

STRATEGIC MANAGEMENT OF HIGHER EDUCATION INSTITUTIONS

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ABSTRACT

The article is devoted to the concept of strategic management of higher education. The work briefly analyzes basic theoretical aspects of strategic management at the university level. The development of higher education system in terms of knowledge-based economy requires to solve the whole set of the problems HEIs face, caused by rapidly changing environment. The author reviews the main aspects of the strategic management at HEIs, emphasizes to the need and objectives of the strategic management of universities. The author focuses on the basic stages of developing the strategy in order to enhance HEI's performance and reaching its targets at each stage. The study concludes that the strategic management in higher education is more efficient, modern and flexible system, which enable the HEI to perform more competitively, broaden its potential and reach its goals.

KEYWORDS: *Strategy; strategic management; strategic planning of HEIs; competitive advantage; education market*

INTRODUCTION

Today's world is experiencing a real revolution in almost all spheres of society, caused by the accelerated digital transformation, probably by several years, in terms of COVID-19 pandemic. Education system is no exception, undoubtedly, one of the spheres to which pandemic conditions have been affecting most. With the widely spreading COVID-19 cases, many educational institutions around the world had to abandon the traditional form of education and resume the education processes in the form of distance learning. The challenge in this point for education system is that not all education institutions have enough capacity, which enables to organize distance-learning processes effectively and provide high quality. Moreover, in order to create equal opportunity to all in terms of distance learning, the level of access to the internet and presence of necessary devices to connect in the country should be taken into consideration.

THE MAIN RESULTS AND FINDINGS

Nowadays, one of the most urgent problems of high education institutions (HEIs) is the need of adaptation to the changing environment, keeping pace with digital transformation processes and functioning in response to the modern requirements of education market. The training of professionals for a new generation of management personnel who acquired modern knowledge and skills, and are able to make decisions in a rapidly changing environment - is the main goal of today's higher education.

Today's need to reform the higher education system, to organize the process at a high quality level requires applying innovative technologies and more effective management systems in the activities of the HEIs.

Currently, strategic management takes a central place among the management technologies of higher education. This is due to the fact that it enables to bring a scientific basis for the process of long-term harmonization of the education system with the external environment. Strategic management allows HEIs to become a self-developing system that effectively interacts with the external environment.

In terms of knowledge-based economy, sustainable development goals cannot be realized without an effective education and training system, a large diffusion of knowledge in production services, a creative industries and an effort to create a research-intensive economy. In order to achieve sustainability, governments should apply strategic management and planning for the support and development of their educational systems. Strategic management indicates planning, organizing and managing the education process in response to the increasing needs and requirements of the market, coordinating its functions to the changes of the environment.

Among the works of foreign scientists, which reflect certain aspects of the strategic management of the university, one can single out the works of A.V. Klyueva, A.O. Grudzinsky, E.Yu. Gorbunova, A.P. Egorshina, A.I. Vladimirova, D.P. Norton, G.

Mintzberg, M. Porter, K. Prahalad, A.A. Thompson, A.J. Strickland, G. Hamel and others. There have been raising a set of questions on the strategic management concept which caused various approaches to the issue and discussions among scholars. According to the ideas they offer as for the factor to which organizations strategy and strategic management relates most, one can classify three presumably approaches.

First, organizations need strategic management to achieve its goals in terms of *resource scarcity*. It, in its turn, requires organizations to allocate their resources in more reasonable way, use effective tactics to ensure the implementation of the accepted strategy.

According to A. Balobanov and A. Klyuev [1], the idea of strategic management is an attempt to answer the question of how to manage in conditions that are not completely transparent, change and depend on many factors, in particular, on the actions of other people who make independent decisions and strive to achieve their goals. To manage in such conditions means to manage strategically. The need to develop a strategy appears when resources are scarce. If a manager has enough resources to solve a problem that interests him, he solves it without developing any special strategy.

Second, organizations use strategic management to improve their competitive advantages in order to win in *competitive market*, as well as strengthen their positions in the market.

Strategic management focuses on firms and the different strategies that they use to become and remain successful. Firms develop strategies, or longer range goals, to achieve success in the competitive marketplace. In the dynamic environment in which firms exist, firms may alter their strategies as conditions change. [2]

Third, organizations need strategic management system to cope with the problems they face in terms of rapidly *changing environment* such as occurred challenges during global pandemic.

A.O. Grudzinsky [3] believes that the key instrument of strategic management of a modern university should be an innovative mission that sets the general direction and priorities for the development of proactive project teams of teachers and researchers. It offers a unique approach to university management and, accordingly, a unique organizational structure, called “project-oriented university”.

A. Egorshin and E. Gorbunova [4] defines a strategy as a generalized model of actions necessary to achieve the set management goals and efficiently

allocate resources based on the selected criteria (indicators). On the basis of 15 years of experience in strategic management, they identified eight macro-subsystems of strategic management of the university. They note that educational institutions may be faced with a large number of possible alternative strategies.

Consumers of educational services, thanks to competition in the educational sphere, significantly raise the bar of professional requirements for university graduates. In the context of new economic realities, the determining criterion for assessing the quality of graduates' training is their competitiveness and the activities of the university as a whole — ensuring the compliance of the educational services market and the labor market [5].

Strategic management is management that is associated with setting the goals and objectives of the organization, orienting its activities to customer demands, responding flexibly and making timely changes in the organization that meet the challenge from the environment and allow it to achieve competitive advantages, which gives the organization the opportunity to survive in the long term. perspective and achieve your goals.[6]

A. Kaigorodsev and others [7] claim that the development strategy of the university should be carried out on the basis of the following principles:

- Continuity of education;
- Continuous innovation;
- Diversification;
- Synergy;
- Bringing educational services closer to consumers;
- Quality management;
- Formation of a portfolio of scientific and educational products (services) based on strategic analysis.

It should be mentioned that main problems today's HEIs, especially in developing countries, suffer from are the lack of high integration with potential employers of their graduates (a), poor quality management of learning and teaching processes (b), to establish more effective curricula and services in response to both world standards and consumer needs (c), as well as market researches and strategic analysis (d).

They conclude that the strategy of a higher education institution should be based on the optimal combination of education and market relations. At the same time, modern educational paradigms should prevail in the strategy of universities. Universities should: be innovatively active; to ensure anticipatory education and the overall quality of all aspects of its activities; be student-oriented; develop strategic partnerships.

In order to apply strategic management in an organization and to provide its high efficiency, it is recommended to form separate department with concrete functions listed and hire professionals. Some organizations have experience with involving their existing management personnel to the strategic planning process of their activities for near future and long term period as well. In most cases they end with neither effective management system nor effective strategy. According to A. Egorshin and E. Gorbunova [4], strategic management involves the subject have five skills:

- To simulate a situation (to identify problems);
- To identify necessary changes (formulate goals);
- To develop a strategy for change (basic strategies);
- To use various methods of influence (implementation and implementation of the strategy);
- To make adjustments to the strategy (change management).

In the classical theory of strategic management, there are three main stages (stages) of strategic management, which can be easily applied to a higher educational institution [4]:

1. Diagnostic analysis.

At this stage, in order to determine its position in the education and science system of the region, the socio-economic position of the university over several years should be analyzed systematically (particularly, management goals and criteria, ranking management problems, studying the external and internal environment using STEP and SWOT analysis methods, identifying the competitive advantages of the university and choosing strategic development priorities).

2. Strategic planning of the university.

At first, strategic planning period should be selected. Then, using the methods of expert assessments, system analysis and forecasting, the formation of strategic development goals is carried out, the modeling of the three-variant development of the university (pessimistic, realistic, optimistic), the forecast of indicators of the development of the university for 5 or 10 years, the optimization of the budget of income and expenses and the development of target integrated development programs.

3. Management of the implementation of the strategy of the university. At this stage, strategic plans are materialized in management practice, tasks, conditions and stages of strategy implementation are determined, the implementation of the strategic plan is monitored, and the effectiveness of the strategy is assessed based on the end results of the university's activities.

While applying strategic management in organization's management system, the most crucial part is developing an appropriate strategy. There can be two or more alternative strategies and the management team has to select the optimal one. Further it is needed to be worked on to gain maximum results. Sundukova G.M. and others emphasize the following basic stages of working on a strategy [8]:

1. Preparatory stage of work on the strategy. The result of this stage is the formation of strategic thinking in the administration and community of the university;
2. Development stage The result of this stage is the consolidation of the university community around a system of long-term guidelines;
3. Stage of the implementation strategy. The result of this stage is the formation and promotion of the brand of the university, attraction of external and internal resources for development;
4. Stage of achieving results and their use. The final result is the improvement of the socio-economic situation at the university.

The preparatory stage consists of main objects of formation of a strategic planning group, development of the concept of the strategy, and, if necessary, involvement of external consultants.

At the development stage starts with developing the structure of the strategy. Then in order to organize working on the development of a strategy, main functions are needed to be distributed. And, at the end, the strategy is approved at the academic council or conference.

The implementation stage includes the following objectives:

- organizational support for implementation;
- providing software-oriented orientation;
- system of events and calendar schedule;
- interaction with external investors;
- interaction with the media;
- interaction with regional and federal authorities.

CONCLUSION

At the final stage the results of the first year of implementation should be summed up and the strategy should be adjusted.

According to Albert Schram [9], "in "strategic planning", "strategic" merely means long-term. In "strategic management", "strategic" means a specific game plan to thrive in a changing environment. Both strategic planning and strategic management are necessary for a higher education institution to survive, but these two activities should not be confused."

In the system of strategic management of the university, a special place is occupied by the subsystem of strategic planning.

In order to apply more effective management technologies to strengthen their competitive advantages in the market of educational services, HEIs are required to take into consideration some objectives, such as:

- accurately analyzing the internal and external environment of a HEI;
- widening the usage of information technologies in HEI's functioning processes based on an innovative approach;
- continuously improving the distance education.

Thus, the concept of strategic management guarantees, especially in terms of competition:

- more balanced resource expense;
- more effective functioning;
- increased competitive advantage;
- successfully market positioning.

Strategic management of HEIs help to identify and satisfy not only current but also future educational needs, to provide maximum benefit to their stakeholders with minimum resource expense.

The strategic management in higher education is more efficient, modern and flexible system which enable HEIs to perform more competitively, broaden its potential and reach its goals.

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