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Contemporary Management Tools in Developing Countries: The Case of Uzbekistan

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Abstract: Modern management techniques like strategic planning, the Balanced Scorecard, ISO 9001 quality management, and enterprise resource planning (ERP) systems are utilized by many businesses in developing nations, but these techniques rarely result in an increase in productivity. Using Uzbekistan as an example, this paper investigates the reason and asks how such tools should be implemented. It uses data from the Management Tools & Trends survey conducted by Bain & Company, the World Management Survey, the 2008–2009 EBRD–World Bank Management, Organization, and Innovation survey, the 2024 World Bank Enterprise Survey of 1,008 Uzbek businesses, and Uzbek law. The evidence points to a gap between adopting tools and managing well. Companies in emerging economies score lower on measured management quality, despite managers in Asia-Pacific reporting using approximately twice as many tools as managers in North America. Uzbekistan ranked last of twelve countries in 2008–2009 and scored 39.0 out of 100 on the World Bank's 2024 management practices index, compared with 52.9 for Europe and Central Asia. When it comes to performance-based bonuses and promotions, Uzbek businesses match or exceed the regional average. However, when it comes to monitoring performance, setting goals, and dealing with employees who aren't performing to their potential, Uzbek businesses lag far behind. This suggests that many of the tools are used in theory rather than in practice. As a result, the paper proposes a three-step process: first, basic practices like performance monitoring, target setting, and management accounting; second, data-based tools like the Balanced Scorecard and quality management once reliable data, documented processes, and trained staff are present; and third, advanced digital tools as competition and specialist skills grow. It comes to an end with ramifications for businesses, the government, and business education.

Introduction

Along with capital, skills, and technology, management practices are now recognized as a factor in differences in productivity between countries and businesses. According to Bloom & Van Reenen (2007) and Bloom et al. (2014), businesses are more productive, more profitable, and more likely to survive when they monitor their operations, set and track targets, and reward performance. According to Bloom et al. (2016), the total factor productivity gap between the United States and other nations is approximately 25% due to management differences. In a randomized experiment, Indian textile plants' productivity increased by 17% in the first year after adopting modern management practices (Bloom et al., 2013).

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Strategic planning, customer relationship management, benchmarking, the Balanced Scorecard (BSC), total quality management (TQM), ERP systems, and, more recently, agile methods and advanced analytics typically reach businesses as packaged management tools (Rigby, 2001). Consultants, business schools and multinational firms carry them across borders (Abrahamson, 1996). Emerging market executives are now the most enthusiastic users. Managers in Asia-Pacific reported using 12.2 tools on average in a 2017 Bain & Company survey, compared to 6.3 in North America (Rigby & Bilodeau, 2018), and Asian executives reported the highest tool use and satisfaction in a 2023 survey (Rigby et al., 2023).

Yet the same economies score lowest when management quality is measured directly. According to Bloom et al. (2014) and Scur et al. 2021, firms in sub-Saharan Africa, China, Brazil, and India have lower average WMS scores and a thicker tail of poorly managed firms than those in the United States, Japan, or Germany. If adopting a tool were the same as practising good management, the heaviest adopters would be among the best managed. Not at all. According to Meyer & Rowan (1977) and Kostova & Roth (2002), the gap is referred to as the adoption–quality paradox and is argued to occur when tools are adopted ceremonially, as symbols of modern management, rather than implemented as working routines.

Uzbekistan offers a sharp test of this argument. The country has opened its economy since 2017: the trade-to-GDP ratio will more than double to 71.6 percent by 2022 (World Bank, 2025a), large businesses will be required to report using International Financial Reporting Standards (IFRS) starting in 2021 (President of the Republic of Uzbekistan, 2020a), and the Digital Uzbekistan 2030 strategy will be implemented in 2020 (OECD, 2023). Between 2010 and 2022, the per capita gross domestic product increased by 4.2% annually, primarily due to capital accumulation rather than increases in productivity (World Bank, 2025a). State-owned enterprises remain dominant, with assets of about 101% of GDP (International Monetary Fund [IMF], 2026). While this paper demonstrates that the general population of businesses lags in basic management practices, flagship state enterprises are implementing ERP systems and digital transformation programs.

According to Tursunaliev (2025), research on management tools in Uzbekistan has largely been normative and focused on a single tool in a single company, such as the BSC in a metallurgical company. It has rarely drawn on comparable firm-level management data, and it has not asked which tools Uzbek firms are ready to use, or in what order. As a result, three research questions are addressed in the paper:

1. How does the adoption of contemporary management tools relate to measured management quality in developing countries?
2. What is the position of Uzbek businesses with regard to measured management practices and the prerequisites that modern tools assume?
3. When it comes to matching Uzbekistan's institutional readiness, how should management tools be arranged?

Three new ideas are presented in the paper. It compares the global evidence on tool adoption to the two direct measurements of management practices in Uzbek businesses from 2008–2009 and 2024. It suggests a readiness-based framework that groups tools according to their requirements rather than their popularity. Additionally, it derives implications for businesses, the government, and business education. The literature is reviewed in Section 2, the data and methods are described in Section 3, the results are presented in Section 4, and the conclusion is provided in Section 6.

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Literature Review

Management tools and their diffusion

Management tools are techniques that senior managers use to improve organisational performance, from strategic planning and benchmarking to quality and customer-management systems (Rigby, 2001). Since 1993, Bain & Company has tracked their use and only includes a tool in its survey if it is topical, measurable, and relevant to senior management (Rigby & Bilodeau, 2018). Strategy (strategic planning, mission and vision statements, scenario planning), performance measurement and control (the BSC, benchmarking, and zero-based budgeting), operations and quality (TQM, supply chain management, and business process reengineering), customers (customer relationship management, segmentation), and digital technology (advanced analytics, ERP, and digital transformation) are some of the functions that the tools can be categorized into for analysis.

The use of tools changes over time. Abrahamson (1991, 1996) shows that management techniques spread through imitation and through fashion-setters such as consultants, management gurus and business schools, so that even inefficient innovations can diffuse widely. The pattern is shown by Bain's data: the average company used 16.1 tools in 2002, but only 7.5 in 2017, and the percentage of executives using strategic planning decreased from 88% in 2006 to 48% in 2018. Birkinshaw et al. (2008) add that adopting a new management practice is itself an innovation process, shaped by external change agents and by the firm's capacity to absorb it.

Adoption without implementation

Institutional theory explains why businesses use tools that don't make them better. DiMaggio and Powell (1983) identify three pressures that make organisations alike: coercive pressure from laws and regulators, mimetic pressure to imitate others under uncertainty, and normative pressure from professions. According to Meyer and Rowan (1977), organizations may decouple their formal structures from their actual work in order to gain legitimacy. Empirical research backs this up. According to Westphal et al. (1997), early adopters of TQM in US hospitals customized it to increase efficiency, whereas later adopters adhered to a standard template for legitimacy and gained less. According to Staw & Epstein (2000), large US companies that used well-known management methods improved their reputation and paid their chief executives more, but their economic performance did not improve.

The distinction is made clearer by the research on cross-border transfer. Kostova (1999) defines successful transfer as both internalisation, or the appreciation of a practice by employees, and implementation, or the observance of its formal rules. Kostova and Roth (2002) show that subsidiaries of multinational corporations often adopt practices ceremonially, with high formal implementation but low internalisation. According to Hofstede (1993), theories of management that were developed in one culture may have assumptions that are not true in another. Together, these studies predict that tools that only exist on paper rather than in practice are produced when there is a strong pressure to adopt and a weak capacity to implement.

Management as a technology

A second body of work provides direct measurements of management practices. The WMS scores 18 practices in operations, monitoring, targets and people management from 1 (worst) to 5 (best) through double-blind interviews with plant managers (Bloom & Van Reenen, 2007). The United States comes in first, followed by Japan, Germany, and Sweden, while developing economies come in last (Bloom et al., 2014; Scur et al., 2021). Higher scores are also associated with increased

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productivity, profitability, growth, and survival (Bloom et al., 2014; Scur et al., 2021). According to Bloom et al. (2014), the fact that managers' own ratings of their companies do not correlate with productivity suggests that many firms that are poorly managed are unaware of this fact.

Product-market competition, professional management rather than family or government management, openness to trade and multinational firms, less regulation, and a workforce with a higher level of education are all factors that contribute to better management, according to the same research (Bloom et al., 2014; Bloom et al., 2019). Experiments demonstrate that outside intervention is possible in management. Beyond the Indian textile experiment (Bloom et al., 2013), a follow-up revealed that approximately half of the adopted practices had been abandoned later, primarily as a result of managerial changes, despite the fact that the control plants retained a significant advantage (Bloom et al., 2020). Under the Marshall Plan, managers from Italian companies who received training in the United States outperformed comparable companies for at least fifteen years (Giorcelli, 2019).

Management in transition economies

Post-socialist economies face particular obstacles. Newman (2000) argues that organisational transformation is hardest during institutional upheaval, when the rules that would reward new practices are themselves changing. According to Peng and Heath (1996) and Peng (2003), until market institutions mature, transitioning businesses rely on relationship-based exchange and networks. The missing market intermediaries of emerging economies, such as dependable auditors, certifiers, and labor-market institutions, are referred to as institutional voids by Khanna and Palepu (2010). Numerous current tools assume that these intermediaries exist. According to Bloom et al. (2012), the initial large management survey of transition economies revealed that management practices in Poland and Lithuania trailed only moderately behind those in Germany, while those in Central Asia were generally weaker than those in India. Better management was strongly linked to competition, foreign multinational ownership, private ownership, and workforce education.

Evidence on specific tools

Evidence on individual tools in developing and emerging economies is uneven. In Bain's survey, TQM has the highest user satisfaction of any tool, especially in China and India (Rigby & Bilodeau, 2018), and companies that adopted ISO 9001 saw increases in sales, employment, and wages (Levine & Toffel, 2010). According to Higuchi et al. (2015), small manufacturers in Vietnam have experienced sustained improvements in management practices as a result of Kaizen training. Consulting has raised productivity and employment among small and medium enterprises in Mexico (Bruhn et al., 2018) and Colombia (Iacovone et al., 2022), while classroom training of microenterprises has had smaller and more variable effects (McKenzie & Woodruff, 2014; McKenzie, 2021). According to Jabeen & Behery (2017), there are few studies of the BSC outside of Western economies and limited adoption.

Research gap and analytical proposition

Uzbek research on management tools has grown since 2017 but concentrates on single tools, especially the BSC and key performance indicators (KPIs), examined in single enterprises or proposed normatively (e.g., Tursunaliev, 2025). It hasn't compared tools based on the conditions they need, and it hasn't used comparable firm-level management data. A straightforward proposition emerges from combining the two bodies of research: a management tool can only improve performance when both its institutional prerequisites (competition, managerial autonomy, and a supply of specialists) and its technical prerequisites (reliable data, documented processes, and trained staff) are met. Adoption

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typically takes the form of a ceremony when there is strong pressure to adopt but none of these requirements are met. This idea is transformed into a strategy in Section 3.

Methods

Research design

The study is a cross-country comparison with a desk-based case study of Uzbekistan. It only collects secondary data from regulatory documents and published secondary data. The analysis consists of three steps: (1) documenting the relationship between tool adoption and measured management quality across nations; (2) comparing Uzbekistan's management practices and the prerequisites of current tools to regional benchmarks; and (3) classifying tools according to their prerequisites and evaluating Uzbekistan's readiness for each class.

Data

Table 1 lists the data sources.

Table 1

Data sources

Source	Coverage	Used for
Bain & Company, Management Tools & Trends (Rigby & Bilodeau, 2018; Rigby et al., 2023)	1,268 executives in more than 70 countries (2017 survey); more than 1,000 executives (2023 survey)	Tool usage and satisfaction; regional differences
World Management Survey (Bloom & Van Reenen, 2007; Scur et al., 2021)	More than 12,000 firms in 35 countries; Uzbekistan not covered	Cross-country management quality and its drivers
EBRD–World Bank Management, Organisation and Innovation survey, 2008–2009 (Bloom et al., 2012)	1,874 manufacturing firms in 12 countries, including 123 in Uzbekistan	Uzbekistan's management practices relative to transition and benchmark economies
World Bank Enterprise Survey, Uzbekistan 2024 (World Bank, 2025b)	1,008 formal private firms interviewed February–October 2024	Management practices index and its components; training, exporting and reported obstacles
Official and regulatory sources (President of the Republic of Uzbekistan, 2015, 2020a, 2020b; Ministry of Economy and Finance, 2026a, 2026b; National Statistics Committee, 2025; IMF, 2026; World Bank, 2025a)	Legal acts, administrative statistics and international assessments	IFRS capacity, corporate governance, state ownership and competition

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Measures

Management quality is measured in two ways. The Management, Organisation and Innovation (MOI) survey asked twelve closed questions adapted from the WMS on operations, monitoring, targets and incentives; answers were standardised as z-scores and averaged by area and then overall (Bloom et al., 2012). For businesses with 20 or more employees, the 2024 Enterprise Survey provides a management practices index ranging from 0 to 100 based on eight practices: the response to a problem, the number of performance indicators monitored, the time frame, achievability, and staff knowledge of production targets; the basis for managers' bonuses; the basis for non-managers' promotions; and the actions taken against underperforming employees (World Bank, 2025b). The paper compares Uzbekistan's rank and distance from benchmarks, not its raw levels, because the two surveys use different questions and scales.

Internationally recognized quality certification (the gateway to TQM and ISO 9001), externally audited financial statements (the verified data that the BSC and budgeting tools consume), formal staff training (the channel through which any tool changes how people work), and direct exporting (exposure to international competition and standards) are indicators that directly link to specific tools. The World Bank country profile's Enterprise Survey indicators are survey-weighted estimates that are compared to the averages for lower-middle-income economies and Europe and Central Asia (ECA). Where only unweighted sample shares are available, the text indicates so.

Framework construction

Each tool is placed in a tier according to the most difficult prerequisite it assumes, following the proposal in Section 2.6. Only internal discipline is required for Tier 1 tools. Tier 2 tools also require verified data, documented processes and trained staff. Tier 3 tools also require external conditions: competitive markets, managerial autonomy and a supply of specialised labour. The indicators above are used to evaluate Uzbekistan's position in relation to each requirement, resulting in a readiness assessment for each tier. Section 5.4 explains that the framework is not a statistical estimate but rather a conceptual synthesis.

Results

Tool adoption and the adoption–quality paradox

Worldwide, no management tool is utilized by more than half of executives, and the tools that are utilized the most are not the most satisfying (Table 2). At 48% each, strategic planning and customer relationship management dominated usage in 2017. While benchmarking combined high usage (46%) with below-average satisfaction (3.94), TQM scored the highest on a five-point scale for moderate usage satisfaction (4.09). The BSC, the tool most studied in Uzbek research, was used by 29% of executives and rated 3.93.

Table 2

Usage and satisfaction of selected management tools, 2017

Tool	Usage, % of executives	Satisfaction, 1–5
Strategic planning	48	4.03
Customer relationship management	48	4.01
Benchmarking	46	3.94

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Tool	Usage, % of executives	Satisfaction, 1–5
Advanced analytics	42	4.06
Supply chain management	40	4.05
Customer satisfaction systems	38	4.03
Change management programmes	34	3.90
Total quality management	34	4.09
Digital transformation	32	4.07
Mission and vision statements	32	4.00
Balanced Scorecard	29	3.93
Business process reengineering	28	4.02
Agile management	24	4.00
Zero-based budgeting	10	3.82

Note. n = 1,268 executives; means across all 25 tools are 30% usage and 3.99 satisfaction. The first ten rows are the ten most-used tools. Source: Rigby and Bilodeau (2018).

For developing nations, two regularities matter. First, where measured management quality is lowest, tool enthusiasm is highest. Executives in Asia-Pacific used 12.2 tools on average in 2017, up from 8.0 in 2014, and those in Latin America used 7.4, against 6.6 in Europe, the Middle East and Africa and 6.3 in North America; business process reengineering was used by 37% of emerging-market respondents but by 22% of those in established markets (Rigby & Bilodeau, 2018). In contrast, emerging and African economies trail in the WMS, where the United States, Japan, Germany, and Sweden lead (Scur et al., 2021). Because the samples used in the two surveys are different, the comparison reveals a pattern rather than a matched estimate.

Second, depth of implementation matters more than adoption. According to Rigby & Bilodeau (2018), the same tool is significantly more satisfied when implemented as a major, organization-wide effort as opposed to a smaller one: 4.28 versus 3.80 for the Internet of Things and 4.22 versus 3.78 for TQM. This, in conjunction with Bloom et al. (2014)'s finding that managers' self-assessments are unrelated to their companies' productivity, suggests that many businesses adopt tools without the necessary routines.

Measured management quality in Uzbekistan

Two direct measurements of Uzbekistan's management practices have placed the nation at or near the bottom of its comparison group. In the 2008–2009 MOI survey, which interviewed 123 Uzbek manufacturing firms, Uzbekistan ranked last of the twelve countries surveyed, below India, and was in the bottom two in each of the four areas measured: operations, monitoring, targets and incentives (Bloom et al., 2012). Despite the legacy of planned production targets, businesses in Uzbekistan, Kazakhstan, and Russia were weak on targets and, to some extent, monitoring. Along with Belarus,

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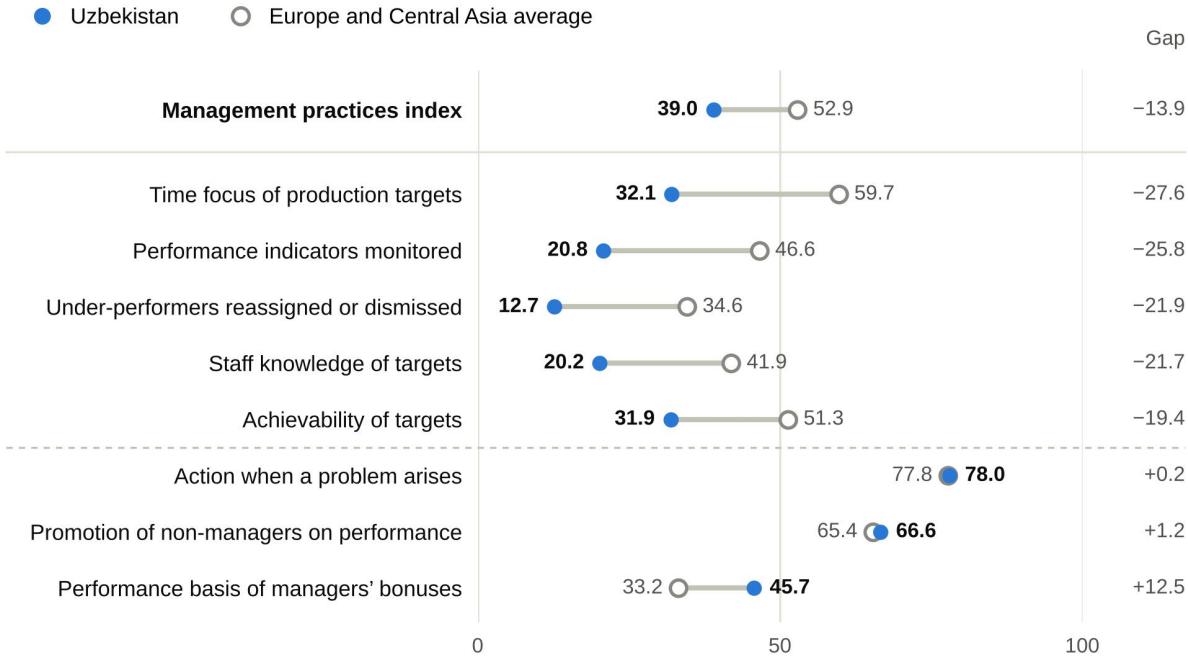
Uzbekistan had the lowest EBRD score for governance and enterprise restructuring at the time, making it the sample's lowest income per head.

According to the 2024 Enterprise Survey, the gap has remained despite the reforms that began in 2017. The management practices index for Uzbekistan was 39.0 out of 100, compared to 52.9 for the ECA and 48.6 for economies with lower middle incomes (World Bank, 2025b). The usual pattern of larger businesses having better management is reversed, with large firms scoring lower (36.7) than medium-sized firms (39.5).

Figure 1 displays the gap's location using the components of the index. Firms in Uzbekistan meet or exceed the regional average for formal incentives, the performance-based bonus system for managers (45,7 against 33,2), promotions, and how quickly they respond to problems. On the practices that make performance measurable and consequential, they reach only about half the regional level: the number of performance indicators monitored, the horizon, achievability and staff knowledge of targets, and action on under-performers (12.7 against 34.6).

Figure 1

Management practice scores, Uzbekistan and Europe and Central Asia average, 2024



Note. Scores range from 0 to 100; higher is better. Rows are sorted by the gap between Uzbekistan and the ECA average; the dashed line separates practices on which Uzbekistan falls below the average from those on which it matches or exceeds it. Source: World Bank (2025b).

Prerequisites for contemporary tools

The prerequisites that data-dependent tools assume are thin. In 2024, only 19.3% of Uzbek businesses provided formal training to their permanent staff, compared to 36.2% in the ECA, and only 1.7% exported directly, compared to 18.0% (World Bank, 2025b). In the survey sample, 7.7% of firms held an internationally recognised quality certification and 27.9% had their financial statements

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certified by an external auditor. Because the survey over-represents larger businesses, these unweighted sample shares are most likely to overstate the national rates.

Capacity has kept pace with regulation. Since 1 January 2021, joint-stock companies, commercial banks, insurers and large taxpayers have been required to keep IFRS accounts, and the resolution that introduced the requirement set a target of at least three accountants with recognised international IFRS training or certification in each covered organisation (President of the Republic of Uzbekistan, 2020a). Over 4,200 applicants received reimbursements totaling more than UZS 11 billion for the costs of training and examinations between 2020 and 2025 (Ministry of Economy and Finance, 2026a). By May 2026 Uzbekistan had about 2,500 specialists with international accounting certifications, including 123 ACCA members and affiliates and 618 holders of the ACCA Diploma in IFRS (Ministry of Economy and Finance, 2026b). At the statutory minimum, the 639 operating joint-stock companies alone (National Statistics Committee, 2025) would absorb about 1,900 of them, roughly three quarters of the national pool, before banks, insurers and large taxpayers are counted.

The structural weight resides in ownership and competition, the strongest drivers of management quality in the cross-country evidence. World Bank, 2025a, states that more than 2,000 centrally held state-owned businesses generated revenues equivalent to approximately 32% of GDP in 2020, and that in 2024, state-owned enterprise assets represented approximately 101% of GDP (IMF, 2026). Since the Enterprise Survey does not include companies that are entirely owned by the state, its management index only covers the private and mixed sectors. As a result, the state sector is more likely to receive a lower score than government-owned businesses do in the WMS (Bloom et al., 2014). Trade openness has risen sharply at the macro level, yet with only 1.7% of firms exporting directly, few firms are exposed to the standards and competition of foreign markets.

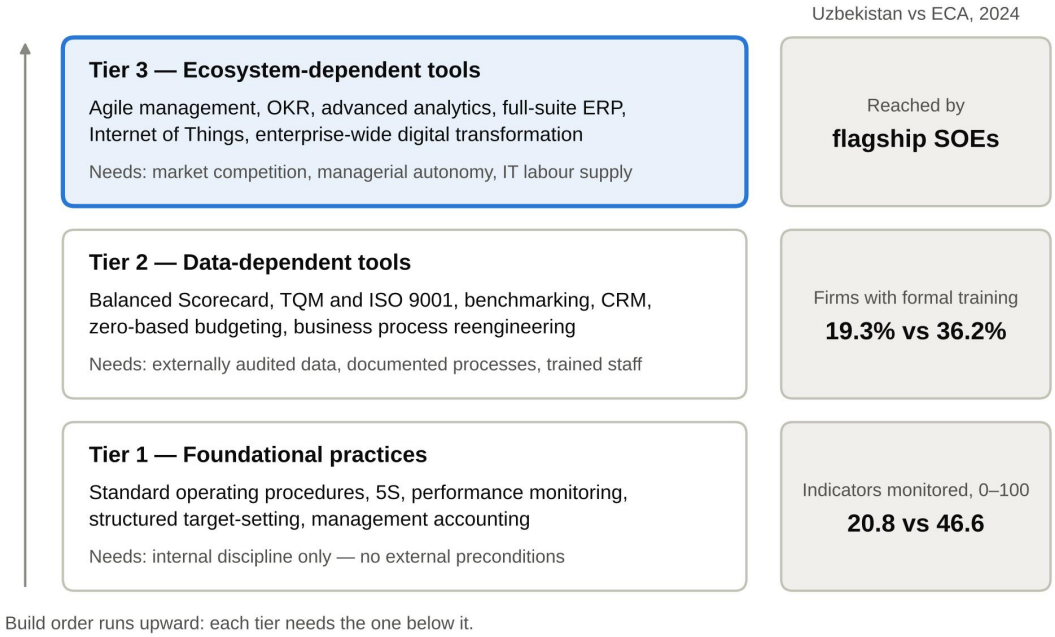
Tier 3 tools have so far entered mainly through large state enterprises. Navoi Mining and Metallurgical Company, for example, ran a twelve-direction digital-transformation programme designed with Boston Consulting Group, completing more than 40 initiatives in 2021–2023 and adding human-capital management, procurement analytics, project-management and ESG systems to its ERP (Navoi Mining and Metallurgical Company, 2024). Uzbek businesses, on the other hand, cited tax rates as the most significant impediment to their operations (23.9 percent), followed by access to finance (11.8 percent), a workforce with insufficient education (10.5%), electricity (9.5%), and corruption (9.1%) (World Bank, 2025b). Given how poorly managers evaluate their own practices, if management capability were included, it would probably be under-reported.

A readiness-based sequencing framework

Because a management tool only works when the institutional conditions it assumes are already present, tools should be arranged in order of prerequisite rather than reputation. Therefore, the framework is not a tool ranking according to merit but rather an ordering rule.

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Figure 2
Readiness-based sequencing of management tools



Note. Author's framework; Uzbek values from World Bank (2025b). Tier 1 shows the number of performance indicators monitored (score, 0–100) and Tier 2 the share of firms with formal training, each for Uzbekistan against the ECA average.

Figure 2 shows that each tier inherits the prerequisites of the tier below it: an ERP system installed without documented processes simply records undocumented processes, whereas a BSC requires monitored indicators before it can balance them. The readiness assessment is provided in Table 3 by mapping the Uzbek evidence onto the tiers.

Table 3
Readiness for management tools in Uzbekistan, by tier

Tier	Representative tools	Prerequisites	Uzbek evidence, 2024	Readiness
1. Foundational practices	Standard operating procedures, 5S, KPI monitoring, structured target-setting, management accounting	Internal discipline	Performance indicators monitored 20.8 and staff knowledge of targets 20.2 (ECA 46.6 and 41.9); action when problems arise 78.0 (ECA 77.8)	Partial: the largest measured gap, and the cheapest to close

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Tier	Representative tools	Prerequisites	Uzbek evidence, 2024	Readiness
2. Data-dependent tools	BSC, TQM and ISO 9001, benchmarking, CRM, zero-based budgeting, business process reengineering	Verified data, documented processes, trained staff	Formal training 19.3% of firms (ECA 36.2%); 7.7% of sampled firms certified and 27.9% audited; IFRS-certified specialists stretched by the mandate	Low
3. Ecosystem-dependent tools	Agile, OKR, advanced analytics, full-suite ERP, Internet of Things, enterprise-wide digital transformation	Competitive markets, managerial autonomy, specialised labour	State-owned enterprise assets about 101% of GDP; 1.7% of firms export directly; adoption concentrated in flagship state enterprises	Limited to enclaves of large state enterprises

Note. Management scores are on a 0–100 scale; certification and audit figures are unweighted sample shares. Source: author's assessment based on World Bank (2025b), Ministry of Economy and Finance (2026b) and IMF (2026).

Two patterns stand out. First, the largest measured gaps are in Tier 1 practices, which cost the least to adopt. Second, Tier 3 systems in major corporations receive the majority of investment and policy attention. Why this ordering is likely to fail and what a readiness-based ordering implies are discussed in Section 5.

Discussion

Ceremonial adoption in Uzbek firms

The Uzbek evidence fits the pattern that institutional theory predicts when pressure to adopt is strong and capacity to implement is weak. Manager bonuses tied to performance are more common in Uzbek businesses than in the average ECA economy, but performance monitoring is only half as common. Rewarding performance that is not measured is a formal structure decoupled from operational activity (Meyer & Rowan, 1977) or, in Kostova and Roth's (2002) terms, high implementation with low internalisation. Much of the pressure is coercive (DiMaggio & Powell, 1983). The form of modern management from above is dictated by requirements for corporate governance for joint-stock companies (President of the Republic of Uzbekistan, 2015), the IFRS mandate (President of the Republic of Uzbekistan, 2020a), and KPI-based evaluation of the executive bodies of state enterprises (President of the Republic of Uzbekistan, 2020b). However, the substance of modern management is dependent on capabilities that businesses slowly build up.

This interpretation is supported by the gap's persistence. In the comparison group it was in between 2008 and 2009, Uzbekistan came in last place. Even with the reforms that started in 2017, it still only reaches about three quarters of the regional average. The lower score of large firms points to the same mechanism. The WMS reveals that government-owned organizations are weakest in people management, where promotion by tenure and tolerance for underperformance are common (Bloom et

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al., 2014), and that large businesses are the most exposed to regulatory mandates and the legacy of state ownership. In the 2024 data, large Uzbek firms score 4.1 out of 100 on acting against under-performance (World Bank, 2025b).

Why skipping a tier fails

A specific failure is predicted by the framework: a limited effort underperforms when a tool is used before its prerequisites are met. Bain's data show the size of the penalty, with satisfaction 0.4–0.5 points lower for tools such as the Internet of Things and TQM when they are used in a limited rather than an organisation-wide way (Rigby & Bilodeau, 2018). A BSC fed with unverified data produces confident but unreliable numbers, and an ERP system installed without documented processes records undocumented processes. Tier-skipping is possible due to two additional mechanisms. Managers choose the tools that are visible and fashionable rather than the routines they lack because they misjudge their own practices (Bloom et al., 2014). And routine-less practices deteriorate: even after extensive consulting in India, approximately half of the adopted practices were eventually abandoned, primarily as managers changed (Bloom et al., 2020).

Implications

The implication for businesses is to construct Tier 1 first. The largest measured gaps can be addressed at a low cost with a small set of monitored indicators for output, quality, inventory, and cost, targets that staff members are aware of and can achieve, and regular reviews with consequences for persistent underperformance. This work is naturally owned by accounting departments because management accounting converts transaction data that firms keep for statutory and tax reporting into information that can be used to make decisions into the information needed for basic monitoring. After that, Tier 2 tools should be implemented across the entire organization, and ISO 9001 certification should complement rather than replace documented processes.

For government, the evidence favours building capability over mandating tools. In Colombian auto-parts manufacturers, group-based consulting increased management practices by 8-10 percentage points at roughly a third of the cost of individual consulting (Iacovone et al., 2022). In Mexico, consulting increased employment and the wage bill by approximately half over five years (Bruhn et al., 2018). This kind of program, which would be offered by business associations, would directly fill the Tier 1 gap. The state already compensates exporters for adopting international standards, supporting 235 exporters in obtaining 575 standards and certificates in 2023 (Ministry of Foreign Affairs of the Republic of Uzbekistan, n.d.); making that support conditional on documented Tier 1 practices would make certificates follow capability rather than stand in for it. Benchmarking firms against regional management scores would address the information problem that keeps managers unaware of their own gaps (Bloom et al., 2014). The strategy to reduce the number of state enterprises by 75% and strengthen their governance (President of the Republic of Uzbekistan, 2020b) is more important for advanced tools than any tool-specific program in the Tier 3 prerequisites.

The implication is to teach tools along with their prerequisites and failure modes for business education. Implementation, data quality, and management accounting ought to be covered in management and accounting curricula, along with tool descriptions and Uzbek case studies. The IFRS experience shows the scale of the task: the state has funded international certification for thousands of candidates since 2020 and has extended the scheme to 2028 (Ministry of Economy and Finance, 2026a), yet the pool of certified specialists remains small relative to the organisations the mandate covers.

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Limitations and further research

There are four main limitations to the study. First, the associations it reports are not causal estimates because it relies on secondary data and cross-sectional comparisons. Second, the Enterprise Survey's management indicators only cover businesses with 20 or more employees, so it probably overstates management quality in the economy as a whole. The certification and audit figures used here are unweighted sample shares. Third, the Enterprise Survey excludes fully state-owned businesses. Thirdly, Bain's respondents are self-selected and skew toward large businesses, and because the MOI and Enterprise Survey measures use different questions and scales, only Uzbekistan's relative position can be compared over time. Fourth, the three-tier framework is a conceptual synthesis that has not been tested statistically. Uzbek businesses should be surveyed on their use of tools and practices in future research, ideally using the WMS instrument, to see if businesses that follow the tier sequence improve more quickly.

Conclusion

Using Uzbekistan as an example, this paper asked why modern management tools frequently fail to deliver in developing nations and how they should be used. Its questions are answered by three findings. First, adopting tools is not the same as practicing good management: executives in emerging markets use the most tools, but their companies have the lowest measured management quality scores, and tools used for limited efforts underperform. Second, Uzbek businesses have been at or near the bottom of their comparison group in both direct measurements, finishing last out of twelve countries in 2008–2009 and 39.0 out of a regional 52.9 in 2024. The gap is primarily in terms of monitoring, targets, and consequences, but formal incentives are comparable to those in the region. Thirdly, there are still few requirements for data- and ecosystem-dependent tools, such as certification, audit, training, competition, and specialist skills.

The paper provides a response that is readiness-based and prioritizes foundational practices first, followed by data-dependent tools once verified data, documented processes, and trained staff are in place, and ecosystem-dependent tools in businesses that are already operating at the second tier as competition intensifies. For policy, this means moving away from mandating tools and toward building capability through management benchmarking, conditional certification support, group-based consulting, and ongoing state enterprise reform. The useful question for managers in Uzbekistan is not which management tool is the most advanced, but rather which management tool their organization is prepared to use.

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