

## MECHANISMS FOR SOLVING CORPORATE PROBLEMS IN THE CONTEXT OF UZBEKISTAN

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**Abstract** *This article analyzes the cultural and managerial features of solving corporate problems in the context of Uzbekistan. The author studies the main parameters of the corporate culture of Uzbekistan based on the theory of cultural dimensions developed by Gert Hofstede. Such factors as collectivism, high power distance, avoidance of uncertainty, hierarchical relations based on status, and the priority of personal connections are indicated as the central features of business culture in Uzbekistan. At the same time, the article thoroughly analyzes the ethical problems encountered in the corporate environment - favoritism, mobbing, discrimination, patronage management, and corporate closed circles.*

**Keywords:** *Corporate culture, ethical issues, Hofstede's theory, Uzbekistan, business values, power distance, collectivism, favoritism, patronage, corporate ethics.*

In modern management practice, corporate culture and ethical norms play an important role. In each country, these concepts are determined by specific cultural, social, and historical factors. In particular, in the corporate environment of Uzbekistan, there is a clear desire to find a balance between traditional values and modern business ethics. Analysis of the features of the business culture of Uzbekistan through the system of cultural dimensions developed by Gert Hofstede serves as an important theoretical basis for understanding the ethical problems encountered in national corporate governance and developing mechanisms for their solution.

Similar "average" or mixed characteristics can be seen in assessing the culture of Uzbekistan within the framework of Hofstede's approach. Despite the preservation of the characteristics of traditional societies, modernity, personal initiative, informed decision-making, transparency, and a professional approach are becoming increasingly strong in the business environment of Uzbekistan.

The following aspects are of particular importance in the context of Uzbekistan:

Despite the priority of collectivist values, individual initiative and leadership qualities are increasingly valued in the public and private sectors.

Due to the dominance of high-context communication culture, formalism and indirect communication are widespread, which can create some obstacles in communication with foreign partners.

Personality orientation often leads to the manifestation of acquaintances and personal connections as a decisive factor in decision-making.

Openness of emotional expression can be limited, especially in a corporate environment, which requires alternative approaches for external investors.

In this regard, the corporate culture of Uzbekistan can be considered as a "transitional" culture, striving to find a balance between both traditional (local) values and modern (globalized) business ethics. More in-depth research conducted on the basis of the Hofstede model, especially through the analysis of the activities of local companies, allows us to identify the mechanisms of national business culture, combined with social, psychological, and economic factors.

As of 2024, within the framework of my research, based on the research of G. Hofstede, I conducted an intercultural analysis of the features of Uzbek business culture: The following features were revealed in the value parameters of business culture in Uzbekistan:

1) "The goal is the person (50-60%) " In the corporate culture of Uzbekistan, personal relationships and acquaintances prevail over goals. This means that for many employees, sincerity at work, a friendly atmosphere, and personal connections are considered the main values. This approach has a significant impact on personnel selection, employee motivation, and decision-making. Great attention is paid to personal loyalty, trusting relationships, and a friendly atmosphere, which is often prioritized over practical approaches.

2) "Low context - high context (50-60%) " Uzbek business culture, which is close to the middle of the range of values, is still more involved in a relatively high context and is characterized by high emotionality. The parameter, such as the upper context, signifies the great importance in culture of informal, illogical, non-verbal formed values and patterns that largely determine people's behavior. Moreover, during communication, special attention is paid not to what is said, but to how information is presented.

3) The parameters "Individuality - Collectivism (50-60%)," "Individuality - Collectivism" reflect how common it is in a particular culture to focus on group goals or to prioritize individual goals and interests. It should be noted that these value parameters are considered by most researchers as a characteristic feature that distinguishes "Western" cultures from "Eastern" ones. "Western" cultures are more characterized by "individualism," while "Eastern" cultures are distinguished by collectivism.

4) "masculinity - femininity (65-75%) " Value parameters "masculinity - femininity" indicate the traditional division of social roles in culture. Thus, "male" roles are primarily associated with the persistence and dominance of material factors in activity; "female" roles are more associated with the establishment of interpersonal relationships and the dominance of spiritual values.

According to these two parameters, "individuality - collectivism" and "masculinity - femininity" Uzbek business culture deviates from the middle of the value scale by several percent, and collectivism shifts towards femininity (but it should be noted that some

branches of foreign corporations, both in the capital and in large cities, reject these parameters, and more individuality tends towards masculinity).

5) "Title, rank - status (65-75%) " There are cultures in which a person is evaluated primarily by the status to which they belong. In other cultures, an individual can be evaluated based on their independent achievements. The value scale shows that Uzbek business culture strives for status.

6) "Universalness - uniqueness (65-75%) " According to these parameters, on the scale of values, employees of Uzbek enterprises strive for greater "concreteness" in the conviction that the law is something external, that it is necessary to live and work, rather than justice in any situation. However, we emphasize that Uzbek employees are not always inclined to violate laws and regulations, but in cases where the law and people's beliefs are not at different poles.

7) The level of avoidance of uncertainty (75-85%) In Uzbek society, the level of tolerance for uncertainty is low, that is, employees strive for activities based on strict rules, clear instructions, and order. Formalism, bureaucracy, and rules play a strong role in the management system. Decision-making in a changing environment often leads to anxiety and resistance.

8) Power distance (83-93%) The power distance in Uzbek organizations is at a high level. This situation means that there is a clear hierarchical line between the manager and employees, decisions are made only from above, and the initiative of lower-level employees is limited. In such a culture, the leader is an important figure, and unconditional obedience to him is considered a cultural value.

Values and ethical problems in the work environment in Uzbek corporate culture The main value indicators observed in Uzbek labor collectives (besides power distance and avoidance of uncertainty) are closer to the central point in the value spectrum. This situation indicates that they are not overly conservative or sharply liberalized. However, due to the cultural and economic differences of the regions of the republic, these values may in some cases differ from general statistical indicators. For example, in modern private enterprises in such large cities as Tashkent, Samarkand, and Bukhara, especially in projects with the participation of foreign investors, managers with modern education, knowledge of foreign languages, and a management style close to Western corporate culture are practicing. At the same time, state-owned enterprises and local enterprises located in rural areas continue to rely on traditional Eastern values in their work culture.

Based on the analysis of values and behavioral stereotypes inherent in the corporate culture of Uzbekistan, collective relations are characterized by the following aspects:

High appreciation of collective warmth and informal relationships - Humanity and mutual support are important in the workplace. The celebration of birthdays, holidays, and other personal dates is considered an important element of collective solidarity.

The criterion "our own is a stranger" - a high level of loyalty and mutual support in relations with close acquaintances and those considered "our own," which in some cases manifests itself in the form of nepotism or a corporate closed circle. However, caution and formality prevail in relations with unfamiliar or "foreign" personnel.



Common form of responsibility - In certain cases, instead of single leadership decisions, several persons are assigned the same authority, which creates uncertainty in the definition of responsibility. As a result, the accuracy and speed of management decisions decrease.

Patronage-based leadership model - The team leader is usually a strong-willed, experienced, often middle-aged or older man who is respected by the team and perceived as a defender.

Status-based hierarchy - The status of a leader depends not only on the official position, but also strongly depends on personal qualities, age, and gender. Gradually, this trend is changing, and the number of young and female leaders is increasing, especially at the level of the capital and large cities.

Styles of communication between managers and employees - In many cases, subordination, and sometimes even excessive respect, is shown towards managers. This situation can hinder the full formation of the principles of equality.

Based on the above-mentioned characteristics of corporate culture, it is possible to identify some ethical problems that may arise within the framework of large organizations of Uzbekistan. Including:

Patronage (patriarchal) form of management - The leader is always at the center, and all initiatives are connected only with his will. This situation may limit the possibilities of initiating and introducing innovations.

Favoritism and protectionism - The distribution of positions and privileges based on personal acquaintances, relatives, or "loyalty" contradicts professional work culture.

Harassment (discrimination or pressure through work-related behavior) - Various forms of sexual, psychological, or social pressure can still be observed in the work environment.

Mobbing (psychological pressure, isolation by the group) - This situation manifests itself especially in large collectives, towards new employees or competitors.

Discrimination - the evaluation of personnel based on gender, age, nationality, or social background creates situations that contradict the principle of equal opportunities.

These problems are especially common in large organizations, where contacts between people are more formal and anonymous. In their elimination, the formation of ethical principles and corporate ethics, and not only on the basis of legislation, will be of great importance. In many cases, legal mechanisms regulating such problems in Uzbekistan have not yet been fully formed, therefore, ethical criteria and internal organizational codes should be considered as the main tool.

### Conclusion

Based on the analysis presented in the article, it can be said that ethical problems in the corporate environment of Uzbekistan are mainly closely related to cultural social relations and the management structure. High power distance, avoiding high levels of uncertainty, and decision-making based on cronyism are at the root of these problems. To eliminate them, it is necessary to develop effective solutions not only on the basis of legislation, but also through the development of internal corporate codes, ethical

standards, and interorganizational culture. Especially in the context of Uzbekistan, harmonizing this process with national values and global experience is an important task.

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