

ANALYSIS OF INNOVATION MANAGEMENT SYSTEMS IN INTERNATIONAL COMPANIES

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Abstract: In modern globalisation, international companies encounter numerous challenges in managing their operations effectively. The swift pace of technological advancement, evolving consumer preferences, and increasingly complex regulatory environments are among the key hurdles that must be addressed to maintain market competitiveness. In recent years, the management approaches of major global corporations have undergone substantial transformation, driven by technological innovation and dynamic market conditions. To stay competitive, these organisations must embrace modern management systems that support sustainability, digital transformation, project oversight, and cross-cultural coordination. Implementing such systems demands considerable financial investment and a readiness to adapt to change. This article explores the core challenges international companies face in managing their business activities.

Keywords: innovative management, management innovations, sustainable development, cross-cultural management, digital transformation.

Introduction:

It is impossible without replenishing the production sector with real capital. To fundamentally solve the issue of activating investment activity, it is necessary to take measures to ensure macroeconomic stability and solve the problems of integrating the national economy into the world economic system. In the conditions of modern Russia, when its economy is experiencing a downward trend, this problem is considered to be quite complex.

The rational use of resources by the state and the rational choice of a strategy aimed at organising the process of gradual opening of borders in a purposeful manner lead scientists to the conclusion that the economic growth forecast may be positive. International economic relations are a growth factor of the state economy, and at the same time serve to accelerate integration processes in the world economic space.

On the activities of large international companies in Russia and the forms of their implementation. The current legislation on the activities of large international companies in Russia establishes a national regime for their investment and other economic activities. The role of large international companies in the state economy is associated with the increased

responsibility and regulatory process of state bodies for the state and the development of foreign economic entities located in the country.

Have to deal with complex regulatory environments in different countries. Each country has its laws and regulations governing business operations, which can create significant challenges for international companies in complying with the requirements. Complying with these regulations requires a deep understanding of local laws and customs, as well as strong relationships with local authorities. Challenges faced by large international companies and their new directions in management

One of the biggest challenges facing international companies is the need to adapt to rapidly changing technological advances. With the rise of digitalisation and automation, companies must constantly invest in new technologies to remain competitive. This requires significant financial resources and a willingness to change. In addition, international companies are forced to adapt to the complexity of technological infrastructure and regulations in different countries, which makes their operations even more difficult.

Another challenge is the need to understand and respond quickly to changing consumer tastes. In today's interconnected world, consumers have wide access to a variety of products and services from around the world. This has increased competition and led to a greater focus on personalisation of products and services. International companies must be able to adapt their products and services to customer needs in different markets while maintaining consistency in global operations.

Although various aspects of management in large international companies have been studied by many researchers [3; 4; 5; 6; 9], many issues have been covered in the formation of mechanisms for the development of international economic relations. However, it cannot be said that this problem has been studied completely and comprehensively. In particular, the issue of management in large international companies has not been studied in sufficient depth. Therefore, the main purpose of this scientific work is to study new aspects of the management of large international companies.

Results and discussion

Innovation. Innovation is a driving force in the global marketplace. In today's rapidly changing and competitive business environment, companies that fail to innovate risk being left behind. The essence of innovation is to respond to changing consumer needs and demands by creating new products, services, and processes.

Is most important factor for success in the global marketplace is that it allows a company to differentiate itself from its competitors. In a saturated market, where products and services are often similar, companies need to find ways to stand out. Innovation allows companies to develop unique offerings, attract customer attention, and stand out from their competitors. For example, Apple's innovative approach to product design and user experience has made it one of the most valuable companies in the world [8].

Innovation is also crucial in driving growth and profitability. By continuously introducing new and improved products, companies can attract new customers, retain existing customers, and thereby increase sales and profits. In addition, innovative processes

allow modern enterprises to operate more efficiently, reduce costs, and increase profitability.

also plays a key role in solving social problems and driving positive change. Companies that invest in sustainable technologies or develop solutions to pressing social challenges not only contribute to socio-economic development but also gain a competitive advantage in the market. Consumers are increasingly loyal to brands that align with their values and have a positive impact on society.

In short, innovation is becoming a key factor for success in the global marketplace. Large international companies are increasingly investing in research and development to foster a culture of innovation. They are realising the need to continuously improve and adapt quickly to customer needs to stay ahead. For example, Google's "20% of work time" policy allows employees to spend one-fifth of their working time on personal projects. This policy has led to major innovations such as Gmail and Google Maps (Google, 2021) [10]. By encouraging creativity and risk-taking, such companies create an environment conducive to innovation.

II . Sustainability. In recent years, sustainable development has become one of the key aspects of the management of large international companies. This paradigm shift is associated with an increasingly deep understanding of the impact of business on the environment, society and the economy. As a result, companies are increasingly aware of the need to implement sustainable practices to ensure long-term success and contribute to a sustainable future.

The priority for large international companies is the growing awareness of global environmental problems. Climate change, resource depletion and environmental pollution are problems that threaten the health of our planet. As one of the main factors causing these problems, businesses are forced to take measures to reduce their negative impact. These include reducing carbon emissions, minimizing waste and pollution, and using natural resources wisely.

In addition to environmental issues, there is a growing awareness of the social and economic consequences of business activities. Large international companies have a significant impact on local communities and economies, and they have a responsibility to ensure that their operations benefit society. This includes promoting fair labor practices, supporting local communities, and contributing to sustainable economic development.

Sustainability has also become an important factor for companies due to changing consumer expectations. Today, consumers are increasingly aware of the environmental and social impact of the products they purchase and are willing to support companies that demonstrate a commitment to sustainability. Therefore, companies that prioritise sustainability have a greater chance of attracting customers and increasing brand loyalty.

Sustainability has become a key factor in the management of large international companies due to environmental concerns and the responsibilities they have to their stakeholders. These organisations are implementing sustainable approaches throughout their value chains, which serve to reduce environmental impacts and maximise social

impact. For example, Unilever's Sustainability Plan set a goal of reducing environmental impacts and improving the lives of one billion people by 2020 (Unilever, 2021). By integrating sustainability principles into their core strategies, these companies are demonstrating their commitment to the principles of responsible business conduct [13].

III. Diversity and Inclusion. *Large companies are now* increasingly focusing on diversity and inclusion (i.e., creating equal opportunities for all employees) in their corporate governance. Creating such an environment is becoming a priority not only for ethical reasons, but also because of its direct positive impact on the company's bottom line. This shift in focus is due to a recognition of the value that diversity brings to an organisation, along with modern social norms and expectations.

The main reason why large companies prioritise diversity and inclusion in their management systems is that these practices have been scientifically proven to have a positive impact on business performance. Research shows that diverse teams are more open to innovation, more creative, and more effective at solving complex problems. This leads to smarter decision-making and higher financial results. For example, according to a study by McKinsey & Company, companies with more diverse leadership are 21% more likely to have above-average earnings.

In addition, prioritising diversity and inclusion can help large companies attract and retain the best talent. In a highly competitive job market, employees are increasingly looking for employers who value their values and provide an inclusive environment. As a result, large companies that are committed to these principles attract more qualified candidates than others.

Beyond the economic rationale, large companies are also recognising the moral responsibility to implement inclusive governance principles. As organisations with significant influence and resources in society, they can contribute to positive social change by promoting a fair and equitable environment.

Prioritising diversity and inclusion also helps companies reduce legal risks related to discrimination and harassment. Such conflicts are prevented by fostering an inclusive culture where every employee feels valued and respected.

Recognising the benefits of diverse perspectives and an inclusive work environment, large international companies are prioritising these principles in their management practices. They understand that such an approach serves to improve decision-making processes and increase innovative capacity. For example, Microsoft has implemented initiatives such as bias training and employee resource groups to promote diversity (Microsoft, 2021) [12]. By creating such an inclusive environment, the company is attracting and retaining talented professionals from different backgrounds, which ultimately contributes to the success of the organisation.

V. International Cross-Cultural Management. Cross-cultural management is an integral part of the modern global business environment. As companies expand their operations to other countries, they encounter different cultures, languages, and customs. To

achieve success in this situation, leaders need to deeply understand the essence of cross-cultural management.

The essence of cross-cultural management is the ability to effectively manage and utilise cultural diversity within an organisation. This process requires understanding and respecting the differences in values, beliefs, communication styles, and working methods that exist across cultures. It also involves developing strategies to build trust, cooperation, and effective communication among people of different nationalities and cultures.

Intercultural communication is of great importance in the activities of large international companies. Otherwise, intercultural misunderstandings arise, which negatively affect business processes. Therefore, intercultural management is one of the main components of the human resources system, which serves to develop training and development strategies that teach people to work successfully in different cultural contexts. This approach plays an important role in preventing cultural conflicts [2].

As global processes accelerate today, the role of cross-cultural management in human resource management is significantly increasing. The presence of different languages, customs and working styles complicates business and the implementation of large projects. As a result, specialists who can quickly adapt to different cultural environments are gaining priority in the international labour market.

According to modern international management principles, culture is an invaluable resource for an organisation. Cultural characteristics are a source of knowledge and approaches specific to an organisation that help solve cross-cultural problems [2]. Therefore, employees working in international companies are distinguished by cultural competence and create a key competitive advantage for the company. Training for cross-cultural management is carried out through the following main methods [6]:

- Intercultural education helps reduce culture shock when learning about a new culture through literature, documentaries, and lectures.
- Intercultural orientation – shows the interaction between representatives of different cultures based on predetermined behavioural elements.
- Intercultural training is an active learning process that requires direct participation in a business environment. This approach helps overcome culture shock and acquire practical communication skills.

Thus, cross-cultural management is not only an important competitive advantage for international companies, but also one of the success factors in global business.

VI. Digital Transformation. *In large international companies, digital transformation* is the process of integrating digital technologies into all areas of business operations, which is essential for companies to remain competitive in today's rapidly evolving business environment. With the increasing demand for technology and the need for digital solutions, companies need to adapt to these changes and develop their operations.

One of the key aspects of digital transformation is to increase efficiency and productivity through the implementation of new technologies and tools. This, in turn, includes the use

of advanced data analytics, artificial intelligence, machine learning and automation systems to optimise production processes and make informed decisions. Using these technologies, companies gain valuable information about their operations, customer behaviour and market trends, which helps them make strategic business decisions.

In addition, digital transformation allows large international companies to improve the quality of customer service, ensuring personalized and seamless communication across various channels. With the development of e-commerce and online platforms, customers expect a high level of convenience and availability in their interactions with businesses. With digital transformation, companies can create multi-channel opportunities that meet the needs and desires of customers, which increases customer satisfaction and loyalty.

using digital innovation, develop new products or services faster, and outperform competitors. This flexibility is crucial for long-term success in today's rapidly changing business environment.

The rapid development of technology has forced large international companies to undergo digital transformation. To remain competitive, these organisations are using cutting-edge technologies such as artificial intelligence, big data analytics, and cloud computing. For example, Amazon's method of managing inventory and providing personalised recommendations using advanced algorithms has revolutionised the e-commerce industry (Amazon, 2021) [7]. With the help of digital transformation, these companies gain a competitive advantage in the global market.

At the same time, international companies need to adopt a strategic approach to managing their operations effectively. This includes investing in cutting-edge technologies, optimising processes, and improving the quality of global operations. In addition, these companies need to pay close attention to understanding local markets and consumer preferences so that they can adapt their products and services accordingly.

Building strong relationships with local partners and governments can help international companies navigate complex regulatory environments effectively. By engaging closely with local stakeholders, these companies can gain valuable insights into local customs and practices and build trust in communities.

In summary, international companies face many challenges in managing their operations effectively in today's globalised world. These challenges —from navigating a complex regulatory environment to adapting to rapidly changing consumer demands— require a strategic approach that emphasises innovation, flexibility, and strong relationships with local stakeholders. By addressing these challenges, international companies can successfully enter the global marketplace.

Thus, among the important aspects of managing international companies are overcoming the challenges of intercultural communication, implementing project management, innovation, sustainability, diversity and inclusion, as well as digital transformation and incorporating these aspects into their strategies. These aspects are closely interconnected, and only when they are in harmony with each other can large international companies overcome the complexities of the global business landscape,

achieve growth and success. To implement this approach in Uzbek companies, it is necessary to implement all innovative approaches comprehensively.

RATING OF THE MOST INNOVATIVE COMPANIES IN 2023

Every year, the Boston Consulting Group (BCG) agency publishes a rating of the "most innovative companies". Based on a survey of the opinions of more than a thousand innovative business leaders surveyed in December 2022 and January 2023, the BCG rating evaluates the activities of companies in four areas:[15]

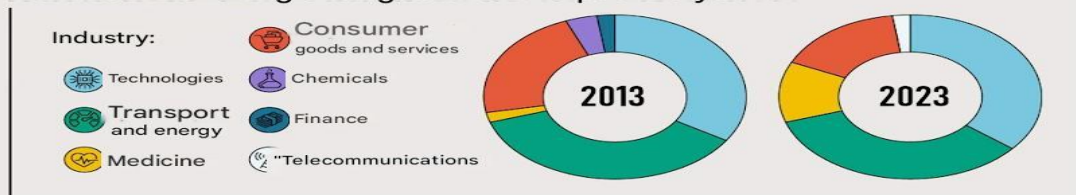
- **Global innovation awareness level:** number of votes received from leaders of all innovative companies in the world
- **Industry peer opinion:** number of votes received from company executives working in the same industry
- **Industry Instability:** Industry Voice Concentration Index (Herfindahl-Hirschman)
- **Value creation:** total shareholder return, including share buybacks, for the three-year period from January 2020 to December 2022

We have presented these results more clearly in the infographic below:

THE MOST INNOVATIVE COMPANIES

-Industry-		Technologies	Transport and energy	Medicine	Consumer goods and services	"A" Telecommunications
Place	Change of location (per year)					
1	—	Apple				
2	▲3	TESLA				
3	—	amazon.				
4	—	Alphabet				
5	▼3	Microsoft				
6	▲1	moderna				
7	▼1	SAMSUNG				
8	—	HUAWEI				
9	Returned to the previous place	BYD				
10	▲10	SIEMENS				
11	▲7	Pfizer				
12	▲15	Johnson & Johnson				
13	Returned to the previous place	SPACEX				
14	▲1	NVIDIA.				
15	Returned to the previous place	ExxonMobil				
16	▼5	Meta				
17	▼5	Nike				
18	▼8	IBM				
19	▲18	3M				
20	Returned to the previous place	TATA				
21	Returned to the previous place	Roche				
22	▼3	ORACLE				
23	New member	BIONTECH				
24	Returned to the previous place	Shell				
25	New member	Schneider Electric				
26	▲8	P&G				
27	▲22	Nestle				
28	▲1	GE				
29	▲2	mi				
30	New member	Honeywell				
31	▼22	SONY				
32	New member	SINOPEC				
33	▲6	HITACHI				
34	Returned to the previous place	McDonald's				
35	Returned to the previous place	MERCK				
36	—	ByteDance				
37	▼11	BOSCH				
38	▼24	DELL				
39	New member	GLENCORE				
40	New member	stripe				
41	New member	aramco				
42	▼6	Coca-Cola				
43	Returned to the previous place	Mercedes-Benz				
44	▼22	Alibaba Group				
45	▼32	Walmart				
46	New member	PetroChina				
47	New participant	NTT				
48	▼24	Lenovo				
49	Returned to the previous place	BMW				
50	—	Unilever				

How has the rating changed over the past 10 years?



SOURCE:
t.me/kolgotada

Information and attractions

The ranking for 2023 is presented in the table below.

For the fourth year in a row, Apple has been named the world's most innovative company. In fact, Apple has held the top spot since 2005 (except for 2019).

Place	Company	Industry	Change of location (+/-)
1	Apple	Technologies	-
2	Tesla	Transport and energy	3
3	Amazon	Technologies	-
4	Alphabet	Technologies	-
5	Microsoft	Technologies	-3
6	Moderna	Healthcare	1
7	Samsung	Technologies	-1
8	Huawei	Technologies	-
9	BYD Company	Transport and energy	Returned to its original place
10	Siemens	Technologies	10
11	Pfizer	Healthcare	7
12	Johnson & Johnson	Healthcare	15
13	SpaceX	Transport and energy	Returned to its original place
14	Nvidia	Technologies	1
15	ExxonMobil	Transport and energy	Returned to its original place
16	Meta	Technologies	-5
17	Nike	Consumer goods and services	-5
18	IBM	Technologies	-8
19	3M	Consumer goods and services	18
20	Tata Group	Transport and energy	Returned to its original place
21	Roche	Healthcare	Returned to its original place
22	Oracle	Technologies	-3
23	BioNTech	Healthcare	New member
24	Shell	Transport and energy	Returned to its original place
25	Schneider Electric	Transport and energy	New member

Place	Company	Industry	Change of location (+/-)
26	P&G	Consumer goods and services	8
27	Nestlé	Consumer goods and services	22
28	General Electric	Transport and energy	1
29	Xiaomi	Technologies	2
30	Honeywell	Transport and energy	New member
31	Sony	Technologies	-22
32	Sinopec	Transport and energy	New member
33	Hitachi	Transport and energy	6
34	McDonald's	Consumer goods and services	Returned to its original place
35	Merck	Healthcare	Returned to its original place
36	ByteDance	Technologies	-
37	Bosch	Transport and energy	-11
38	Dell	Technologies	-24
39	Glencore	Transport and energy	New Member New
40	Stripe	Technologies	Member New Member
41	Saudi Aramco	Transport and energy	New Member
42	Coca-Cola	Consumer goods and services	-6
43	Mercedes-Benz Group	Transport and energy	Returned to its original place
44	Alibaba	Technologies	-22
45	Walmart	Consumer goods and services	-32
46	PetroChina	Transport and energy	New member New member
47	NTT	Telecommunications	
48	Lenovo	Technologies	-24
49	BMW	Transport and energy	Returned to its original place
50	Unilever	Consumer goods and services	-

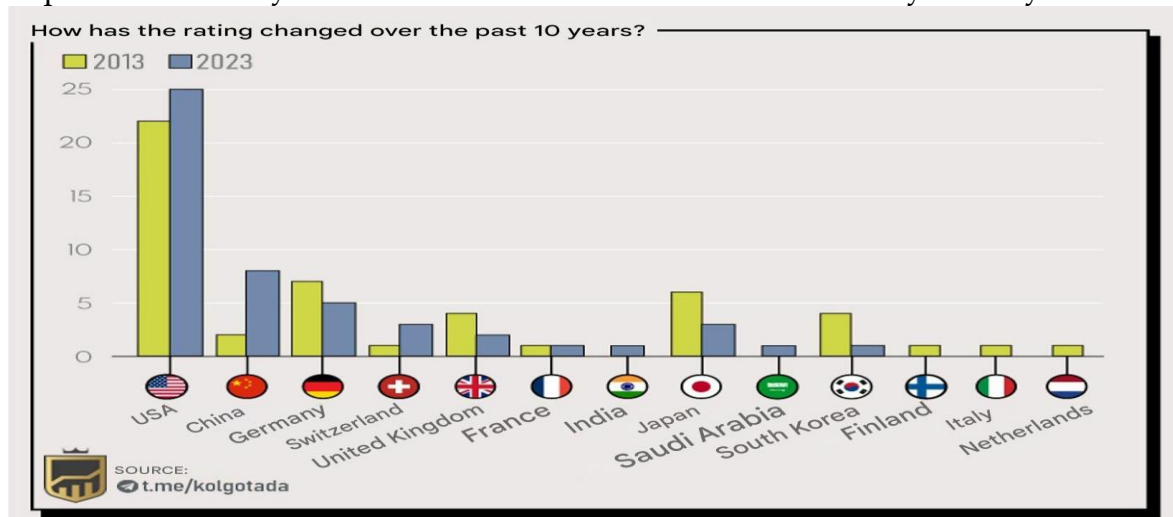
The BCG report provides more information about several companies, including German firm Bosch (ranked 37th). According to BCG, the company has 84,800 R&D employees in 130 countries around the world. Bosch also kept its R&D spending at between 7.6% and 8.2% (of total sales) between 2018 and 2021 .

Another bright spot in the ranking is Samsung Corporation (7th place), which spent more than \$17 billion on research and development in 2021 (9% of annual sales), making the South Korean conglomerate one of the world's largest conglomerates in terms of innovation. In addition, Samsung received 6,300 US patents in 2022, the largest figure among all companies.

As the ranking shows, the leading innovators include not only representatives of the technology sector. The global fast-food chain McDonald's (34th place) was awarded the status of "the leader in innovation and investment in the restaurant industry." For example, McDonald's recently acquired the voice technology company Apprente, as well as Dynamic Yield, a company specializing in the creation of personalized online interaction tools. McDonald's plans to use these technologies to reduce service times and provide customers with a wider range of choices.

Companies by nationality

Let's look at the ranking from another perspective - from the perspective of the participants' nationality. The chart below shows their distribution by country.



The US , China and Switzerland are the only three countries that managed to increase their share compared to 2013, taking companies away from European countries such as Germany, the UK and Italy. Japan and South Korea also saw a significant decline in their share.

Given China's economic growth, Chinese enterprises are likely to continue to increase their innovation scale in the future. At the same time, the most prominent innovator from the Middle Kingdom is Huawei Corporation (8th place), which has been included in the list of the world's 50 leading innovative companies every year since 2014, when it became a participant in the rating for the first time and took 50th place.

Conclusion

Innovation remains an essential element of success in the global marketplace. Innovation enables companies to differentiate themselves from their competitors, grow and profit, address societal challenges, adapt to changing market dynamics, and outperform disruptive forces. Modern global companies must prioritise innovation as a core component of their strategies if they want to thrive in today's highly competitive environment.

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