

## CONCEPTUAL FEATURES OF CORPORATE CULTURE AS A DRIVER OF SHARE CAPITAL GROWTH

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### ABSTRACT

*Lack of effective organizational culture and poor cultural integration in the corporate governance affect organizational performance and increase shareholders' return as well as share capital. The purpose of this exploratory case study was to explore successful strategies that one corporate governance group used to establish an effective organizational culture to improve share capital. The findings included a well-defined mission that attributed to developing share capital and employee-focused leadership that contributed to motivating employees. Core corporate value findings included the well-being of the society through self-regulated corporate social responsibility. The findings identified in this study could have the potential for economic growth in the local economy and may contribute to social change with strategies business managers may use to sustain their businesses and improve the living standards of employees and the local community.*

**Keywords:** Corporate Culture, Corporate Governance, Share capital, Organizational Effectiveness, Employee involvement, Employee control.

### АННОТАЦИЯ

*Отсутствие эффективной организационной культуры и слабая культурная интеграция в корпоративное управление влияют на эффективность работы организации и увеличивают доходность акционеров, а также акционерный капитал. Целью этого пробного тематического исследования было изучение успешных стратегий, которые использовала одна группа корпоративного управления для создания эффективной организационной культуры с целью увеличения акционерного капитала. Результаты включали четко определенную миссию, которая заключалась в развитии акционерного капитала, и ориентированное на сотрудников лидерство, которое способствовало мотивации сотрудников. Результаты исследования основных корпоративных ценностей включали благополучие общества посредством саморегулируемой корпоративной социальной ответственности. Результаты, выявленные в этом исследовании, могут иметь потенциал для экономического роста в местной*

экономике и могут способствовать социальным изменениям с помощью стратегий, которые бизнес-менеджеры могут использовать для поддержания своего бизнеса и повышения уровня жизни сотрудников и местного сообщества.

**Ключевые слова:** Корпоративная культура, Корпоративное управление, Акционерный капитал, Организационная эффективность, вовлеченность сотрудников, Контроль сотрудников.

### ANNOTATSIYA

*Korporativ boshqaruv samarali tashkiliy madaniyat va kambag'al madaniy integratsiya yo'qligi tashkiliy faoliyatini ta'sir va aksiyadorlar ustav kapitali, shuningdek qaytib oshirish. Ushbu tadqiqot ishining maqsadi bitta korporativ boshqaruv guruhi ustav kapitalini yaxshilash uchun samarali tashkiliy madaniyatni yaratishda foydalangan muvaffaqiyatli strategiyalarni o'rganish edi. Topilmalar ustav kapitalini rivojlantirish bilan bog'liq aniq belgilangan missiyani va xodimlarni rag'batlantirishga hissa qo'shgan xodimlarga yo'naltirilgan rahbarlikni o'z ichiga oldi. Korporativ qiymatning asosiy natijalari o'z-o'zini tartibga soluvchi korporativ ijtimoiy javobgarlik orqali jamiyat farovonligini o'z ichiga olgan. Ushbu tadqiqotda aniqlangan topilmalar mahalliy iqtisodiyotda iqtisodiy o'sish uchun potentsialga ega bo'lishi mumkin va biznes menejerlari o'z bizneslarini qo'llab-quvvatlash va xodimlar va mahalliy hamjamiyatning hayot standartlarini yaxshilash uchun foydalanishi mumkin bo'lgan strategiyalar bilan ijtimoiy o'zgarishlarga hissa qo'shishi mumkin.*

**Kalit so'zlar:** korporativ Madaniyat, korporativ boshqaruv, ustav kapitali, tashkiliy samaradorlik, xodimlarni jalb qilish, xodimlarni nazorat qilish.

At the present stage, the formation of corporate culture is an integral part of the company's development strategy. Corporate culture influences the efficiency of the enterprise, increasing employee cohesion, increasing productivity, and contributing to the development of labor discipline, motivation, and employee interaction. Currently, economists and scientists are working to increase equity by working on corporate culture, for example, creating a high-level reputation, image, quality, and resources: human, capital, technological (Corporate culture, 2022).

One of the main components of the company's competitiveness is its positive aspects, which are considered a kind of reputation of the corporate culture. The company's reputation is an intangible asset that is formed in the process of corporate governance based on the long-term behavior of the company, thereby ensuring the development and increase of equity (Mowat, 2022).

According to P. Drucker: Corporate culture as an integral part of corporate life greatly impacts its effectiveness. Based on this knowledge, today's corporate

executives strive to create a strong corporate culture based on a different understanding of people and their role in the social division of labor (Drucker, 2019). Reputation capital is formed in accordance with the company's reputation level. This is one of the most expensive assets of an organization, which plays a key role in shaping its value. Reputation capital is the sum of intangible assets and internal and external (image) properties of an object that increase the value of an organization. A.V. Korotkevich argues that "The basis of the reputation capital of any organization is its reputation, which is capitalized through the company's investments in its own image and corporate culture. Considering that reputation is an intangible asset of the company, the process of its creation requires special attention. Comprehensive and systematic use of the five reputation-building tools can make this asset your most valuable asset and significantly increase the overall value of your company. In recent years, the business reputation of a company depends not only on its customers, partners, and customers but also on how society treats it. This is not a matter of indifference. Commitment and the social principles it adheres to (Drucker, 2022). The availability of social programs, sponsorship activities, and the quality and effectiveness of relationships with authorities and communities increasingly affect the business reputation of the company and determine investment attractiveness and competitiveness. Business reputation management issues. In the modern economy of Uzbekistan, investments, i.e. cash, securities, other property, including property rights and other rights of monetary value, invested for the purposes of entrepreneurial activity, play one of the key roles in the activities of any enterprise. play one investment creates new opportunities at different stages of the organization's life cycle. Considering the four stages of the life cycle of an economic agent: birth, growth, maturity, and decline, we can understand the positive impact of investments on each of them. Starting a new business, owners often resort to raising money through investments (N. Urinov, 2020). At the growth stage, investments contribute to the more intensive and rapid development of the company. During the repayment period, the funds raised will help open up new opportunities for business expansion, increase the efficiency and competitiveness of operations, expand market coverage, and introduce innovations and new technologies (Barth, 2017).

In addition, during downturns, investments can serve as an incentive to shift the focus of the business to other areas and return the organization to maturity or growth. Successful fundraising depends on the investment attractiveness of the company. H. Potential investors appreciate it the presence of investment conditions that affect the preferences of investors when choosing a specific investment. It is evaluated on the basis of a retrospective analysis of the company's financial position and makes forecasts regarding the company's development. future. Today, when assessing the investment attractiveness of a company, not only financial indicators are important, but

also non-financial statements reflect the company's extensive relationships with key stakeholders and its competitive position in the market. Investment attractiveness can be defined as the characteristics of investment property in terms of development prospects, return on investment, and the level of investment risk. Investors are happy to allocate funds to companies that are at the stage of growth or maturity. For example, investing in an aging company is impractical unless a significant diversification of the product or service or rebranding of the company is planned. The third factor is the reputation of the company. Reputation is a generalizing factor that reflects the effectiveness of the company's activities. Reputational factors, such as image and brand, reflect the other party's assessment. Factors such as profitability and profitability reflect positive financial indicators. In other words, reputation perfectly describes the state of the company (Dimitrova, 2019).

The reputation of a company is widely used as an indicator of investment attractiveness and can be defined as the difference between the market value of a company and its book value for making investment decisions. Reputation can be positive or negative. This happens as a result of effective corporate governance. For investors, this is an indicator that the company is in the hands of interested professionals and managers. When they talk about a company with a good reputation and a well-established position in the market of a particular service, it means that the company pays its suppliers on time and treats its customers carefully.

Reputation is the most sensitive intangible asset. Compromising information from competitors, consumers or suppliers can instantly change the entire market value of a company.

The impact of reputation on investment attractiveness can be huge. The company's reputation is of great importance to financial investors, strategic investors, and creditors. A financial investor buys shares of a company in order for them to be listed on the stock exchange, or sells the entire package after a certain period of time to make a profit. Strategic investors often buy a controlling stake. The purpose of such transactions is the long-term existence of the investor among the owners of the company or to increase their own efficiency through the mechanism of mergers or acquisitions of companies in which they invest. For such a category of investors as creditors, the company's reputation also plays a role, but what is really important for them is that the company can fulfill its obligations only on the basis of positive financial indicators. Creating a company's reputation by implementing principles is an afterthought due to the predominance of internal social investments compared to external ones. According to a survey by the Association of Managers, the prevalence of social investment in the development of human resources is very high: 33.5% of respondents said that the main direction of social investment is in their own staff.

Almost half of the companies prioritize social investments to support their communities. At the same time, the development of human resources is one of the traditional activities of social enterprises of Russian enterprises, and the support of the local community as a director of investment in social enterprises has shown significant growth in recent years. It also creates a good corporate reputation due to the low cost of ensuring conscientious social responsibility, the lack of government incentives for corporate social responsibility in Uzbekistan, and an imperfect legal framework. In the survey of the Association of Managers of Uzbekistan, only 33% of respondents associated corporate social responsibility with the creation of a positive corporate reputation (SADIKOVA M.A., 2021).

Reputation does not come suddenly. The basis for this is a real success and special conditions of the company. It takes time and money to make a name for yourself. This is a risky, time-consuming, and complex process without any guarantees. Such events require a responsible, professional, continuous, and integrated approach using the latest technologies. In this case, reputation is working for the company and earning a lot of money. Customers pay for a reputation guarantee. Most of the company's assets are usually represented by intangible equivalents. This is the business reputation of the company, its manager, and its brand. Coca-Cola has only 4% of its real assets, and the remaining 96% is business reputation. This example shows that the absence of calculus in the material world can have tangible benefits expressed in significant quantities. In this context, the issue of systematization, clarification of concepts, and strengthening of their positions is not the last place. Reputation is an integral part of any business, and it is important not to allow this to happen naturally. If you do not ignore this process and maintain the reputation of your company, your attitude towards it will be at a high level. Graham Dowling (1997),

Professor of marketing at the Australian School of Management and author of the book "Farm Reputation". "Creation, Management and Performance Evaluation" claims that the organization has the same reputation as the target group (and this has been confirmed in practice). It is necessary to maintain relationships that meet both the needs of the target audience and the needs of the company. The four target groups are:

1. Regulation. This group includes everyone who sets the rules and regulations for the operation of the company, including managers, government agencies, and shareholders. These bodies also carry out evaluation activities and may restrict the company's activities. Everything bad in this case can become an obstacle to completing the work. A good reputation simplifies the life of a company with the support of regulatory authorities and opens up new opportunities and areas of development.

2. Functional. The daily maintenance of the company's critical activities is carried out by the executors of the measures. These are groups of suppliers, employees, service

providers, and everyone whose work allows the company to function. The formation of groups of companies plays an important role because these groups represent the company's foundation, hands, and spirit. Teams should take care of their work and share the company's policies and values. All this forms the corporate spirit and influences the opinions of other groups that influence them from the outside. These functional groups are especially important in the corporate governance process.

3. Absent-minded. These groups work to protect human rights and bring together various interest groups (such as the Green Party), media workers, and the local community. They have little interest in reputable companies. However, friendly relations with a dispersed target group reduce losses in adversity and crisis situations. Such allies help to interact with the outside world and provide some degree of security assurance in case the distribution group recognizes the company's mistakes.

4. The consumer. Represented by clients divided into separate groups according to their needs. Graham Dowling notes that any company should take extra care and differentiate in accordance with consumer expectations.

The company's task is not to ignore its target group, which is the main source of the company's profit. There is no need to explain the role of the organization in working with consumer groups (CIMA, 2019).

Thus, in order to increase the authorized capital by forming a corporate culture in the corporate governance system, companies are responsible for managing the Central Bank of the Republic of Uzbekistan, it must have the following corporate code based on its decision:

- 1 Leadership and professional development system
- 2 Communication system between all employees, standards of conduct
- 3 Accepted dispute resolution schemes at the internal and external levels
- 4 The overall goal of the company, default support by each employee
- 5 To consolidate the position of each employee in the organization, slogans, corporate styles must be present in clothing.

Moreover, the creation of a working spirit, the introduction of a motivation system among

employees increase their productivity and the quality of their work. All these achievements lead to the levitation of capital and the introduction of a corporate governance structure within the company. Nevertheless, according to the code adopted in 2016, recommendation companies work accordingly, and this will certainly lead to positive results. If we apply these actions in the banking sector, the company's mission becomes clear, and the efficiency of employees increases, all this helps in the management of the enterprise.

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