Improving The Incentive System For Educational Institutions

Abdurahimova Salomatposhsha

Fergana State University

ABSTRACT

This article examines current issues related to the effectiveness of the current remuneration system for faculty members at higher education institutions and develops scientific recommendations for creating a system that stimulates their work activity and ultimately increases the effectiveness of their research and teaching activities.

Keywords: Higher education, work motivation, wages, remuneration system, work incentives, basic wage, GDP per capita, national income, quantity and quality of labor, creative work, innovative economy.

Introduction

Today, in Uzbekistan, where the development of an innovative economy is considered a priority area for future development, the problem of determining a socially reasonable wage for workers in science and education is of great importance. This is due to the fact that the transition to a new quality of competitive, innovative economy depends, first and foremost, on the level of interest among workers in this sector in demonstrating high performance and achieving innovative progress. The task of developing an innovative economy in the country is impossible without the implementation of an effective incentive system for highly qualified specialists, scientists, and researchers, without incentivizing them to engage in highly productive and high-quality work. This axiom has already been reliably tested in the practice of developed countries and requires no proof.

In Uzbekistan, the issue of improving the remuneration system for employees and researchers in the education sector is currently a focus of the government's attention, and a number of noteworthy measures have been taken in this direction. In particular, a number of measures have been adopted to increase the salaries of faculty and staff and to reward their performance. For example, since 2020, a system has been introduced establishing a bonus of up to 60 percent to the monthly salary of Doctors of Science (Dr. of Science) who have achieved high results in scientific research, a bonus of up to 30 percent to the official salary of individuals holding a candidate of science or doctor of philosophy (PhD) degree (or an equivalent degree in foreign countries), and a Regulation on the procedure for paying additional remuneration to employees with academic degrees engaged in scientific, scientific-pedagogical, and labor activities in state organizations in the field of science and education [1].

Based on statistical indicators, it can be confidently said that, as part of the large-scale economic reforms implemented in the country, the salaries of faculty and research staff have increased significantly in recent years compared to previous periods of independence. However, if we compare the average salary of Uzbek researchers with that of researchers in

foreign countries that are leaders in socioeconomic development and boast high levels of innovation, we see that the situation is not so favorable.

Therefore, the problem of adapting the performance incentive system for scientific workers to the principle of fully utilizing the labor potential of each scientist and improving the remuneration system for higher education institutions remains pressing.

The purpose of this article is to study the effectiveness of the current remuneration system for faculty members in higher education institutions, and its objective is to develop scientific recommendations for creating a system that stimulates the work of faculty members at higher education institutions and, ultimately, improves the effectiveness of their research and teaching activities.

Literature Analysis

In the modern literature, there are a number of studies based on various points of view on the motivation and stimulation of the professional activity of the faculty of higher education institutions, among which the works of A.V. Ivlev, Yu.D. Schmidt, A.V. Kupera, L.M. Kupriyanova, R.A. Rakhmanbaeva, K.S. Ainabek and others deserve attention. In particular, A.V. Ivlev proposed considering the mechanisms and tools of the motivation and incentive system for employees of higher education institutions as its integral component [2]. In the works of Yu.D. Schmidt and A.V. Kupera, it is proposed to determine the methodology for calculating the amount of extra-budgetary incentive payments to employees of a higher education institution, taking into account the number of students studying on a contract basis, the volume of the teaching workload, and the contribution of each employee to the results of the university's activities [3]. L.M. In her work, Kupriyanova believes that motivating employees of higher education institutions must begin with the formation of an effective contract system and suggests using international experience in this regard [4]. L.M. Rakhmanbaeva developed proposals for managing the intellectual potential of higher education institutions in the context of the formation of an innovative economy [5]. Issues of motivating professors and lecturers of higher education institutions are also reflected in the works of Professor K.S. Ainabek [6].

Analysis and Results

Today, the development of an innovative economy has become the primary criterion for ensuring high rates of socioeconomic development in a country and strengthening its position in an increasingly globalized world economy. The development of an innovative economy is impossible without the active and highly productive work of scientists, professors, teachers, and all other categories of research workers. Having promptly recognized this crucial truth and adequately assessed it, Western countries have devoted serious attention to motivating those engaged in scientific research. By creating various incentive mechanisms and wisely implementing them, they have encouraged researchers to produce high-quality and effective work. As a result, a system has been established where scientific and creative potential exerts a powerful influence on economic growth.

This work, begun with foresight and great intellect, has borne practical fruit: today, Western countries have achieved significant results in socioeconomic development. The scale of the socioeconomic impact they are receiving thanks to the intensive development of innovation processes is quite broad. For example, the United States is the world's leading economy in terms of innovative development. While the US population is only 5% of the world's population, it accounts for 20-25% of global GDP. Forty percent of Nobel Prize laureates live in the United States. According to statistics, 27.1 million new jobs were created in the country annually due to innovative economic development (18.8% of the total number of jobs), and innovative industries generated additional income for the country's GDP in the amount of 5.06 trillion US dollars (34.8% of the total GDP). Life expectancy in the country almost doubled over the 20th century, and income and well-being of the population grew rapidly [7]. It goes without saying that the persistent and productive work of scientists and researchers contributed to the achievement of such levels of socioeconomic progress. In our

opinion, in Uzbekistan, where the development of an innovative economy is considered a priority area for long-term development within the framework of the country's consistently implemented large-scale economic reforms, the issue of determining a reasonable wage for workers in science and education is crucial for accelerating socioeconomic development. This is because the transition to a new quality of economy based on innovation depends primarily on the work of those in this sector, their commitment and material incentive to demonstrate high performance in achieving innovative development.

In Uzbekistan, the issue of improving the remuneration system for education workers and scientific researchers is currently the focus of the government, and a number of noteworthy measures have been implemented in this direction, and most importantly, this promising process is being further strengthened through great effort and effort. In particular, noteworthy measures have been taken to increase the salaries of faculty and reward their performance. For example, starting in 2020, a system of establishing a bonus of up to 60 percent of the monthly salary of doctors of science (doctoral candidates) who have achieved high results in scientific research will be established; a bonus of up to 30 percent of the salary will be established for individuals holding a candidate of science or doctor of philosophy (PhD) degree (or an equivalent degree in foreign countries); and the Regulation on the procedure for paying additional wages to employees holding academic degrees who carry out scientific, scientific-pedagogical and labor activities in state organizations in the field of science and education has been approved [1]. Based on statistical data, it can be concluded that, as part of the consistently implemented large-scale economic reforms in the country, the salaries of professors, teachers, and researchers have increased significantly in recent years, compared to previous periods of independence. However, if we compare the average salary of Uzbek scientists with the salaries of scientists in foreign countries that are leaders in socioeconomic development and have high levels of innovation, we can see that the situation is still not very encouraging.

Our research has shown that, despite a number of measures taken by the government in recent years to improve the remuneration system for professors, teachers, and researchers at higher education institutions, the motivating effect of the current remuneration system remains very low. The results indicate that the country is not meeting the requirements for fully mobilizing the capabilities and potential of scientists in solving scientific problems related to the development of the national economy and motivating them to achieve high results in teaching and research. It is no coincidence that the President of the Republic of Uzbekistan, Sh.M. Mirziyoyev, focusing on problems in the higher education system, noted that "it is regrettable that, in the context of rapid economic development, the higher education system, instead of being a driver of development, is not keeping pace with the times" [8]. In our opinion, one of the important areas for addressing the problem highlighted by the President of the country is the development of a modern system for incentivizing the productive work of the faculty of higher education institutions.

Experts estimate that in developed countries, for every US dollar spent on higher education, the state ultimately receives six US dollars in benefits [9]. Unfortunately, however, in Uzbekistan today, due to the lack of a highly effective incentive mechanism to stimulate the full realization of the scientific potential of workers in the field, this factor of increasing benefits for the state treasury is ineffectively utilized.

One of the characteristics of educational services is that the results of workers' work, their quality and volume, have a direct and significant impact on the rate of economic growth and the size of the country's gross domestic product. As is well known, Uzbekistan is currently faced with the task of developing an innovative model of economic development. The solution to this pressing problem is closely linked to the effective utilization of the scientific potential of the faculty of the country's higher education institutions.

To improve the scientific and educational activities of higher education institutions and enhance their innovative potential, it is necessary to radically improve the effectiveness of the financial incentive system for faculty. Since the motivational effect of the current remuneration mechanisms for faculty at higher education institutions is very low, it does not align with the ideas of fully mobilizing the potential and efforts of scientists to address scientific challenges in national economic development, effectively motivating them to achieve high results in education and scientific research, and making a significant contribution to Uzbekistan's future position among developed countries.

In today's educational environment, a system of financial incentives for faculty at higher education institutions should be organized based on the development of a remuneration system that takes into account the complexity of the work performed and the quantity and quality of the effort expended. In our opinion, the financial incentive system for faculty at higher education institutions should be based on the educational institutions' performance indicators.

The introduction of salaries has eliminated a number of shortcomings inherent in the previously existing Unified Tariff System (UST). The ratio between the performance of faculty and their salary income has increased slightly. However, the introduction of salaries has not fully addressed the challenges of dramatically improving the quality of educational services and ensuring the effectiveness of research through the faculty salary system.

Conclusions and Proposals

In conclusion, it should be noted that the current system of financial incentives for faculty at higher education institutions does not meet modern requirements. Due to the introduction of a multi-tiered education system in Uzbekistan—bachelor's, master's, and doctoral—as well as credit-based learning, their salaries remain at the level of the last century. That is, the established monthly salary for faculty at higher education institutions remains extremely low and does not meet modern requirements.

Currently, the state has the capacity to pay faculty at the proposed salaries in order to effectively incentivize their work. Considering that there are currently 1,181 Doctors of Science, 6,181 Candidates of Science, and 1,081 Doctors of Philosophy [14] in the country, as a result of the implementation of the proposed system, their total payroll in 2020 will amount to 121.9 billion soums. This amounts to 69.8 billion soums, or 2.3 times the annual wage fund formed under the old method (52.2 billion soums in 2020). However, the economic impact this measure could yield is incalculable. Uzbekistan is capable of providing decent working conditions for scientists and teachers, who play a vital role in the innovative development of the national economy and constitute a minority.

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