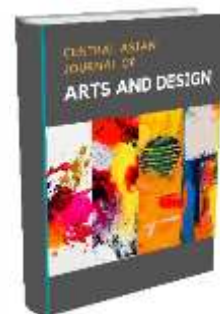




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Role and Importance of Corporate Social Reporting in Construction Clusters

Arifdjhanova Zilola Dilshodovna

Tutor, Tashkent Institute of Architecture and Construction

Abstract

Globally, social reporting has become an essential component of multinational corporations' reporting processes. Such reporting is used to facilitate communication between businesses and their stakeholders. With its assistance, businesses are held accountable to society for the implications of their commercial operations, which appear as environmental, social, and economic effects. Although the majority of our country's economic entities have not yet mastered this sort of reporting, sophisticated corporations are employing new information and communication technology to disclose socially significant information. Their reports are becoming more interactive: the multimedia interface allows users to personalize the reports, convert them into a suitable format, examine the available data, and leave a report about the report's content, among other things. Some companies are experimenting with new communication channels that deliver reports at any time and from any location.

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Introduction. The creation of corporate social reports and reports on sustainable development should be guided by the concepts of voluntarism, social awareness, and business social orientation. State entities, particularly relevant ministries, as well as local executive bodies, should actively promote corporate social reporting during this process. It is also vital to organize regular meetings in order to establish new kinds of social cooperation and related business proposals. It is preferable to gradually transform this activity into a natural appearance of business legitimacy. Non-financial (social) reports are one instrument for improving the quality of corporate management, namely planning, monitoring, and evaluating the company's actions. This report may be used to strengthen communication with social partners and raise transparency of the company's actions.

E-mail address: editor@centralasianstudies.org

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In this sense, the report on corporate social responsibility to society is becoming increasingly relevant for many of the report's readers. The financial report, which is based on a voluntary management decision to publish information on the implementation of the concept of social responsibility, allows the company to present to the general public the results of its activities in the social, economic, and environmental fields defined in the development mission and strategic plans in a more comprehensive form. To attract investors, information on social responsibility and corporate governance concerns must be included in reports [1]. It is also vital to avoid many undesirable outcomes by evaluating non-financial data and to obtain answers to crucial issues, particularly the risk of inefficient financial investments and the rate of attracting debt funds in order to provide the activity with the necessary cash.

Unfortunately, our country's corporations today do not sufficiently represent this information, particularly information connected to corporate management difficulties in the report. However, in recent years, the disclosure of information on corporate governance standards has steadily improved, and a number of significant businesses' annual reports have been brought closer to the standard suggested by worldwide "best" practice [2].

According to the findings of the study, highly rated firms that are effectively functioning in emerging industries and contribute significantly to the country's well-being are currently leading the way in terms of non-financial reporting. The fundamental reason for this is that the development and execution of a non-financial report, as well as its verification, necessitate a significant financial commitment. Simultaneously, increasing the relevance of employing non-financial reports in business practice leads to a growth in their quantity.

A study of Russian firms' experiences revealed that the majority of non-financial reports produced by them belong to "city-shaping" enterprises [4]. According to the information supplied in these reports, such organizations are devoted to the notion of corporate responsibility, which includes not only the care of their employees, but also their engagement in the socioeconomic development of the places in which they operate. Many firms see investing in this sector as social investments aimed at raising living standards, strengthening socioeconomic development processes, and increasing regional competitiveness. As a result, favorable circumstances for company development are created in these firms. Today, major corporations are acting as the primary catalysts in the creative reforms being implemented to propel the country's socioeconomic growth to a fundamentally new level [3]. This is the consequence of the firms' good business practices. Simultaneously, corporate social reporting enables businesses to present unified information regarding the implementation of corporate policies in order to show and reinforce the company's right to conduct business. To make corporate social reporting a common practice in business, the number of firms and organizations that determine the demand and supply for such reporting must be significant.

Companies gain from corporate social reporting in a variety of ways, including increased efficiency and labor productivity, as well as increased investment appeal. A high-quality report, in our perspective, provides accurate and dependable information from which stakeholders and partners may derive analytical conclusions.

To be listed on the London Stock Exchange, our firms must produce a corporate social report.

Furthermore, foreign partners, investors, and purchasers need openness in commercial transactions. This may be accomplished by generating and publicizing corporate social reports that combine our country's experiences with superior Western approaches.

The content of international firms' non-financial filings revealed a number of important directions in information sharing. Personnel management and internal social programs; reciprocal collaboration with representatives of local governments, regional socioeconomic development, as well as charity and patronage; are activities connected to ecology and environmental conservation.

Companies throughout the world are increasingly shifting from altruistic efforts to carefully researched social investments targeted at addressing critical social issues in education, health, employment, housing, and the environment [4].

According to studies, firms are focused on revealing more information about their social activities in their annual reports. The current people management policy is based on a new approach to the "human resource," which is seen as the company's principal capital. This is largely due to the fact that workers, as one of the most significant stakeholders, play a critical role in the company's long-term success and sustainability.

The task of ensuring the comparison of the results of different companies' activities, improving the system of reporting indicators, and forming a generally accepted methodology for preparing reports becomes more urgent as reporting practices improve and the number of companies implementing corporate reporting grows. This is a critical issue in ensuring the dependability of company non-financial disclosures for external analysts. This is critical for businesses showing their sustainability and competitiveness, as well as for the business community, whose genuine contribution to social development should be expressed to the general public. [5].

Although our nation lags behind the world's top countries in the development of voluntary corporate social reporting, it has already reached an active stage. As reporting expertise grows, the number of organizations selecting a method to articulating information about their operations in terms of economic, social, and environmental components grows. Increased openness in the realm of information fits societal expectations and helps to improve company confidence.

On the other hand, it is a positive trend that corporate non-financial reports have become an independent instrument for examining and evaluating firms' operations in the fields of economic growth, social development, and environmental responsibility in recent years. In practice, corporations began to establish complete management systems for their operations in the field of sustainable development for the first time, taking into account not only the reporting process, but also the company's current business processes and management systems. This process frequently occurs in the context of changes in the fundamental structure of ownership and restructuring in major corporations. This adds new obstacles for managers while also introducing crucial course-continuity aspects.

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