

**ECONOMIC RISK ASSESSMENT OF UNIVERSITY RANKING
STRATEGIES: A FIVE-CATEGORY ANALYTICAL FRAMEWORK
FOR EMERGING UNIVERSITIES**

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Abstract: University ranking strategies require substantial institutional investment, yet the economic risks associated with these investments remain underexplored in the strategic management literature. This paper presents a five-category risk assessment framework developed for emerging universities pursuing international ranking entry, based on the case of New Uzbekistan University. The framework classifies ranking strategy risks into macroeconomic, institutional-financial, operational, technological, and behavioral categories, with corresponding mitigation mechanisms proposed for each. The analysis demonstrates that behavioral risks, particularly metric gaming and quality erosion, represent the most underestimated yet consequential threat to sustainable ranking improvement. The framework offers a practical tool for university administrators to evaluate risk-return tradeoffs when allocating resources to ranking-oriented activities.

Keywords: university rankings, economic risk, strategic management, higher education, risk assessment, emerging universities.

Introduction

International university rankings have become powerful determinants of institutional strategy, resource allocation, and national higher education policy [1]. For emerging universities in developing countries, ranking entry represents both a strategic opportunity and a significant financial commitment. The annual investment requirement for a comprehensive ranking strategy has been estimated at 2.0-2.5 million USD for a medium-sized university, covering research quality enhancement, international faculty recruitment, digital monitoring infrastructure, and institutional governance reform [2]. However, the economic risks associated with these investments have received limited scholarly attention, creating a gap between strategic ambition and risk-informed decision-making.

This paper addresses this gap by presenting a five-category risk assessment framework developed through analysis of ranking strategy implementation at New Uzbekistan University (NUU), established in 2021 as a flagship institution with the mandate of entering THE World University Rankings. The framework draws on institutional data, international benchmarking evidence, and economic analysis conducted between 2022 and



2025.

The Five-Category Risk Framework

The risk assessment framework classifies ranking strategy risks into five categories based on their source, probability, and impact on ranking outcomes. Table 1 summarizes the framework.

Table 1. Five-Category Risk Assessment Framework for Ranking Strategies

Risk Category	Description	Probability	Impact	Mitigation Mechanism
Macroeconomic	Currency volatility, inflation, external instability	Medium	High	Phased investment, risk-buffer fund
Institutional-financial	Grant shortfalls, revenue below forecast	Medium	Medium	Revenue diversification, grant portfolio expansion
Operational	Authority overlap, coordination delays	Medium	Medium-High	Clear mandates, KPI matrix, DRD monitoring
Technological	Data errors, incomplete records, cyber threats	Low-Medium	High	Data governance policy, audit protocols, backup systems
Behavioral	Metric gaming, quantity over quality orientation	Medium	Medium-High	Quality-oriented KPIs, ethics code, early warning via DRD

The first category, macroeconomic risks, encompasses external economic factors that affect the financial sustainability of ranking strategy investments. For universities in developing countries such as Uzbekistan, currency depreciation directly increases the cost of international faculty contracts,

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database subscriptions (Scopus, Web of Science), and digital platform maintenance, all of which are denominated in foreign currencies. The mitigation strategy involves phased investment planning and the establishment of a currency risk buffer, which OECD recommends at 7-10% of total investment for developing country institutions [3].

Institutional-financial risks arise from the uncertainty of revenue streams that support ranking activities. Grant income, commercialization revenue, and international student tuition fees are inherently variable, and shortfalls can disrupt planned activities such as visiting professor programs or research equipment procurement. Diversification of funding sources and the maintenance of a broad grant portfolio across multiple disciplines and funding bodies constitute the primary mitigation approach.

Operational risks relate to the governance challenges of implementing an integrated management architecture. When multiple institutional bodies (Strategic Governance Council, Research and Innovation Committee, International Partnerships Board, Ranking Analytics Center) share responsibility for ranking indicators, authority overlap and coordination delays can emerge. Clear mandate delineation, a KPI responsibility matrix, and real-time monitoring through the Digital Ranking Dashboard (DRD) platform serve as mitigation mechanisms.

Technological risks concern the data infrastructure underlying ranking management. The DRD platform depends on accurate, complete, and timely data from multiple institutional sources. Data quality issues, integration failures, and cybersecurity threats can compromise the reliability of performance monitoring and strategic decision-making. A formal data governance policy, regular audit procedures, and robust backup and information security protocols are essential safeguards.

The fifth category, behavioral risks, represents the most underestimated yet potentially most damaging threat to ranking strategy sustainability. When KPI-based performance management systems create excessive pressure on faculty, the risk of metric gaming emerges: prioritizing publication quantity over quality, targeting easily achievable indicators while neglecting harder-to-measure dimensions such as teaching quality and doctoral mentoring. This phenomenon, well-documented in the performance management literature [4], can produce short-term indicator improvements while undermining the genuine institutional capacity that sustains long-term ranking growth. Quality-oriented KPI design, an institutional ethics code for research assessment, and early warning mechanisms integrated into the DRD platform constitute the recommended mitigation approach.

Conclusions

The five-category risk assessment framework provides emerging universities with a structured analytical tool for evaluating and managing the



economic risks inherent in ranking strategy implementation. The framework demonstrates that ranking investment decisions should be informed not only by expected returns (ranking position improvement) but also by systematic risk analysis across macroeconomic, institutional, operational, technological, and behavioral dimensions. For university administrators and policymakers in Central Asia and comparable developing regions, the framework offers practical guidance for balancing ambition with prudence in the pursuit of international ranking competitiveness. The integration of risk assessment into ranking governance, particularly through the DRD platform, ensures that risk monitoring becomes a continuous rather than episodic management function.

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