



Article

Improvement of The Economic Management System of Higher Educational Institutions

Karimov Muzaffar Abdumalik Oglu¹

1. Associate Professor of Andijan State University, PhD.

* Correspondence: karimov8993@umail.uz

Abstract: Higher education systems globally are increasingly embracing autonomy and digital transformation to enhance institutional efficiency and transparency. In Uzbekistan, recent reforms have focused on providing financial independence to higher educational institutions, guided by strategic policy documents such as Decree No. PF-5847 and Resolution No. PQ-61. Despite the expansion of digital infrastructure and the introduction of ERP, HEMIS, and CRM systems, there is limited understanding of their effective integration and the preparedness of personnel managing these tools within Uzbek higher education. This study aims to analyze the current state of economic management in higher education institutions in Uzbekistan, assess the implementation of modern financial planning technologies, and propose data-driven recommendations for system improvement. The findings show a rapid expansion of the higher education system and partial success in digital integration. However, challenges persist in personnel training, technological standardization, and cybersecurity. While innovations such as blockchain and differentiated scholarships show promise, unequal digital capacity among institutions remains a barrier. The study presents a comprehensive evaluation combining national policy analysis and international comparisons, highlighting the interplay between institutional autonomy, digitalization, and financial transparency in the context of Uzbekistan. The research suggests that sustained reforms in financial management, targeted training programs, and supportive digital infrastructure are critical for achieving a competitive and inclusive higher education system. Transparent reporting and student-oriented financial mechanisms will further strengthen trust and performance in the sector.

Citation: oglu K. M. A. Improvement Of The Economic Management System Of Higher Educational Institutions. American Journal of Economics and Business Management 2025, 8(7), 3690-3694

Keywords: management, HEMIS, ERP, CRM systems, Endowment, public-private partnership, financing, educational reforms in Uzbekistan.

Received: 15th Apr 2025

Revised: 29th May 2025

Accepted: 17th Jun 2025

Published: 27th July 2025



Copyright: © 2025 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>)

1. Introduction

Today, large-scale reforms are being implemented in the higher education sector in Uzbekistan. Documents such as the Law “On Education”, the “National Program for Personnel Training”, and the Concept for the Development of the Higher Education System until 2030, approved by Decree No. PF-5847 of October 8, 2019, provide a strategic direction for the sector. The long-term goal is to reorganize higher education in accordance with the requirements of an innovative economy [1]. In this regard, in recent years, measures have been taken to provide higher education institutions with academic and financial independence, introduce modern corporate principles into their management, and form management mechanisms based on digital technologies [2]. This article scientifically analyzes the issue of improving the economic management system based on innovative approaches in higher education institutions of Uzbekistan. The article discusses the current state and problems of financial management in the national higher education system, the importance and expected results of the introduction of modern financial

management technologies (for example, digital budget systems, ERP, CRM, blockchain, etc.). It also presents the results of reforms carried out in this area and proposals based on international experience [3].

2. Materials and Methods

The study used the method of analysis of regulatory and legal documents, and in-depth studies were conducted on the resolutions and decrees adopted in recent years on higher education, including those on granting financial independence to higher education institutions, introducing public-private partnerships, and developing a management system based on digital technologies. For example, the norms in documents such as Resolution No. PQ-4391 of 2019 and Resolution No. PQ-61 of 2021 (December 24) were analyzed in accordance with the research objectives. In addition, comparative analysis and scientific literature review methods were used. In order to compare the current situation in Uzbekistan with international experience, sources such as studies on financing and management of higher education published in foreign sources, World Bank and UNESCO reports were studied [4].

3. Results and Discussion

Results

The higher education system in Uzbekistan has expanded significantly in recent years, and in the process of this growth, new tasks have arisen for the economic management of the system. Table 1 below presents the main indicators of the higher education system for 2016 and 2022, which shows that in a short period of time the size of the system has increased several times. This growth creates the need to manage existing financial resources and attract new sources [5]. Another area of digital innovation is electronic document circulation and online reporting systems. Currently, almost all higher education institutions have introduced an electronic document exchange system (for example, from the rector's order to calculations). Many universities have developed a program called the "Student Information System (SIST)", which provides information on contract payments, mastery indicators, scholarship issues, etc. through each student's "personal account" [6]. Such systems also facilitate the work of financial departments - for example, scholarships are automatically assigned based on grades and standards in the electronic system. As a result, errors and abuses due to the human factor are reduced, and financial transparency and control are strengthened [7].

The infrastructure of digital technologies is also steadily improving: by the end of 2022, it was noted that 85% of higher education institutions had an Internet speed of 100 Mbit/s or higher, and 60% of higher education institutions had their own independent server base. These indicators indicate that an important technical basis has been created for the widespread implementation of the digitalization process [8].

Discussion

The analysis of the above results shows that the reforms initiated to improve economic management in the higher education system of Uzbekistan have begun to bear fruit. However, in the context of the sharp expansion of the system and changes in funding sources, it is also clear that a number of measures and approaches need to be implemented more deeply. The results are discussed below and recommendations based on them are given [9].

The issue of human resources and their training is also important in the implementation of innovative methods of financial management. The staff and management of the financial departments of universities must understand and be able to use new technologies and methods. During the study, it became clear that although digital systems have been introduced in some universities, employees are not able to fully use all their capabilities - for example, an ERP system has been installed, but reports are still prepared in the old way, manually. In such cases, the expected benefits from the system are lost [10]. Therefore, there is a great need for training and retraining of financial

management personnel. For this purpose, it is advisable to establish special training centers and short-term courses in the Ministry of Higher Education. In particular, it is possible to establish certificate programs in the direction of "Financial Management in the Higher Education System" and hold seminars with the involvement of foreign experts. This will not only increase qualifications, but also increase the motivation of personnel [11].

In the process of digitizing the financial management system, it is also necessary to pay attention to the problems of information security and stability. As data becomes more centralized, the issue of their protection becomes more urgent. Large amounts of information about student contract payments and financial transactions are stored in electronic systems. To protect them from cyberattacks, modern cryptographic methods, backup servers, and systems that ensure uninterrupted operation are necessary [12]. In this regard, some experts propose using blockchain technology in financial transactions and even in the diploma issuance system. Using blockchain, transactions are recorded in a distributed registry, preventing them from being forged, and it also becomes possible to digitally certify graduates' diplomas. Some universities in the world (for example, MIT) have already launched a blockchain-based digital diploma system for graduates [13]. In Uzbekistan, such innovative approaches can be tested in accounting for financial transactions and verifying diplomas. Of course, this requires the creation of the necessary legal framework and technical infrastructure. Another issue is eliminating digital inequality. Not all universities in the republic have the same technical and digital capabilities: some institutions in remote areas may have lower Internet quality or a lack of IT specialists. Therefore, when implementing a digital management system, it is necessary to take into account the conditions of each institution and provide special support to "less ready" universities [14]. For example, centralized "IT service centers" can be established and cloud services can be provided to small institutions from them. Then a minimum digital standard of management will be ensured everywhere.

Improving the financial management system in higher education directly affects the quality of education and social justice. Transparent and efficient management of financial processes ultimately creates convenience for students and increases the motivation of professors and teachers. For example, online payment of contract fees and a fair mechanism for awarding scholarships strengthen students' confidence in studying. If the university budget is effectively managed and the saved funds are spent on updating laboratories, this will increase the quality of the educational process. At the same time, it is also necessary to talk about financial relief for students. As the financial management system improves and resources are saved, it will become possible to allocate more scholarships and grants to talented and needy students in the future. In particular, universities have begun to introduce differentiated scholarships at their own expense - for example, students with the highest ratings are exempted from contract fees or given discounts [15].

This system should be further expanded, viewed as an investment in "student capital". Universities with the right of financial independence are given the opportunity to make independent decisions in this regard, and now it is appropriate for them to form separate scholarship funds in their budgets and encourage talented young people. Such an approach, ultimately, will increase the competitiveness of higher education in Uzbekistan - talented young people will be encouraged to stay and study in the country, rather than go abroad. The above discussions show that the issue of improving economic management based on an innovative approach requires a multifaceted and comprehensive approach. Although the initial results of the existing reforms are positive, they need to be deepened and institutionally strengthened. Importantly, behind every innovative idea lies human capital - that is, the personnel who use these systems, the students who use them. Therefore, during the reforms, it is necessary to pay attention to the human factor, as well as to carry out cultural and educational preparatory work. No matter how modern the

financial management system is, if the personnel and users are not ready for it, it will be difficult to achieve the expected result.

4. Conclusion

Based on the above analysis and discussion, the following practical recommendations can be highlighted:

1. Improving financial planning in universities: Developing and distributing methodological guides for each higher education institution to use modern methods in drawing up its annual budget plan. Creating a special budget model for higher education under the Ministry of Finance, transitioning to a system that takes into account performance indicators.
2. Increasing human resources capacity: Regularly train university financial and customs service employees in financial management and information technology. Organizing special training programs, foreign internships. Including introducing a requirement for each financially independent higher education institution to have at least one chief financier with a qualified certificate.
3. Coordination of digital systems: Ensuring the integration of currently implemented HEMIS, ERP, CRM and other systems. Developing uniform standards and protocols for all higher education institutions, strengthening the security of information exchange. Establishing a backup and support center for the uninterrupted operation of information systems.
4. Control and monitoring: Regularly monitor the financial performance (revenue dynamics, cost efficiency, distribution of funds) of HEIs granted financial independence. Introduce special reporting forms in this regard at the ministerial level and disseminate best practices based on the results of the analysis annually.
5. Student and public relations: To ensure the transparency of the financial activities of universities, publish annual financial reports (with key figures) on official websites. This will increase public confidence and strengthen financial discipline. It is also recommended to regularly obtain feedback from students (through questionnaires) on how contract funds are spent and take their suggestions into account.

REFERENCES

- [1] Sh. Mirziyoyev, *Address to the Oliy Majlis and the People of Uzbekistan*, Dec. 20, 2022.
- [2] President of the Republic of Uzbekistan, "On the Concept for the Development of the Higher Education System until 2030," Decree No. PF-5847, Oct. 8, 2019. [Online]. Available: <https://lex.uz>
- [3] President of the Republic of Uzbekistan, "On Measures to Provide Financial Independence to State Higher Educational Institutions," Resolution No. PQ-61, Dec. 24, 2021. [Online]. Available: <https://lex.uz>
- [4] K. Iskandarova, "Analysis of the practice of managing the system of formation of financial resources of higher educational institutions," *Scientific Journal of Economic Development and Analysis*, no. 4, 2024.
- [5] Y. Usmonova *et al.*, "The role of research in the development of a new Uzbekistan," *The Best Intellectual Research*, vol. 2(45), May 2025.
- [6] President of the Republic of Uzbekistan, "Priority tasks in the field of higher education and science," *Meeting Materials*, Jan. 22, 2025. [Online]. Available: <https://prezident.uz>
- [7] World Bank, *Modernizing Tertiary Education in Uzbekistan*, 2014.
- [8] M. G. Sergeeva, N. N. Bedenko, T. Y. Tsibizova, L. Z. Karavanova, M. S. Mohammad, and T. G. Stanchuliak, "Organisational economic mechanism of managing the growth of higher education services quality," *Revista Espacios*, vol. 39, no. 21, 2018.
- [9] Z. Lazić, A. Đorđević, and A. Gazizulina, "Improvement of quality of higher education institutions as a basis for improvement of quality of life," *Sustainability*, vol. 13, no. 8, p. 4149, 2021.
- [10] A. M. Zabadi, "Implementing total quality management (TQM) on the higher education institutions – A conceptual model," *Journal of Finance & Economics*, vol. 1, no. 1, pp. 42–60, 2013.

-
- [11] P. Adina-Petruța and S. Roxana, "Integrating six sigma with quality management systems for the development and continuous improvement of higher education institutions," *Procedia - Social and Behavioral Sciences*, vol. 143, pp. 643–648, 2014.
 - [12] F. Fariz, "Quality improvement strategy for strengthening higher education competitiveness (Studies at the College of Economics in East Java)," *Khazanah Sosial*, vol. 4, no. 2, pp. 272–283, 2022.
 - [13] E. Fagnani and J. R. Guimarães, "Waste management plan for higher education institutions in developing countries: The Continuous Improvement Cycle model," *Journal of Cleaner Production*, vol. 147, pp. 108–118, 2017.
 - [14] C. Akpan and C. Etor, "Resource management in higher education in Nigeria: problems and measures for improvement," in *EDULEARN15 Proceedings*, pp. 3583–3591, 2015.
 - [15] I. Zhukovskaya, S. Begicheva, and D. Nazarov, "Innovative approach to higher education management as an important factor of sustainable economic development," in *E3S Web of Conferences*, vol. 208, p. 09018, 2020.