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Article

The Role of Innovative Management in Enhancing the Investment Attractiveness of Construction Companies

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Abstract: This article highlights the role and significance of innovative management in enhancing the investment attractiveness of construction enterprises. It also analyzes the application of modern innovative management methods to attracting investment, improving the operational efficiency of construction enterprises, and strengthening their competitiveness. The article examines the opportunities for digitalizing construction processes through the implementation of innovative management, developing innovative management approaches in construction enterprises, ensuring the rational use of resources, reducing costs, and improving innovation performance. Particular attention is paid to the key factors determining investment attractiveness, including financial stability, the effectiveness of the management system, the use of innovative technologies, and the importance of creating favorable conditions for investors. Furthermore, the study substantiates the factors influencing the investment attractiveness of construction enterprises, the implementation of modern information technologies, the improvement of management decisions, and approaches to the effective management of investment attractiveness. Based on the research findings, proposals and recommendations are provided for the use of innovative management mechanisms to ensure the long-term development of construction enterprises, attract domestic and foreign investment, and improve economic efficiency.

Keywords: construction company, investment attractiveness, innovation management, investment, innovative technologies, digitalization, return on investment.

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1. Introduction

At present, the rapid development of the construction sector in our country is increasing enterprises' need for investment resources. When attracting investment, alongside the financial condition of construction enterprises, their innovative potential, capacity to implement modern technologies and management efficiency also play a crucial role. Therefore, the effective use of innovative management mechanisms to enhance the investment attractiveness of construction enterprises is one of the most pressing issues of the present day.

The widespread implementation of innovative approaches across all sectors of the economy, particularly in construction enterprises, is a key factor in ensuring product competitiveness. The attractiveness of investments in the construction sector is a key driver of the economy, in which the implementation of modern management mechanisms, The digitisation and organisation of production processes based on innovative technologies significantly increases efficiency. Therefore, special attention is being paid to

improving the innovative management system to enhance the investment attractiveness of enterprises operating in the construction sector.

A number of legal measures have been adopted by the Government of the Republic of Uzbekistan to attract investment, introduce innovative approaches and support the implementation of the law on the strategy for innovative development. a number of legal and regulatory measures have been adopted. In particular, the Law of the Republic of Uzbekistan No. O'RQ-598 'On Investments and Investment Activity' of 25 December 2019, and the Decree of the President of the Republic of Uzbekistan No. PF-5495 of 1 August 2018 -sonli 'On measures to radically improve the investment climate in the Republic of Uzbekistan' decree, Decree 'On Measures for the Implementation of the Innovative Development Strategy', dated 6 July 2022, PF-165 the Decrees on the organizational measures for the implementation of the Innovative Development Strategy of the Republic of Uzbekistan for 2022-2026, serve as a practical program. [1], [2], [3].

1.1 Literature Review

The theoretical and methodological problems of innovative management in increasing the investment attractiveness of construction enterprises are addressed by the foreign economist A.I. Anchishkin in his scientific works, who defines innovation as a new scientific-technical (technological), the initial practical application of organizational, economic, production or other decisions" [4]. Furthermore, B. Santo, one of the main founders of innovation theory, regarded 'innovation as a socio-economic process. This leads to the creation of the best products and technologies in terms of their characteristics through the practical application of ideas and inventions, and if, innovation is directed towards economic returns, profit, then its appearance in the market can bring additional income". B. Twiss regards innovation as a process involving inventions and new ideas that have economic substance [5], and W. F. Sharpe developed methods for analyzing investments and maximizing returns from them. He was awarded the Nobel Prize in Economic Sciences in 1990 for his theory of financial economics and introduced a novel approach to modelling the prices of capital assets. His work is of significant importance in assessing investment efficiency. and others, while studying the views of national economists, the scientific-theoretical, organizational-legal and methodological foundations, it can be interpreted as a scientific-theoretical, guiding process for improving the investment attractiveness of innovative management methodology in construction enterprises in Uzbekistan, as well as the organisational-legal and methodological basis for enhancing the investment attractiveness of construction enterprises, in line with the views of the republic's economists, R. I. Nurimbetov, who regards innovative-investment activity as a mutual adaptation of enterprises' technological renewal, the effective use of financial resources, and the improvement of management mechanisms. Another economist, Sh.I. Mustafakulov, " analyses the institutional foundations for enhancing the attractiveness of the investment environment and stimulating the flow of investments, and demonstrates that the efficiency of investment activity depends on the stability of the investment environment and the conditions created by the state" it emphasizes [6]. However, improving innovative management to enhance investment attractiveness in construction is about effectively organizing investment processes in the construction sector, the introduction of innovative technologies, and the improvement of scientific, methodological, organizational and economic mechanisms aimed at developing the management system in line with modern economic requirements, is one of the processes aimed at increasing the investment attractiveness of the construction industry.

2. Materials and Methods

To organize and objectively assess the innovative approaches required to improve innovative management in enhancing the investment attractiveness of construction enterprises, and to identify the factors influencing their investment attractiveness, economic-statistical analysis, the comparative method, and the results of studies by economists on improving innovative management methods and classifying their types for construction enterprises were used. SWOT analysis, the expert evaluation method, and economic modelling were utilised.

3. Results

One of the main factors behind the growing importance of innovative management in enhancing the investment attractiveness of our country's construction enterprises is the steadily increasing demand for modern, innovative, and energy-efficient construction facilities.

The concept of investment attractiveness, in general terms and according to various interpretations, reflects the degree of favourability of the situation in a particular country, region or sector with regard to directing investments. The assessment of investment attractiveness is based on an analysis of the factors and conditions that support economic growth.

Innovative management is the application of new technologies to a company's operations, It is manifested through management activities aimed at the effective use of resources, the optimisation of the production process and the enhancement of competitiveness by applying new technologies, management methods and organizational solutions.

Thus, the construction sector is one of the key pillars of the national economy, the innovative management of the construction sector involves the implementation of new developments and ideas into construction processes, digital management methods, and the selection, evaluation, and implementation of innovative projects. This approach not only increases the company's production efficiency but also demonstrates its economic stability and development prospects to investors.

In the current circumstances, when researching innovative processes in our country's construction sector, attention must be paid to the specific characteristics of innovations, taking into account the demands of a market economy, their functional directions and the development of their strategic importance in the activities of construction enterprises [7].

Based on the functional orientation and economic substance of innovative management methods that serve to increase the investment attractiveness of construction enterprises, they can be classified into specific types. These types of innovations can be seen in Figure 1 below.



Figure 1. Types of innovations used in the construction industry (Source: Developed by the author)

The introduction of innovative management methods in construction companies is being implemented more slowly than in other sectors of the economy. In particular, there are certain problems in the practical application of modern materials, advanced technologies and innovative construction methods. Therefore, the main directions of innovative management in the construction sector can be divided into three components:

digital technologies, modern construction materials, and the automation of construction processes. The development of these directions serves to increase the efficiency and investment attractiveness of construction enterprises.

To increase the country's economic efficiency and enhance investment attractiveness in order to improve innovative governance and determine the volume of investments being channelled into the construction sectors for 2020–2025 In the months from January to December of the 2024–2025 period, the share of investments in construction entities amounted to 115.6%. In 2024, this share was 105.5%, and in 2025 it has decreased by 10.3% compared to 2023 and by 18.2% compared to 2024 (Figure 1).

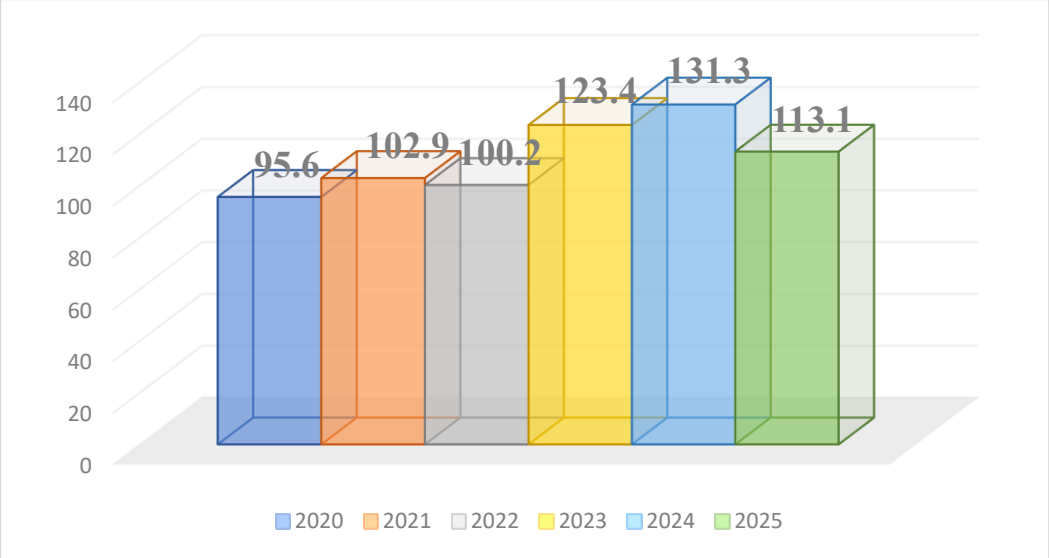


Figure 2. Growth rates of attracting investments into fixed capital of the Republic of Uzbekistan, 2020–2025 (%) (Source: Developed by the author)

As can be seen from the data in Figure 2, the improvement of innovative management and the increase in investment volume to enhance the investment attractiveness of enterprises and organisations in the Republic of Uzbekistan reached 113.1 per cent in 2025. rising to 131.3 per cent in 2024. At the same time, it was almost 7.9 times higher than in 2023. This indicates that enterprises and organizations are making the most of their opportunities to support innovative activities in order to increase their investment attractiveness.

In the process of studying the factors influencing the investment attractiveness of construction enterprises, an improved, innovative approach is proposed, and their systematization is carried out on the basis of the compositional-structural elements of these factors (Table 1).

Table 1. Factors affecting the investment attractiveness of construction companies (Source: Developed by the author)

Main direction	External factors	Internal factors
The marketability of the manufactured products	a. The level of industry development; b. Actual and potential demand for products; c. The balance between supply and demand	a. Organisation of industrial development; b. The range of products to be manufactured; c. The ratio of fixed to variable costs
Industrial enterprise production capacity	a. The availability of human and material resources; b. Sector-specific characteristics;	a. Labour productivity; b. The rate of depreciation of fixed assets and the rate of their growth;

Main direction	External factors	Internal factors
	c. Regulation of depreciation policy through legislation	c. The extent to which production and technologies have been improved
Need for financing	a. The government's financial and economic policy; b. The investment attractiveness of the sector and region; c. The availability of necessary financing	a. The company's liquidity and financial stability indicators; b. The company's profitability and business activity indicators
Prospects for innovative development	a. Methods used by central and regional authorities to develop innovation; b. The provision of tax credits and incentives	a. The existence of research and development projects in advanced sectors; b. The presence of research staff on the payroll
Stability of the ecological environment	a. Strict state regulation of environmental safety; b. The existence of standards and regulatory and legal documents in the field of environmental safety	a. The environmental efficiency of the industrial process; b. Compliance with the requirements of current standards, regulations and legislation

4. Discussion

It should be noted that in construction companies, the similarity is not between the structural elements of economic security and the companies' investment attractiveness, but rather between the external and internal factors associated with these elements [8].

Given the relatively low level of innovative management in construction enterprises, project owners and contractors must conduct in-depth studies into the impact of introducing new technologies on the sector's efficiency. The effectiveness of introducing innovative technologies in enhancing a company's investment attractiveness, optimizing costs, shortening construction periods and reducing project risks is a key criterion. From this perspective, Construction companies focused on implementing innovative technologies will be able to ensure long-term competitiveness, accelerate technological modernization, and take a leading role in digital transformation processes.

5. Conclusion

In conclusion, enhancing the investment attractiveness of construction companies is directly linked to the improvement of innovative management mechanisms. Therefore, special attention must be paid to further improving the various factors that serve to enhance the industry's investment attractiveness by implementing the process of managing innovative developments in construction enterprises.

Based on the research findings, it would be appropriate to develop the following proposals for enhancing the investment attractiveness of construction enterprises.

Including:

a. Measures to improve the digital innovative management system in construction companies.
b. Development of a comprehensive methodology for assessing investment attractiveness.

c. Improving methods for preventing external risks based on the study of investment risk management mechanisms.
d. Enhancing corporate governance and financial transparency.
e. Integrating green building and ESG principles into management.
f. Diversifying the sources of funding for innovative projects through strategic planning.
g. Developing measures to enhance the capacity of personnel in innovative management within construction companies.
h. To improve the system for increasing the efficiency of innovation management.
i. To develop measures regarding the volume of funding for innovative activities and scientific research;

The system of factors influencing the innovative management activities of construction enterprises has not been sufficiently comprehensively researched. Therefore, in order to ensure the innovative development of the national economy, particularly the construction sector, it is essential to systematically monitor the influencing factors and coordinate them in an optimal ratio, taking into account the risks associated with investment decisions. Furthermore, it is necessary to assess the impact of the introduction of modern innovative technologies into construction sites on optimizing investment attractiveness, shortening project timelines and reducing risks.

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