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## MANAGERIAL DECISION-MAKING IN A HIGHER EDUCATION INSTITUTION: METHOD GUIDELINES

### Annotation

*A practical approach to managerial decision-making in a higher education institution (HEI) has been given in the article. The methodological basis of the study was the use of the modern economic science to study the ways to increase the management efficiency of the HEI as a market entity. In the process of research, general scientific and special methods of cognition have been used. Methods of concretization, dialectical method, analysis, synthesis, abstraction are the basis for improving the practical approach to making managerial decisions in the HEI. Using the method of ascension, the algorithm of the process of making a managerial decision to ensure the effectiveness of the higher education institution functioning as a market entity has been formalized. The scientific novelty is the algorithm of managerial decision-making in terms of ensuring the efficiency of a HEI from the standpoint of its financial and economic status and the level of a real autonomy. The article is intended to promote the development of a common view of the tasks of a modern university that is developing and striving to become an adaptive self-learning system effectively interacting with the external environment. It has been proved that taking into account indicators of the financial and economic status and the level of autonomy in decision-making is capable of ensuring the efficiency of managerial decisions and the development of HEIs in the market conditions and globalization processes in the development of the education system. The practical effect of the study is that the proposed algorithm for making managerial decisions allows us to assess their riskiness, as well as correct and timely adjust targeted facilities necessary to eliminate the factors of a negative impact on the activity of the HEI, taking into account management efficiency.*

**Keywords:** higher education institution, university management, managerial decision-making in HEIs, university autonomy, management efficiency.

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## ПРИЙНЯТТЯ УПРАВЛІНСЬКИХ РІШЕНЬ У ЗАКЛАДІ ВИЩОЇ ОСВІТИ: МЕТОДИЧНІ РЕКОМЕНДАЦІЇ

### Анотація

*У статті запропоновано методичний підхід до прийняття управлінських рішень у закладі вищої освіти (ЗВО). Методологічною базою дослідження слугували напрацювання сучасної економічної науки щодо вивчення способів підвищення ефективності управління ЗВО як суб'єкта ринку. У процесі дослідження використано загальнонаукові та спеціальні методи пізнання. Методи конкретизації, діалектичний метод, аналіз, синтез, абстрагування покладені в основу удосконалення методичного підходу до прийняття управлінських рішень у ЗВО. За допомогою методу сходження формалізовано алгоритм процесу прийняття управлінського рішення щодо забезпечення ефективності діяльності закладу вищої освіти як суб'єкта ринку. Наукову новизну представляє алгоритм прийняття управлінських рішень в частині забезпечення ефективності діяльності ЗВО з позиції його фінансово-економічного стану та рівня реальної автономії. Стаття призвана сприяти розробці спільного погляду на завдання сучасного університету, який розвивається та прагне стати адаптивною самонавчальною системою ефективно взаємодіючою з зовнішнім середовищем. Доведено, що врахування показників фінансово-економічного стану та рівня автономії при прийнятті рішень спроможне забезпечити ефективність управлінських рішень та розвиток ЗВО в умовах ринку та глобалізаційних процесів у розвитку системи освіти. Практична цінність дослідження полягає в тому, що запропонований алгоритм прийняття управлінських рішень дозволяє оцінити їхню ризикованість, а також правильно і своєчасно скорегувати цільові установки, необхідні для ліквідації факторів негативного впливу на діяльність ЗВО з урахуванням забезпечення ефективності управління.*

**Ключові слова:** заклад вищої освіти, управління університетом, прийняття управлінських рішень у ЗВО, університетська автономія, ефективність управління.

### 1. Problem formulation

The level of economic development today requires higher education institutions to follow a number of rules for successful functioning in the market environment. This leads to the application of various methods for economic and financial assessment of their activities in making managerial decisions. In these circumstances, the timely identification of the signs that prove the degree of efficiency of the higher education institution's activity at a certain point in time, covering the most detailed and reliable information plays a vital role. These circumstances contribute to the search for new approaches to studying the state of the HEI's activities in the market of educational services and the application of methods for assessing analytical information [1].

The purpose of the study is to improve the process of making managerial decisions on increasing the efficiency of higher education institution in the market conditions and a real level of university autonomy.

The works of both Ukrainian and foreign scholars, such as A. Asaul, A. Berets, R. Byrman, I. Bogachevska, D. Brown, Y. Varlanov, Yu. Wagner, L. Verbitska, M. Gladchenko, A. Grin, I. Gryshchenko [1-2], L. Draganчук,

K. Dresinsky [3], D. Yevzrezov, D. Yefremenko, M. Zgurovsky, I. Kalenyuk, S. Kvit, B. Klark, V. Kremen, O. Kuzmina, A. Kuklin, V. Lugovy, J. Reilly, A. Reshetnyak [5], O. Romanovsky, L. Turkoman [6], Yu. Chernaiia [7] and others, are devoted to the issues of a higher education institution management, in particular its effectiveness in the market environment. The research of scientists is mostly devoted to the issues of logic, methodology and tools for analyzing the activities of the HEI. At the same time, the issue of methodology for analyzing the management efficiency indicators at the level of the HEI, which has its own characteristics both as a service provider and as a state institution, is not taken into account and remains uninvestigated.

**2. Research results**

Ensuring the efficiency of the educational sector functioning is determined by the fact that in the field of market relations, the activity of the HEI depends on a number of external and internal factors. The efficiency of the HEI is determined by how quickly it will orient itself in the system of market relations and objectively make the right decision about the development strategy, methods and tools that need to be used in implementing its new tasks.

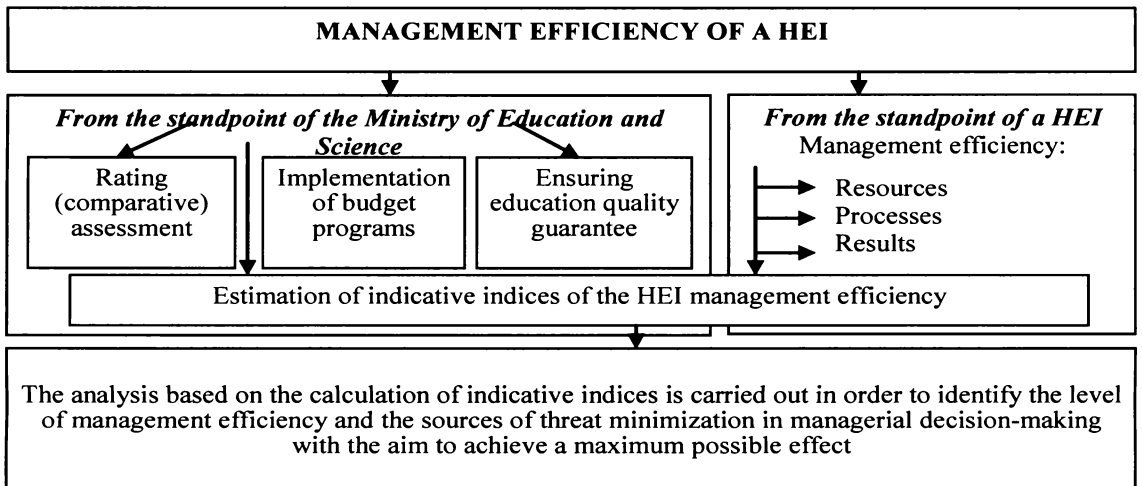
We believe that the best way to assess the effectiveness of the higher education institution management in general and managerial decisions, in particular, is to analyze the state of its activities, which involves the collection of the necessary information about the HEI, taking into account the data on its economic activity in recent years, its scale, financial status, profitability, development prospects and assess the performance of the HEI.

The issue of the analysis of the HEI management efficiency, especially in terms of a real autonomy, is relevant both for the educational institutions and for the Ministry of Education and Science of Ukraine. Higher education institutions seek to expand their activities, increase their scope and gain unique competitive advantages in the market of higher education. In order to achieve these goals and avoid undesirable effects of different forms of risks that may worsen the HEI efficiency, it is necessary to pursue an effective financial policy and, using methodological techniques of economic analysis, justify the possibilities of a HEI taking into account its strengths and weaknesses and determine the effectiveness of its operations under conditions of a real autonomy.

Today, the situation has changed, especially with the adoption of the new laws on higher education. Now each educational institution must independently make managerial decisions, including financial ones, develop a strategy and determine the amount of resources, choose the most optimal forms of their attraction and analyze the economic efficiency of the implementation of the planned activities.

This process is complicated by the fact that there is no single methodology that would allow to substantiate managerial decisions regarding the effectiveness of HEI's activities and predict all possible consequences. Lack of elaboration of this issue contributes to ineffective university policies concerning the implementation of their activities that leads to a deterioration of the financial and economic situation and provokes the growth in the number of educational institutions that operate inefficiently.

We believe that the concerned parties in improving the HEI efficiency are both the management staff of the educational institution and, in fact, the Ministry of Education and Science of Ukraine. Therefore, the analysis of the HEI activity can be considered from the standpoint of the Ministry of Education and Science of Ukraine, and also from the point of view of management efficiency at the university level (Fig. 1).



**Fig. 1. Approaches to the analysis of the management efficiency of a higher education institution**

*Source: developed by the author*

Since our task is to investigate the internal aspects of the HEI functioning, it would be advisable to consider the analysis from the standpoint of HEIs in terms of management efficiency.

One of the directions to improve the ways of ensuring the effectiveness of the HEI functioning in Ukraine is to develop advisory methods and standards for assessing the effectiveness of economic activities in different areas that

can be adapted to the particularities of the educational institution.

It should be noted that with the expansion of autonomy and increasing opportunities concerning the scope of the HEI activity, the role of economic analysis of financial and economic activity, one of the tasks of which is a comprehensive and systematic study of the formation mechanism, and ensuring this activity (in the context of the analysis of indicative indices) with the aim to keep financial stability and safe operations of the university, which requires the necessity of studying practical provisions on the economic analysis.

In assessing the potential results of decision-making, one should proceed from an analysis of alternative conditions, for example, make a decision without taking into account the factor of autonomy. We do not consider this option to be promising, since the level of autonomy of the HEI has a direct impact on the activity and development of HEIs, and therefore on the effectiveness of a managerial decision. The easiest option to avoid all possible risks is an unconditional refusal to make decisions. This option is also considered unsuccessful, as it makes it impossible to increase the efficiency of the HEI functioning. The best, albeit most physically costly, option is to make decisions taking into account the performance indicators of the higher education institution and the real level of its autonomy.

An algorithm is approximately formalized on the basis of the given alternative conditions for making managerial decisions, which substantiates the optimization of decision-making in order to increase the HEI efficiency (Fig. 2).

The originality of the proposed algorithm is to take into account the alternative conditions for developing a solution to increase the HEI efficiency, as well as the fact that when choosing a solution, its consequences and opportunities to minimize their impact on the performance of a higher education institution are assessed. Such an algorithm for making managerial decisions allows us to assess their risk, as well as correct and timely adjust target facilities necessary to eliminate the factors of a negative impact on the HEI functioning taking into account the management efficiency.

The activity of the HEI in the market of educational services is associated with the risk due to the fact that it operates in the environment characterized by complexity and dynamism. In addition, the management of the HEI is, above all, management based on constant innovations. And such a model of innovation development is risky, as it involves constant changes in the HEI activity and a desire to take a leading position in the market of educational services. In order to survive in the present, one needs to take risky, non-trivial management decisions, and this increases the risk.

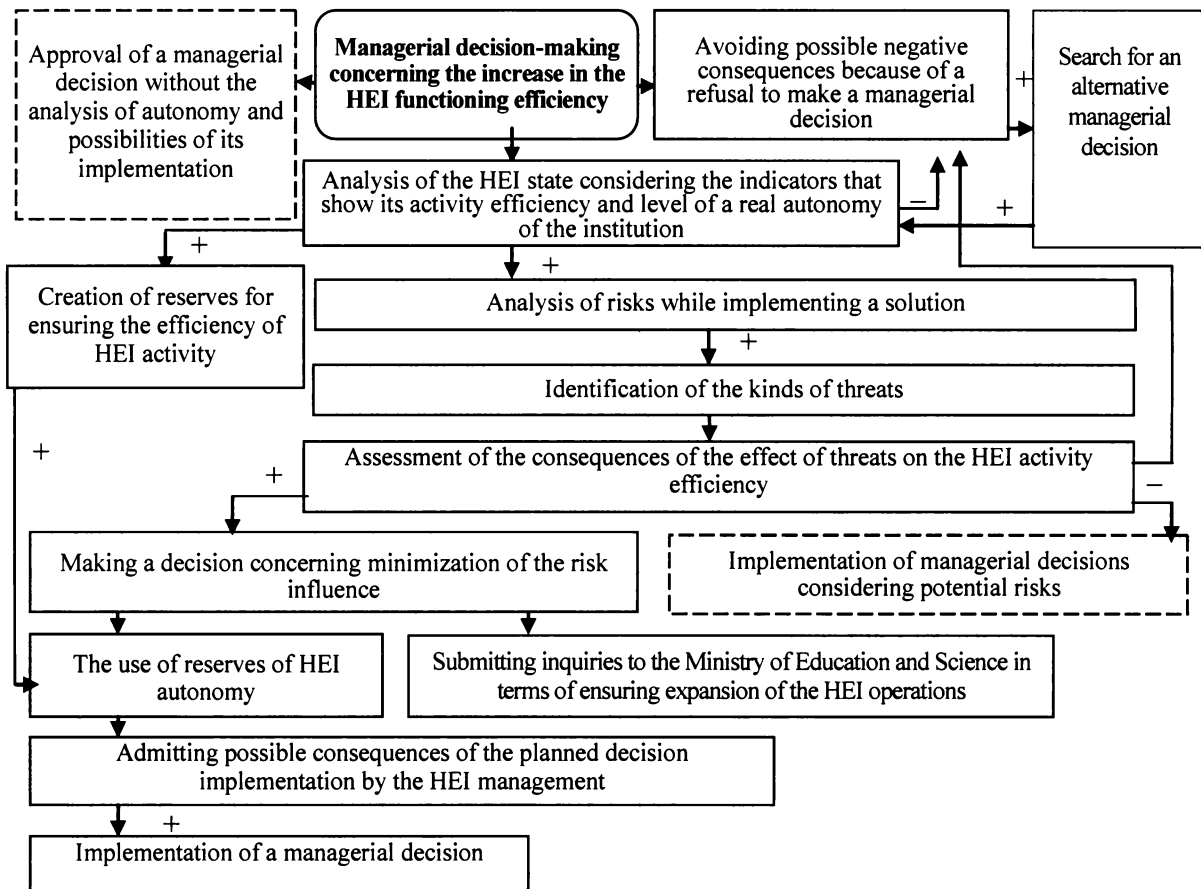


Fig. 2. Algorithm of managerial decision-making concerning the higher education institution functioning efficiency  
 Source: developed by the author

The risk is uncertainty about possible losses on the way to the goal. The risk situation is usually accompanied by three conditions: the presence of uncertainty; the need to choose an alternative; impossibility of an accurate

assessment of the effects of alternatives. The external risk factors are the most dangerous for the successful functioning of the HEI, namely: the unfairness of business partners, corruption of state structures, political and financial instability, and limitation of the autonomy of educational institutions. Internal factors are also numerous and they affect the level of risk, the main of them are the following: the HEI strategy, principles of its activity, resources and their use, quality and level of marketing and management use.

### 3. Conclusions

Thus, the implementation of the algorithm of the process of making managerial decisions in terms of ensuring the effectiveness of HEIs from the position of the market participant promotes alternative managerial decision-making and selection using the assessment of the level of autonomy of a higher education institution; estimation of probable risks in conditions of uncertainty; estimation of efficiency indicators considering the real state of autonomy. The need to take into account the level of autonomy in making decisions on improving the efficiency of a higher education institution has been proved, which allows to improve the quality and effectiveness of managerial decisions.

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