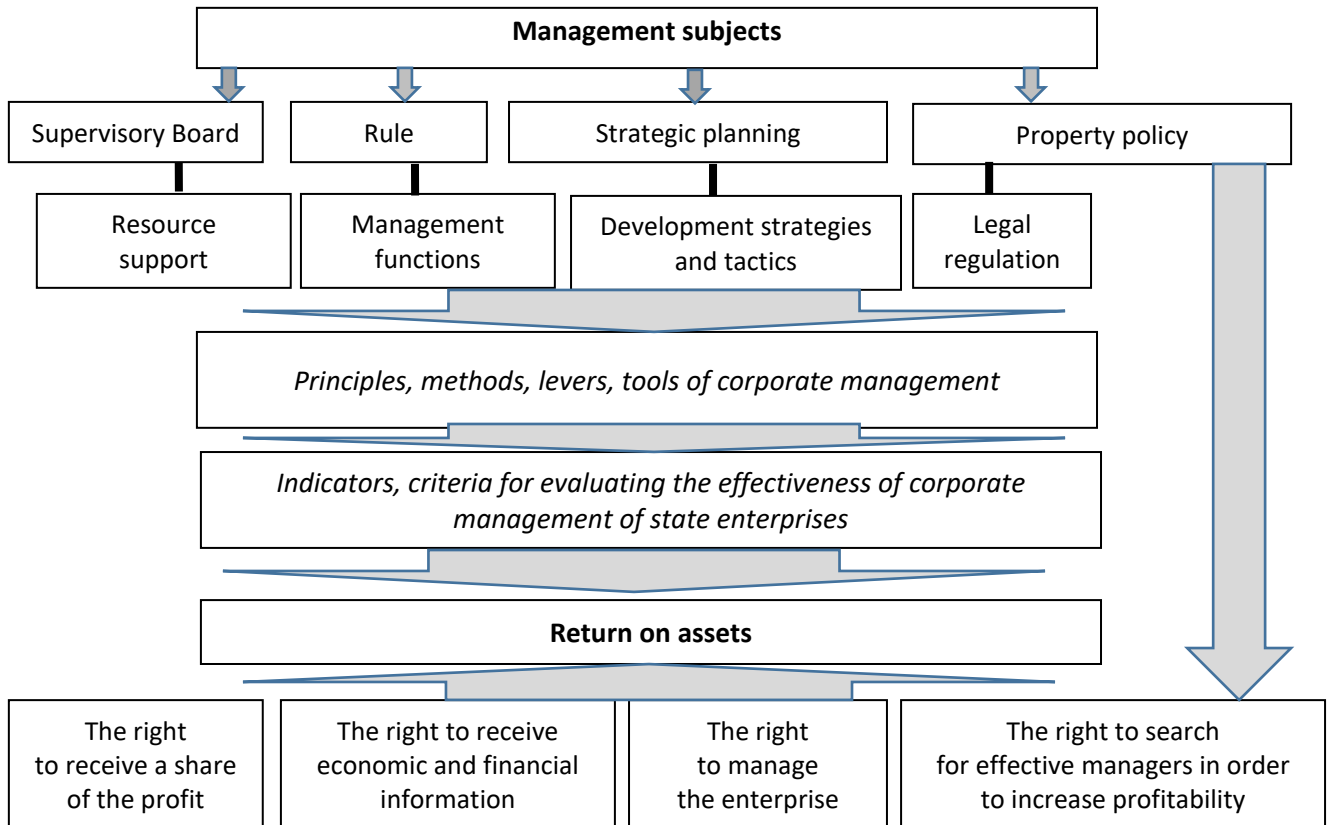


Fig. 1 Model of corporate management of state-owned enterprises

Source: proposed based on the analysis of Atamanchuk & Makohin, 2022; Atamanchuk, 2021, p. 184-189; Manzhula, 2015, p. 22-27; Korobka, 2016, p. 80-83; Iorhachova, 2018.

Conclusions

The study showed that during 2015–2019 in Ukraine, the quality of corporate management of state-owned enterprises improved significantly. Analyzing five large state-owned enterprises, in particular Naftogaz of Ukraine, Ukrenergo, Energoatom, Ukrhydroenergo, and MA Boryspil, it is worth noting that there is a gradual process of improvement in the field of performance, i.e., the volume of net financial results is increasing (net profit) and the value of return on capital. For example, in 2019, compared to 2016, the net profit of Naftogaz of Ukraine decreased by 90.95%. At the same time, we note that the relative indicator of productive activity – return on capital has a rather significant value for certain periods. For example, in 2016, Ukrenergo had the highest return on capital at the level of 41.4% for the considered period among the five analyzed enterprises. The main reason is the improvement of corporate management of state-owned enterprises, in particular by changing management methods, the procedure for forming supervisory boards, strengthening responsibility for management decisions, fighting corruption and fraudulent schemes, etc.

A clear, statistically reliable influence was established between the net financial result of the activity of state-owned enterprises of Ukraine and the profitability of their capital. The constructed correlation-regression equations for the enterprises considered in the work are characterized by statistical reliability and adequacy to real economic processes. Thus, the increase in the volume of the net financial result of "Naftogaz of Ukraine" by one thousand UAH will lead to an increase in the profitability of his capital by 0.000000604%; respectively, for "Ukrenergo" by 0.0000127%; for "Energoatom" by 0.000000681%; for "Ukrhydroenergo" by 0.00000398%; for "MA "Boryspil"" by 0.0000148%. An increase in the amount of net financial result

and growth in the return on capital will ultimately have a positive effect on the increase in the level of profit, dividends per share of investors. The specified results testify to the growth of the quality of corporate management of state-owned enterprises.

An important reserve for improving the system of corporate management of state-owned enterprises should be its effective model, which would take into account four important elements: the supervisory board, the board, strategic planning, ownership policy. The combination of these four elements will allow to obtain a synergistic effect and ultimately achieve the maximum efficiency of management of state-owned enterprises, and an important indicator of this process should be the return on capital.

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