

## Organizational and Economic Instruments of Management and Development of Competitiveness Education

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### **Abstract**

*In this article, the authors consider organizational and economic instruments to ensure and establish the institution's competitiveness and strengthen their positions in the market of educational offers and services in the labor market. In the education system, effective and efficient market instruments are needed to ensure and increase competitiveness. The results of the study seek to orient the entire education system for sustainable functioning and integrated development.*

**Keywords:** *education system; universities; labor market; educational services; organizational and economic tools.*

### **Introduction**

The globalization of socio-economic processes, the mobility of capital and labor, scientific and technological progress, the informatization of public relations have led to fundamental changes in the modern economy [6]. The need for an adequate response to changes in all factors of the internal and external environment of universities, adaptation to new conditions of the labor market and the market for educational services, the transition to a two-level education system and its implementation in real practice required the use of modern management methods and tools from the education sector. Their use today is necessary primarily to ensure competitiveness and the search for new competitive advantages of the university [1, 2]. The latest scientific publications on the issues of managing the competitiveness of universities do not practically take into account the main features of the functioning of universities in the context of ongoing educational reforms. Therefore, it is important to develop and improve not only theoretical principles but also methodological approaches (including tools) to the development and implementation of a strategy for the development of competitiveness in the field of education.

To ensure and develop the university's competitiveness and consolidate its position in the educational services market and the labor market, the education system needs to have effective market-based tools to ensure and increase competitiveness, aiming the entire education system towards sustainable functioning and integrated development. In this case, applying the borrowing of similar tools to ensure competitiveness from other service sectors or foreign experience is not entirely

acceptable, since special conditions for the functioning of the education system are not taken into account [3, 4, 5].

It should be noted that the capabilities and potential of the tools used in the modern educational process are not fully explored and used, since this requires a detailed analysis and assessment of the education system in the economy, assessment of the functional and integrated content of the entire sphere of educational services and, additionally, an analysis of the possibility of applying skills from other areas of the economy and adapting to market relations between all subjects of the educational process such market instruments that have already fully proved their effectiveness in the holistic development of competitiveness (but in other types of economic activity).

### **Materials and Methods**

The origin of theoretical studies on competition appeared in the writings of the leading classics of economic theory in the middle of the eighteenth century.

In the work "Research on the nature and cause of the wealth of peoples", A. Smith cited a generalization of the theory of competition. A. Smith's theory of competition was new in the following positions:

- The concept of competition as a struggle, a rivalry was first formulated, which increases prices while reducing the supply of services and products and reduces prices with an excess of the supply of these goods;

- The main principle of competition was formulated - the principle of the "invisible hand of the market", according to which market entities act following some "plan for the development of the economy", reasonably crowding out enterprises engaged in the production of products and services, not in demand on the market. The "invisible hand of the market" creates a spontaneous order, thanks to which a market economy resists chaos and disorganization and forces the market to develop in the direction necessary for society;

- A competition management mechanism was developed, according to which the sectoral rate of return is balanced, which leads to an optimal distribution of resources between sectors and fields of activity. The essence of the competition management mechanism is that with a decrease in demand for goods or services, those enterprises that produce unnecessarily expensive or low-quality products and services experience the greatest difficulties. The mechanism of the competition management process is manifested in its instantaneous response to all changes in the situation in the external market environment;

- The basic conditions for perfect, monopolistic, oligopolistic competition, monopoly and monopsony were determined, including the number of sellers and buyers, comprehensive information about the market, mobility and applicability of the resources used, the inability of a single market entity to significantly affect the market price of goods and services (while maintaining its quantity, quality or quality of the service provided);

- A model of monopolistic competition was developed, where it was proved that in the conditions of real market relations, it is possible to fully satisfy all the needs of consumers and make optimal use of economic resources on a societal scale [14].

The representative of the British classical political economy D. Ricardo (1772 -1823) in his Principles of Political Economy and Taxation supplemented A. Smith's ideas on price regulation of the market using competition tools: "prices are formed only under the influence of supply and demand through competition" [24]. The idea of pure competition proposed by D. Ricardo made it possible to determine the level of "natural" prices in the long-term market equilibrium, as well as the principles of market "self-regulation" that contribute to the development of capitalism [11, 12].

Another representative of the classical school of economics, John Stuart Mill (1806 - 1873), also made a significant contribution to the development of a theoretical model of pure competition. He singled out non-competing groups in the market, derived the equation of international demand and a triple classification of price elasticity of demand, defined the concepts of savings on opportunity costs and economies of scale. In his opinion, competition is the only condition for the formation of market prices, rents, and wages, and besides this, he substantiated that competition in itself is an economic law that establishes specific rules for market equilibrium [8].

Thus, the theory of competition developed by the classics of political economy was one of the very first fundamental scientific developments devoted to the concepts and basic principles of

competition in the development of society. But it should be noted that the main drawback of this theory is a rather narrow focus on the definition and role of competition as “competition” and “competition” for the sake of additional profit, and the formulated model of perfect (pure) competition is determined only by price factors of competitive relations, which cannot fully allow judging the specific nature of competition [7, 9, 10].

In addition to A. Smith, such well-known economists as D.S. Mill, D. Ricardo, J. Robinson, J. Schumpeter, J. Keynes, P. Heine, F. Knight, F. made a significant contribution to the development of the theory of competition as A. Hayek, M. Porter. S. L. Brue, K. R. McConnell. Benchmarking in education was considered in the works of S. Semenyuk, T. Finikov, V. Tereshchuk, E. Savelyev, S. Chebotar, D. Shtefanich, etc. [26, 27]

Having studied sources studying the instruments of management and development of the competitiveness of universities, the authors did not find a general classification and systematization of these concepts, therefore, they propose their classification of the instruments of competitiveness of the development and management of universities and the HPE system as a whole:

1. Administrative (direct);
2. Regulatory;
3. Economic (indirect);
4. Investment;
5. Integration;
6. Social;
7. Indicative planning tools;
8. Programming tools;
9. Innovative tools;
10. Rationing tools;
11. Monitoring.

The above tools determine the value of the competitiveness of the field of educational services as constantly developing and expanding in an integrated educational space, the criteria for the development of universities taking into account world standards, and primarily the provision and organization based on the integrated use of modern educational technologies and market-related functioning tools.

### **Results and Discussion**

The main provisions of the concept of competitiveness of the education system (systemic competitiveness) are as follows:

- Competitiveness is the basis for the development of the whole society and is defined not as a list of individual economic entities, but as a holistic organism with its economic agents (state, infrastructural, social and cultural institutions, public organizations);

- For the functioning and competitiveness of any economic system (including the education system) should take into account the influence of socio-economic factors for the development of a state. Such systems are successfully developing that concentrate their (and national) efforts on the development of individual forms or groups of organizations (clusters). They can be included in the competition on a global scale, based on their integration advantages;

- Competitive positions of universities and the education system as a whole can only be developed through the application and use of modern educational technologies, scientific discoveries, and developments, and the modernization of the entire education system.

The following types of competitive advantages of universities are distinguished:

1. The advantages of the lower, first order are cheap material resources, educational equipment, constructions and buildings, small financial resources (low prices for education), low level of staff qualification, and wages.

2. The advantages of a high, second-order are unique educational technology, highly qualified personnel, powerful resources, brand, image, communications.

If a university has first-rate competitive advantages, then it can use cheap resources in educational activities. This will allow it to sell education services at lower prices than other competitors, and thanks to this it has the opportunity to defeat competitors in the fight for potential applicants. As a

rule, commercial universities use this. But these advantages have their drawbacks, the main of which is the low level of educational services provided.

Second-order competitive advantages are more applicable, which allows students to obtain unique knowledge in demand on the market. Using these advantages, universities can successfully offer their educational services not because they are cheaper than competitors, but because they more closely meet the requirements of consumers in the labor markets and educational services.

The regulatory and legal instruments that regulate the activities of universities include the following legislative and other rules of law.

Considering administrative tools, it should be noted that the main role here is played by the organizational and staff structure of the university and the empowerment of management of its functional structures [11, 12, 13].

In the study of management tools and the development of competitiveness, the author dwells in detail on economic tools, so they primarily determine the competitiveness of the university [14, 15].

Given the availability and variety of scientific approaches, the economic instruments for managing competitiveness are not fully systematized and do not fully take into account the specific and general features of higher education. In this regard, the authors propose a classification of economic instruments for managing the competitiveness of the higher education system.

All the competitiveness management tools provided by the authors are well known and widely used in various sectors of the economy, including education [16, 17, 18].

In modern conditions, universities should focus on the use of innovative forms, methods and tools for managing their activities, including competitiveness, as well as the educational process. It is known from world practice that only innovative universities can meet modern trends and requirements of the global educational system and ensure in their development the achievement of the required level of competitiveness.

#### *Tool Name. Basic Concepts. Terms of Use.*

1) Direct costing. Fixed and overhead costs are not included in the total cost of services, but are directly attributed to the profit and loss account in the reporting period in which they are formed. Fixed and variable costs are separately taken into account. Competitiveness is determined by the ratio: price – quality.

2) Absorption-costing. The full cost of services includes all costs. It allows you to most accurately assess the amount of costs included in the cost of services.

3) Standard costing. For each type of cost (educational, material, etc.), rationing is applied. per unit of product Availability of a system of norms and standards.

4) ABC Method. An organization's activity is divided into processes or operations. The total cost is determined based on the total costs of all operations and processes. Expansion and detailing of the accounting system used.

5) Target costing. Based on the accepted cost of educational services, a target cost is established, which is provided by all departments of the university. Organization of monitoring the level and volume of costs. Marketing forecasts and market positioning.

6) Analysis. Costs are determined for the provision of specific services. Used in strategic management Marketing research of the labor market and the positioning of the university on it.

7) CSS method. Defines the entire sequence of creating the cost of services. Used in strategic management. Assumes the strategic positioning of the university and market conditions.

Planning a competitiveness strategy for an educational institution allows you to consistently and continuously determine the quality of the university, which are the source of its key advantages - this is strategic benchmarking [19, 20]. Also, it allows you to identify those aspects of activity that require immediate effective transformation. Benchmarking demonstrates the directions of development, improvement and adjustment of the university to increase its competitiveness. It is continuous systematization, improvement of methods of activity that laid the foundation for benchmarking [21, 22].

In theory and practice of benchmarking, there are a large number of its types. The university's choice of a certain type of benchmarking is determined by the goals, requirements of the internal and external environment, the university's needs, available development potential and resources, as well as the ability to use new technologies and introduce them into the organization's strategic management mechanism, which ensures its market competitiveness [23].

The use of benchmarking tools in the competitiveness management mechanism of the educational organization allows improving the efficiency and quality of the educational process, introducing advanced experience in organizing activities at the university, introducing a new concept for conducting educational process classes, analyzing and evaluating the professionalism of scientific personnel, which ultimately leads to continuous sustainable development educational institution and the achievement of the required level of competitiveness with a given quality of educational services [24]. The effectiveness of using benchmarking depends on the choice of the object of research and improvement, determining the position of the reference company and the usefulness of its educational experience for the recipient university under study, developing a support system, introducing this experience into the activities of the educational institution in close connection with its strategic management system.

In addition to benchmarking, an instrument such as monitoring the main factors of the university's competitiveness is used to evaluate the quality indicators of educational services [25].

The educational institution of higher education as a subject of management of a holistic system of education is also an object of management, since each direction and type of activity of a university is assigned to a certain extent.

#### *Type of Benchmarking and Characteristics of the Tools.*

1. Strategic. The object is strategic actions, approaches to their development and implementation. The need to change the strategy, which is caused by changes in environmental conditions. Focus on long-term results. The institution's intention for global changes in its activities.

2. General. The activity of the object is compared with similar positions of institutions in other industries. Lack of positive experience in the educational sphere. Research and application of innovation. The goal is to use best practices.

3. Competitive. The effectiveness of the functioning of structural units of one university is assessed. Condition - an agreement on cooperation with competitors. The goal is to increase assessment indices compared to current indicators.

4. International. The conditions for the operation of the facility are compared with the studied similar areas of universities in other countries. Lack of successful experience of competitiveness in their country. The presence of a potential partner in another country; availability of resource base. The goal is to achieve world-class education, leadership in the industry.

6. Comparative Analysis, assessment, measurement and comparison of the studied indicators of the university's activities. The need to determine their competitive position in the market. The goal is to improve the current performance of autonomous and structural units. The effective functioning of a university cannot be based solely on traditional approaches to the competitiveness management process. The main requirement for the university administration is its ability to influence the results of its activities and the activities of the university. Based on this, the university management comes to the creation of a comprehensive system for assessing the functioning of its units and the university as a whole based on the competitive advantages they have achieved.

### **Conclusion**

The introduction of the latest technologies using a high level of intellectual resources and the market trends of globalization are becoming the main factors determining the development of not only the economy but also the entire politics of the 21st century. In this regard, the development of the level of intellectual potential of citizens is a key condition for the sustainable socio-economic development of the country, and two factors are of particular importance: the transformation of education into the most important component of the socio-economic and moral-spiritual basis of social progress, as well as the widespread use of information technologies in the educational process.

New directions and requirements of social progress require the most cardinal revision of the strategy, goals, forms, approaches to learning, and therefore the management of the education sector as a whole and the higher education system in particular. The competitiveness of the higher education system needs to be comprehensively improved in connection with the development of the information society, the country's transition to a knowledge economy, where the demand for the labor of intellectual professions predominates. Prospects and further development trends of the higher education system require the development and implementation of a modern, systematic concept of managing the competitiveness of a university in a dynamic, market, competitive environment.

In these conditions of functioning of the education sector, scientific and methodological developments are needed to manage the competitiveness of universities, which can increase their contribution to the socio-economic development of the state, which determines the relevance of this study. In addition, the currently used methods for assessing and managing the competitiveness of universities are in development and leave a fairly wide range for the expansion and improvement of their modifications.

The idea of reforming and modernizing the sphere of education is that general education should be restructured for a professionally oriented orientation. The higher education system is faced with the task of implementing applied student training, focused on the integration of the university with vocational education, individual education, and student training, taking into account real demand in the domestic and foreign markets.

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