

Ways to Increase the Efficiency of Services and Business Activities in the System of Higher Education

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Abstract—The article discusses the enhancement of educational services and entrepreneurship and their effectiveness in higher education institutions in Uzbekistan. The issues of improving financing through the development of entrepreneurship in the field of educational services and higher educational institutions were also discussed.

Keywords—Educational services, entrepreneurial activity, a source of extra-budgetary funding, extra-budgetary activities of the education system, entrepreneurial activity in the field of higher education, improving funding.

1. Introduction.

In developed countries, much attention is paid to investing in the full cycle of education, that is, “investing in the education of a child between the ages of 3 and 22. These investments will bring the society 15-17 times more profit”. Due to this, in the structure of services, much attention is paid to the education sector. “In developed countries, this sector accounts for most of the GDP growth. For example, today the share of the service sector in the US GDP is 78%, in Europe - more than 70%, in China - 51.6%. In the CIS countries, for example in Kazakhstan, these data amounted to 54.2%, in Belarus - 48.0%”. Part of the GDP is directed to the development of the education sector. In particular, in the USA this figure is 6.6% of GDP, 5.8% in Germany and 3.6% in Russia. In these conditions, it is important to increase the profitability of higher educational institutions and expand their financial capabilities as a result of increasing the efficiency of services and entrepreneurship in the education system.

The history of the developed countries of the world shows that in their development, special attention is paid, first of all, to the field of education and there is a growing need for scientific research aimed at increasing efficiency through the diversification of educational services and entrepreneurial activity. In this regard, special attention is paid to scientific research in the field of optimization of managerial decision-making processes for organizing the activities of universities, improving educational services using modern information technologies, introducing digital education, developing distance education, differentiation of higher education programs depending on their importance, introduction of mechanisms to stimulate the efficiency of entrepreneurial activities and educational services.

In recent years, deeply thought-out, scientifically grounded, large-scale reforms have been carried out in the education system of our country. In particular, issues such as the expansion of new and innovative types of entrepreneurial activity with a further improvement in the quantity and quality of services provided by educational institutions, their reform based on diversification, the introduction of optimal, new mechanisms for extra-budgetary financing of the system, the basis on the best practices of developed foreign educational institutions and establishing broad mutually beneficial integration with them, in particular, achieving high efficiency of the education system. In this regard, in the Address of the President of the Republic of Uzbekistan to the Oliy Majlis, one of the key directions was named the following: “We must give a decent education to our young generation, stimulate their interest in science and knowledge. It is necessary to develop the system of preschool education, to strengthen the material and technical base of secondary and higher education institutions, to radically improve the quality of scientific and educational processes.”

2. Research methodology

During the years of independence, the issues of increasing the efficiency of educational services in the country and business activities in higher educational institutions have acquired particular importance. However, these issues are less studied in terms of service delivery.

Currently, some aspects of improving financing through the development of educational services and entrepreneurship in higher education institutions are to a certain extent considered in the economic literature. Based on the analysis of these approaches, improved definitions of concepts such as “educational services”, “entrepreneurial activity”, “entrepreneurial activity in higher education” were developed.

Education services are the conscious activities of knowledge generators about the benefits of a service-oriented process designed to meet the long-term needs of individuals, government, society and other learning actors.

Before describing entrepreneurial activity in the education system, let us dwell on its general definition. Enough opinions were also expressed on this issue. In our study, we considered it appropriate to include the following definition of

entrepreneurship, based on the definition of M.K. Paradaev and Zh.I. Israilov: entrepreneurial activity is understood as activity, carried out by entrepreneurs on the basis of the current legislation, ensuring the receipt of significant profits through the production and sale of goods (works, services) that meet the requirements of society on the basis of property liability. The essence of this definition formed the basis for the development of a definition of entrepreneurial activity in the education system.

Entrepreneurial activity in higher education is an activity carried out by a higher educational institution in accordance with applicable law, aimed at increasing knowledge that meets the needs of society, the state and the population on the basis of its property responsibility and ensuring a certain amount of profit.

Extrabudgetary activities of the education system are activities aimed at developing education through the use of extrabudgetary funds. On this basis, a definition of the source of extrabudgetary funding was developed.

Extra-budgetary funding sources are additional sources of funding that are not included in the state budget, but are received from the development of educational services and entrepreneurship. Additional services and entrepreneurial activities in the education system are the basis of off-budget activities.

Sources of extra-budgetary funding are understood as sources of additional funding based on the development of educational services and entrepreneurship, which are not covered from the state budget. Additional services and entrepreneurial activities are the basis of extra-budgetary activities in the education system and contribute to ensuring their competitiveness.

The competitiveness of higher education means its superiority over other competitors in terms of financial and economic, material and technical, human potential and other indicators, as well as the presence of comprehensive measures that reflect their ability to break even and quickly adapt to environmental changes and sustainability.

Analysis and results

The structure of educational services and entrepreneurship has been systematized and improved in the context of economic modernization (Figure 1).

The specifics of the effectiveness of services and business in the education system can be reflected in the following: Firstly, there is a large number of higher educational institutions on the educational services market. This creates a competitive environment, thereby justifying the need to improve efficiency

Figure 1. "The structure of services and entrepreneurship in the education system"

Second, the prices of higher education products are not based on market principles and therefore do not include product prices. This does not allow assessing the real efficiency in the higher education system.

Thirdly, higher educational institutions, when selling their educational services and products, to some extent satisfy the demand for general services and products on the market. However, a relationship has yet to be formed to meet the requirements of a large number of customers interested in owning and using them.

Fourth, the fact that higher educational institutions do not have a clear idea of their consumers, their location, their number, their desires and needs in the market of educational services and products also creates some problems for improving and assessing efficiency.

Fifthly, it is scientifically and theoretically substantiated, it is that the structure of higher education services in the republic, in contrast to full-time education, should include an innovative, that is, distance learning form, its features, advantages and disadvantages

Sixth, corporate governance needs to be embedded in an internationally recognized education system, involving teachers and students in educational services and entrepreneurship.

Will be systematized as a result of the development of a system of indicators of the effectiveness of educational services and entrepreneurship. Requires a systematic approach to their assessment and classification. The main objective of the systems approach is to identify and demonstrate the complexity of the system, as well as to justify ways to improve efficiency while maintaining independence in managing the problems that may be faced in the future when managing the system.

Research shows that one of the most important aspects is the issue of developing and increasing the efficiency of educational services and entrepreneurship in higher education institutions, ensuring their competitive advantages. Determination and analysis of indicators reflecting the effectiveness of educational services and entrepreneurship is important for the effective management of the internal capabilities of a higher educational institution.

The issue of providing competitive, high-quality educational services in the context of the dominance of state and market principles is one of the most serious issues facing the university. At the moment when the education system is moving into new conditions, existing assessment methods must also be modernized.

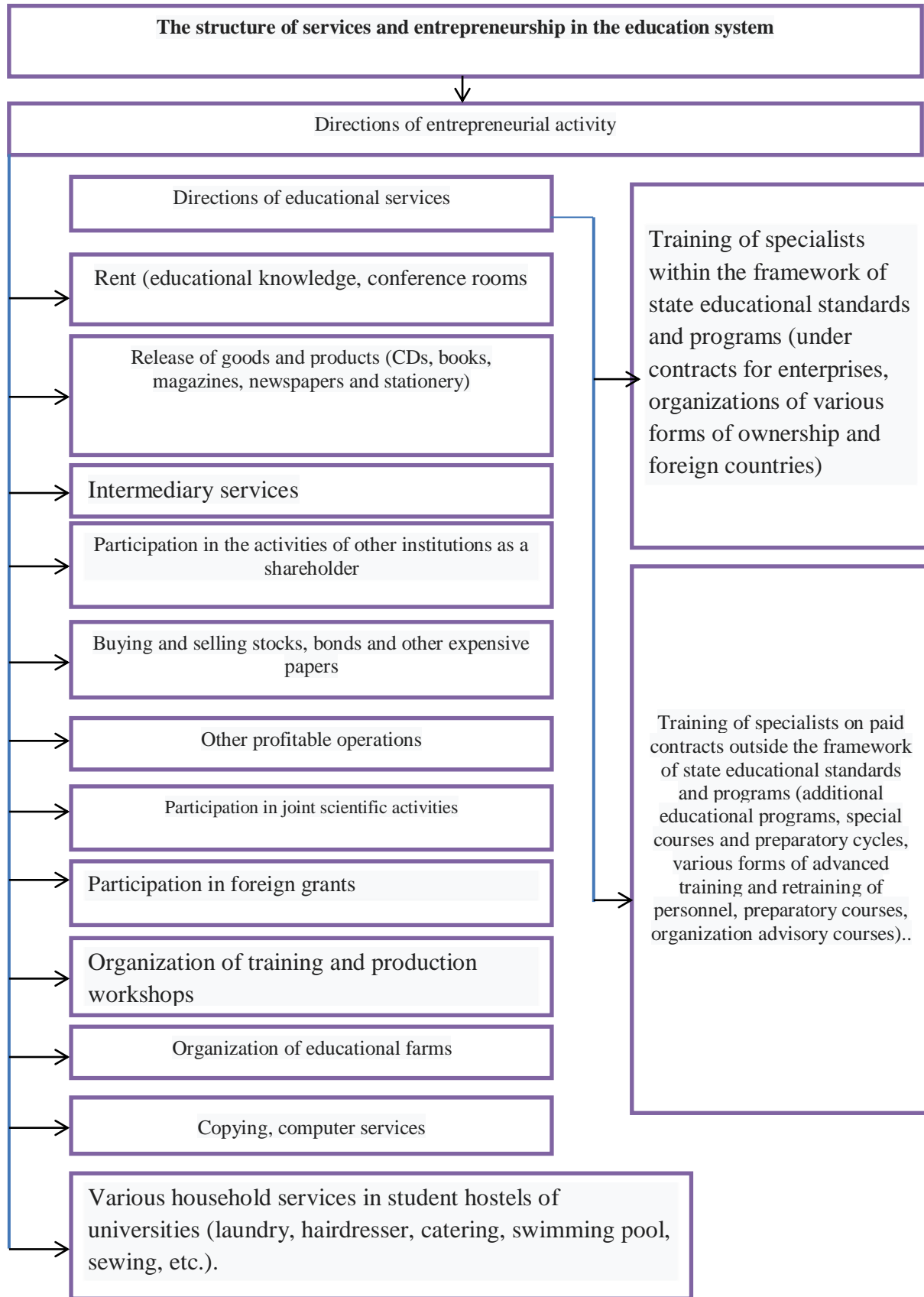


Table1

The system of indicators reflecting the effectiveness of educational services and entrepreneurship

№	Name indicators	Ways of determination	What expresses
Indicators of the effectiveness of educational services			
1	Profitability of educational services	$T_{xp} = \frac{T_{x\phi} * 100}{T_{xx}}$ where $T_{x\phi}$ is the profit from educational services; T_{xx} -educational expenses	How much profit falls on 100 soums of educational services expenses
2	Labor productivity of employees of educational services (TMS)	$T_{mc} = \frac{T_{xT}}{T_{x\delta x}}$ where T_{xT} -revenue from educational services; $T_{x\delta x}$ - employees engaged in educational services	Revenue per employee of educational services
3	The ratio of the volume of educational services to the total number of faculty members (Txpu)	$T_{xny} = \frac{T_{xT}}{T_{\delta ny}}$ where T_{xT} - revenue from educational services; $T_{\delta ny}$ - the number of teaching staff employed in education	Number of educational services per teacher
4	Teaching staff enrollment rate for educational services (Thkd)	$T_{xkd} = \frac{T_{x\delta x} * 100}{T_{xny}}$ where: $T_{x\delta x}$ - employees engaged in educational services; T_{xny} is the total number of teaching staff employed in education	Percentage of teaching staff in educational services
Business performance indicators			
1.	Profitability of entrepreneurial activity in the field of education (TFR)	$T_{\phi p} = \frac{T_{a\phi} * 100}{T_{\phi x}}$ where $T_{a\phi}$ is profit from entrepreneurship; $T_{\phi x}$ - business expenses	How much profit falls on 100 sum of business expenses
2.	Labor productivity of employees in education (T fhs)	$T_{\phi xc} = \frac{T_{xT}}{T_{x\delta x}}$ where T_{xT} is business proceeds; $T_{x\delta x}$ is the total number of teaching staff employed in education	one teacher working in education
3.	Entrepreneurship Enrollment Rate of Faculty (TFKD)	$T_{\phi kd} = \frac{T_{\phi\delta x} * 100}{T_{x\delta x}}$ where $T_{\phi\delta x}$ is the number of employees engaged in entrepreneurship; $T_{x\delta x}$ -total number of faculty employed in education	What percentage of the teaching staff is the staff engaged in entrepreneurship?

Summarizing the above, a system of indicators was developed that reflects the effectiveness of educational services and entrepreneurial activity. It was concluded that these indicators should be expressed separately for educational services and separately for business. The names and methods of their identification are listed in the table below (table 1).

The formation of a system of indicators for assessing the effectiveness of entrepreneurial activity in higher educational institutions, given in this table and the development of a scientifically grounded methodology for their analysis, will help improve the quality and competitiveness of the management of a higher educational institution.

The factors influencing the level of effectiveness of the work of teachers employed in higher educational institutions related to the provision of educational services have been determined.

One of the above factors determined the influence of the following factors on the level of labor efficiency of the teaching staff employed in a higher educational institution:

- cost-effectiveness of educational services (Th);
- provision of workers engaged in educational services, the cost of educational services (Thht);
- the degree of coverage of the teaching staff by employees of educational services (Thsd). We recommend using the following additive model formula to determine the influence of these factors on the level of performance of faculty employed in higher education institutions:

$$Thpu = Thr * Thht * Thkd$$

According to this formula, it is necessary to determine the influence of all factors affecting the effective indicator. This calculation begins by determining their difference:

$$Thpy = (x * Thht * ThhT x) - (Thr * Thht * Thkd r)$$

To calculate the influence of the first factor on the change in the efficiency of the teaching staff of universities in the provision of educational services, that is, the change in the resultant indicator, the following formula is used:

$$Thputhr = (Thr * x * Thht * Thkd r) - (Thr * Thht * Thkd r)$$

To determine the impact on the effective indicator of the second factor, that is, the provision of employees engaged in educational services with expenses for educational services, the following formula is recommended:

$$\Delta Thpy_{TxxT} = (Txp x * TxxT x * Thkd p) - (Txp x * TxxT p * Thkd p)$$

To determine the influence of the third factor on the change in the analyzed indicator, that is, the influence of the degree of coverage of the teaching staff by employees of educational services, the following formula is used:

$$\Delta Thpy_{Thkd} = (Txp x * TxxT x * Thkd x) - (Txp x * TxxT x * Thkd p)$$

The influence of all factors is equal to the overall change in the result:

$$\Delta Thpy = \Delta Thpy_{Thp} \pm \Delta Thpy_{TxxT} \pm \Delta Thpy_{Thkd}$$

Educational institutions, including higher educational institutions, have their own characteristics in comparison with other subjects of the socio-economic system: - firstly, several generations of professionals are being formed in this area, reflecting in the course of their future careers the knowledge that they acquired at the university; -second, the education system, unlike any other sphere, depends on the economic, social and political situation in the country;

Thirdly, “products produced in the higher education system” are manifested in human capital.

The factors influencing the level of efficiency associated with the provision of educational services to the labor of the teaching staff employed in higher educational institutions have been identified. A system of indicators has been developed to determine the influence of these factors on the level of efficiency associated with the provision of educational services to the labor of the teaching staff employed in higher educational institutions.

Thanks to the development of educational services and entrepreneurship, a system of indicators and factors affecting the competitiveness of higher educational institutions has been developed. They are systematized into two groups (internal and external factors).

All of these factors increase the profitability of educational institutions and improve the efficiency of the industry. In turn, let's look at the share of education in government spending (Table 2).

Table 2

The share of education in the structure of state budget expenditures of the Republic of Uzbekistan

№	Indicator name	Indicator name Expenses, by year (billion soums)						
		2011	2013	2014	2015	2016	2017	2018
1	Education	4464,1	5582,9	7 130,40	8803,3	10673,5	12 162,2	13831,7
2	Healthcare	1716,5	2226,7	3 024,90	3709,9	4507,2	5 218,5	5 811,6
3	Cultureandsport	154,5	185,3	223,4	287,4	361,5	387,5	460,6
4	Thescience	81,3	108,8	137,4	164,7	187	216,7	238,2
5	Socialsecurity	58,2	72,2	86,9	106,4	126,2	147,5	161,1
6	Social benefits, material assistance and compensation payments	1312,5	1378,4	1617,20	1611,3	1805	2 102,6	2 043,2
7	Expenditures for the entire social sphere and social support of the population	7787,1	9554,3	12220,20	14683	17660,4	20 235,0	22546,4
8	Statebudgetexpenditures, total	13386,9	16726	20882	25825,9	31425,4	36 257,3	40911,3
9	The share of education in the structure of state budget expenditures (%)	33,3	33,3	34,1	34,1	33,9	33,5	33,8

Developed on the basis of data from the Ministry of Finance of the Republic of Uzbekistan, the Ministry of Higher and Secondary Specialized Education

As can be seen from the table, in 2018, there was an upward trend in all indicators compared to 2011. In particular, this indicator increased from 33.3% to 33.8%. You can see that in 2014 and 2015 the amount of expenses was 34.1%. In the structure of budget expenditures, the total expenditures on the social sphere and social support of the population in 2011 amounted to 7 787.1 billion soums, and in 2018 - 22 546.4 billion soums, from this it is easy to see the significance of spending on education. Also, the following data presents the following types of income of higher educational institutions of the Republic of Uzbekistan (table 3).

From these data, it can be seen that there was an increase in the total volume and each type of income of the country's higher education institutions. During this period, the growth rate of total revenue (income) amounted to 186.7% (407.8 * 100: 218.4). State budget revenues over the past 3 years have grown by 143.5% (124.3 * 100: 86.6), revenues from contract payments - 218.6% (264.6 * 100: 123.1), other revenues - 217, 2%. (18.9 * 100: 8.7), which is the highest in the world. The volume of educational services as part of this increased by 137.9% (4.0 * 100: 2.9), income from entrepreneurial activities by 300.0% (12.9 * 100: 4.3), and the growth rate of sponsorship funds amounted to 133.3% (2.0 * 100: 1.5). Taking into account changes in their structure, the share of educational services decreased from 1.3% in 2015 to 1.0% in 2018. The share of entrepreneurial activity during the same period increased from 2.0% to 3.2%. Sponsorship funds also decreased from 0.7% to 0.5%.

Table3

Income structure of higher educational institutions of the Republic Uzbekistan for 2015-2018 (bbln sum)

№	Indicatorsofrevenuesource	Годы							
		2015		2016		2017		2018	
		number	numberB %	number	numberB %	number	numberB %	number	B %
	Total, including:	137,4	100,0	218,4	100,0	309,0	100,0	407,8	100
1.	Revenue from the state budget	56,1	40,8	86,6	39,7	117,2	37,9	124,3	30,5

2.	Receiptofcontractpayments	74,6	54,3	123,1	56,4	174,5	56,5	264,6	64,9
3.	Otherincome, including:	6,8	4,9	8,7	4,0	17,3	5,6	18,9	4,6
3.1.	Fromeducationalservices	2,2	1,6	2,9	1,3	3,5	1,1	4,0	1,0
3.2.	Fromentrepreneurialactivity	3,3	2,4	4,3	2,0	12,1	3,9	12,9	3,2
3.3.	Throughsponsorship	1,3	0,9	1,5	0,7	1,7	0,6	2,0	0,5

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The socio-economic changes carried out in the republic require the adaptation of the higher education system to market conditions of management. The Address of the President of the Republic of Uzbekistan to the Oliy Majlis dated January 24, 2020 noted: "Higher educational institutions will be gradually provided with academic and financial independence. This year 10 universities will switch to self-financing". Gradually, educational institutions are moving to the principle of financial independence.

Based on the assessment of educational services and entrepreneurial activities of educational institutions operating in the higher education system, the following conclusions can be drawn regarding increasing the prospects for their effectiveness:

- financing of universities is carried out mainly in two directions (budgetary and extrabudgetary funds), in the structure of which there is an increase in extrabudgetary funds;
- income from educational services and entrepreneurial activity is displayed as one of the areas of extra-budgetary funds, although in fact the volume of extra-budgetary funds is wide;

- an annual increase in the contribution of legal entities and individuals to higher education institutions in the form of sponsorship (gratuitous) assistance;

- increasing the level of effective use of financial resources in higher education institutions from year to year.

If the recommendations we have developed are implemented in practice, we believe that in the system of higher educational institutions there will be a rapid development of educational services and a steady increase in the efficiency of entrepreneurial activity. As a result, as noted in the Concept for the Development of the Higher Education System of the Republic of Uzbekistan until 2030, such a priority task as achieving financial independence of higher educational institutions will be accomplished.

3. CONCLUSION

As a result of studies aimed at improving the efficiency of services and entrepreneurship in the education system, the following scientific conclusions were made and practical recommendations were developed:

1. Analysis of trends in financing of the country's higher education system shows that at present the full functioning and development of higher education institutions is supported by the state. However, in the programs of ongoing reforms of the system, this procedure will be gradually improved in the future. In particular, this will lead to the fulfillment of the priority task of achieving financial independence of higher educational institutions as noted in the "Concept for the development of the higher education system of the Republic of Uzbekistan until 2030". This, in turn, justifies the need for a complete diversification of funding sources in higher education and the improvement of market mechanisms in higher education, i.e., the development of entrepreneurship through the provision of additional educational services.

2. As a result of the research, improved author's definitions of the concepts of "educational services", "entrepreneurial activity", "entrepreneurial activity in higher education", "extra-budgetary activities of higher education", "sources of extra-budgetary funding" were developed.

3. In the context of the development and modernization of an innovative economy, it became necessary to ensure the participation of both the state and the private sector in the system of higher education. This, in turn, requires a gradual transformation of the economic mechanisms for the development of the experiment should be transferred to the principle of self-financing.

4. Today, when, within the framework of the reforms carried out in the country, the tasks aimed at radical improvement of financing of education are being positively solved, we consider it appropriate to additionally include the following:

- a gradual increase in the share of GDP directed to education and training;

- improvement of the multivariate system of financing the training of personnel (provision at the expense of budgetary and non-budgetary sources);
- gradual improvement of the self-financing system in educational institutions, especially at the expense of extra-budgetary funds (educational services and entrepreneurship);

- improvement of mechanisms to stimulate the attraction of both private and foreign investment in education, the introduction of distance learning; - simplification of the procedure for issuing educational loans for citizens of the republic and the creation of a flexible system for its repayment; - expanding the involvement of donors and sponsors in financial support of the system of continuing education and training; - ensuring an increase in the income of educational institutions through paid educational services, business, consulting, expert, publishing, production, research and other activities.

5. Based on the need to constantly improve the quality of educational services in higher educational institutions, the development of their material and technical base, the acquisition of modern technologies and equipment, it is necessary to develop a long-term plan to improve the mechanism for attracting investments from the private sector of the economy along with budgetary funds for the development of higher education. Summing up, I would like to note that the above-mentioned scientific, theoretical and practical recommendations will help to increase the effectiveness of educational services and business activities provided by educational institutions in the future, and to increase the competitiveness of higher educational institutions.

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