

STRATEGIC MANAGEMENT IN HIGHER EDUCATION: FACTORS FOR ENHANCING COMPETITIVENESS IN A KNOWLEDGE-BASED ECONOMY

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Abstract

This article explores the key factors that influence strategic management and enhance competitiveness in higher education institutions. In a context of globalization, a shift to a knowledge-based economy, and evolving labour market demands, universities must be flexible and adaptive. The study highlights internal factors, including faculty qualifications, curriculum quality, infrastructure, and management efficiency, as well as external factors such as state policies, labour market needs, international rankings, and global trends. Innovation and digital transformation—through research, industry integration, e-learning, artificial intelligence, and Big Data—are identified as critical drivers of competitiveness. The findings show that effective strategic management, combining internal resources, external analysis, and innovative practices, is essential for sustainable development, higher educational quality, and strengthened global positioning.

Keywords: Strategic management, higher education, competitiveness, innovation, digital transformation, university performance, global education.

Introduction

Today, the higher education system is undergoing a period of rapid change. Globalization, the transition of the economy to a knowledge-based form, and a sharp change in labour market requirements require high flexibility from the education system. In this process, increasing the competitiveness of higher education institutions is emerging as an important strategic task. Ensuring competitiveness directly depends on the effectiveness of the strategic management system. Because through strategic management, an

E- Global Congress

Hosted online from Dubai, U. A. E., E - Conference.

Date: 30th March 2026

Website: <https://eglobalcongress.com/index.php/egc>

ISSN (E): 2836-3612

institution sets its long-term goals, optimally allocates its resources, and adapts to changes in the external environment.

The concept of strategic management was formed in the second half of the 20th century and was initially used in the activities of business organizations.

Later, it began to be widely applied to the field of education.

Strategic management includes the following main stages:

- analysis of the external and internal environment (SWOT analysis);
- setting strategic goals;
- strategy development;
- implementation;
- monitoring and evaluation.

A unique aspect of strategic management in higher education institutions is that it focuses not only on economic efficiency, but also on social and scientific outcomes.

Strategic management in the higher education system has its own characteristics compared to other areas, which directly affect its content, direction, and effectiveness. These characteristics are manifested in the following:

Firstly, the multi-purpose nature. The activities of higher education institutions cover several strategic areas at once. In particular, education, research activities, and social responsibilities to society are integral components of this system. Therefore, in the process of strategic management, it is important to harmonize the interests of various stakeholders - students, professors, employers, and government agencies. This requires making management decisions in a comprehensive and balanced manner.

Secondly, focus on long-term results. The main results of strategic management in the higher education system are manifested not in the short term, but in the long term. The process of training personnel, the formation of their professional competencies and finding their place in the labour market takes a certain amount of time. Therefore, a prospective approach to strategic planning becomes a priority, it is necessary to forecast future economic and social needs in advance.

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Third, close ties with the state. The activities of higher education institutions are largely regulated by state policy, regulatory legal acts and strategic development programs. Educational standards, licensing and accreditation systems, and financing mechanisms set by the state determine the directions of strategic management. At the same time, the higher education system serves as an important institution in implementing the state's socio-economic development strategy.

Fourth, the high level of need for innovative development. In modern conditions, the formation of a knowledge economy requires higher education institutions to constantly update themselves. This requires considering innovative activities as a central element of strategic management. The introduction of new pedagogical technologies, the use of digital educational platforms, and the implementation of scientific research results in practice serve to increase the competitiveness of higher education institutions. Innovative development also accelerates the integration of universities into the global educational space.

The competitiveness of higher education institutions is a multifaceted and complex process, determined by various internal and external factors, as well as the level of innovation and digital development. These factors, inextricably linked to each other, shape the overall effectiveness of an educational institution and its position in the market.

1. Internal factors

Internal factors are directly related to the internal resources and management capabilities of a higher education institution and determine its strategic development potential. First of all, the scientific level and pedagogical skills of the teaching staff are the main indicators of the quality of education and scientific potential. The availability of modern and flexible educational programs ensures that students' knowledge meets the requirements of the labour market.

Also, a developed infrastructure and a solid material and technical base (laboratories, information and resource centers, technological equipment) increase the efficiency of the educational process. The effectiveness of the

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ISSN (E): 2836-3612

management system, that is, the thoroughness of strategic planning, decision-making and control mechanisms, has a significant impact on the overall activity of the institution. In addition, the quality of work with students, the study of their needs and the presence of a support system are also important factors.

2. External factors

External factors are a set of factors that determine the operating environment of a higher education institution. First of all, state policy and the regulatory and legal framework determine the development directions of the education system. Reforms implemented by the state, financing mechanisms and educational standards directly affect the strategic decisions of institutions.

In addition, the needs of the labour market are also important, through which it is determined which specialties are in high demand. International ratings and accreditation systems determine the global prestige of higher education institutions. In the conditions of the global educational services market, competition between universities is intensifying, and the demand for quality and innovation is increasing.

3. Innovation factors

Innovative activities are of strategic importance in increasing the competitiveness of higher education institutions. Through the development of scientific and research activities, new knowledge is created and integrated into the educational process. The establishment of startups, techno parks and innovation centers creates a practical experience area for students and researchers.

Also, the integration of science and production ensures the application of theoretical knowledge into practice. This serves to increase the competitiveness of graduates in the labour market.

4. Digital transformation factors

In modern conditions, digitalization is becoming an integral part of the higher education system. The expansion of educational opportunities through distance learning platforms increases the accessibility and flexibility of education. Electronic management systems simplify administrative processes and ensure management efficiency.

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ISSN (E): 2836-3612

The use of artificial intelligence technologies allows for the individualization of the educational process, that is, it becomes possible to form an educational trajectory that is tailored to the specific characteristics of each student. Big Data analysis creates a clear and reliable information base for making management decisions.

The above analysis shows that effective organization of strategic management in the higher education system is of crucial importance in increasing the competitiveness of institutions. In modern conditions, higher education institutions must operate not only as educational institutions, but also as innovative and scientific centers.

The results of the study confirm that the competitiveness of higher education institutions is formed on the basis of the combination of internal (human resource potential, quality of education, management efficiency), external (state policy, labour market requirements, global competitive environment), innovative and digital factors. In particular, digital transformation processes and innovative approaches are emerging as important tools for ensuring strategic advantage.

Also, in the development of a strategic management system, long-term planning, the study of international experience, strengthening the integration of education and production, and the introduction of modern management mechanisms are important. This will help higher education institutions strengthen their position not only in the national but also in the global educational space.

In conclusion, it is worth noting that improving strategic management can consistently improve the quality, efficiency, and competitiveness of the higher education system. In the future, it will be important to continue systemic reforms in this area, accelerate innovative and digital development, and prioritize the development of human capital.

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Website: <https://eglobalcongress.com/index.php/egc>

ISSN (E): 2836-3612

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