



From VUCA to BANI: A Challenge of Strategic Environment for Higher Education in Indonesia

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Abstract. Pandemic of Covid 19 was a roller coaster pressure for any organization including but not limited to higher education especially in Indonesia. The pressure further than just an adaptation of education using digital based technology to overcome the problem of face-to-face learning. After the pandemic higher education in Indonesia mostly have used to operates in online (distance) learning method using variety of available platforms. However, this was seemingly a solution during the pandemic in term of learning efficiency but not quite sure of its effectiveness by means of quality of the learning. In reality, higher education must adapt to the fast-changing strategic environment in order to ensure their sustainability especially when strategic environment change rapidly. Before the pandemic it was familiar that the strategic environment faced by higher education broadly known as V.U.C.A. stands for volatility, uncertainty, complexity, and ambiguity. However, after the pandemic Covid 19 several variants of virus alike Covid 19 have emerged such as delta, omicron, and perhaps more to come, therefore strategic environment of V.U.C.A. may not be representable anymore to describe the situation. A new acronym that represent today strategic environment after the Covid 19 is now become popular with the acronym of B.A.N.I. stands for Brittle, Anxious, Nonlinear, and Incomprehensible.

Therefore, this paper will elaborate B.A.N.I. as new strategic environment as challenges or threats for higher education especially in Indonesia. This paper will elaborate scenarios for higher education institutions in Indonesia to overcome the situation. This paper uses experiential learning and literature study to describe the situation.

Keywords: BANI · VUCA · Disruption · Higher Education

1 Introduction

Pandemic of Covid 19 have been spreading to almost around the world and not sure when it will over. The pandemic has impacted to the operation of any organizations including but not limited to higher education institution (HEI). During the pandemic and before, the strategic environment was associated as Volatile, Uncertain, Complex, and Ambiguity (VUCA). This strategic environment was familiar also as VUCA world. In the VUCA world HEIs struggle to sustain their operation by adopting digital technology of distance learning, and using as many as digital platform to ensure their operation

efficiency. In doing so, HEIs have tried their best to ensure quality of education under control (acceptable by the situation). However, in reality, no one so sure that the quality of education is comparable with face-to-face learning. Today and the future, the VUCA world may not be relevant anymore to represent the today strategic environment faced by HEIs and many other organizations. Simply the uncertainty was not over yet and therefore VUCA world has changed to the so called Brittle, Anxious, Nonlinear, and Incomprehensible (BANI).

Considering the situation, this paper tried to explore the new strategic environment of BANI that may impact especially to HEIs in Indonesia.

2 Methodology

The method used in this paper was based on observation, author experience in the field of education, and literature study. By using this method, the author made subjective assessment and conclusion.

3 Strategic Environment

Strategic environment is a situation of environment (global, regional, or national) that has significant impact either positive or negative to organization goals and or objectives. Term of strategic environment is usually used in the context of state or defense. However, due to its impact, strategic environment can also be used for any organization other than state or defense. Strategic environment provides strategic value to formulate a strategy. Therefore, determining the right strategic environment will of course very important in formulating the right strategy. This paper identifies and discusses two broadly known important strategic environments i.e. VUCA and BANI. Both of them are actually a form of threat for HEI (Fig. 1).

3.1 Vuca

VUCA is an acronym of Volatile, Uncertain, Complex, and Ambiguity. This VUCA acronym indicates that situation of strategic environment that represent the situation.

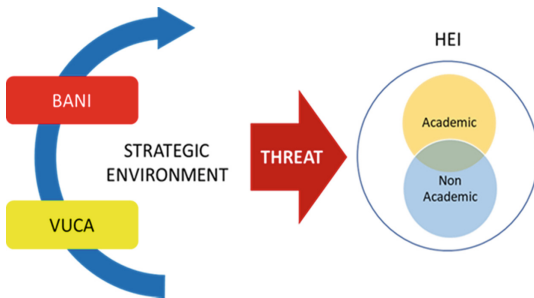


Fig. 1. Strategic Environment of VUCA & BANI as a Threat for HEI.

VUCA is simply a form of threats broadly known also as VUCA world. Consequently, the strategy of any organizations including but not limited to HEI must be developed to respond the VUCA. The strategic environment of VUCA was introduced in 1985 by Warren Bennis and Burt Nanus in their book *Leaders The Strategies For Taking Charge*. As it was introduced quite long time ago, then VUCA may not be relevant anymore or perhaps already obsolete to describe today strategic environment. During the VUCA world, Baskoro (2020) has identified several situations that gave impact to HEIs [3]. Among others, he further defined situation of VUCA related to industry 4.0 and pandemic Covid 19 [3]. The meaning of VUCA acronym can be explained below [6]:

V- Volatile

The unpredictable, unexpected, or unstable situation of change. As the condition is unstable therefore it is also a dangerous of threat. However, one may see on the other side of volatility as opportunity. In the volatile environment a clear vision is required.

U- Uncertain

Uncertainty can also mean a situation where there is incomplete information so that the answer become uncertain and unsure. This indicated our past experiences no longer relevant to predict probabilities of something that will happen. In this situation, we need to improve our understanding of situation.

C- Complex

Our strategic environment nowadays become so complex if it is compared to the past. We have nowadays more variety of problems, more magnitude, more intense, etc. So that in this situation if it is uncontrolled may lead to a chaos. In this situation we have to find ways to increase the clarity whether in communication or anything else.

A- Ambiguity

The strategic environment is increasingly confusing, unclear, and difficult to understand. In the situation like this, we need to put forward agility, and flexibility.

3.2 Bani

BANI is an acronym of Brittle, Anxious, Nonlinear, and Incomprehensible. This BANI acronym indicates a new situation that cannot be described anymore by VUCA because it was considered obsolete. This acronym was introduced by Jamais Cascio during in an IFTF (Institute of The Future) event. He indicated that the situation of strategic environment nowadays was not only unstable but also chaotic [5]. Unfortunately, VUCA and BANI have similarity that they are actually a form of threats with different type, magnitude, and or seriousness. The meaning of BANI acronym can be explained below [1]:

B-brittle

This indicates a situation of fragility. For example, in the fragile conditions, any business organizations risk of getting overnight bankruptcy due to the change of market and

customer behaviours. More than that in fragile environment no one can guarantee a stability of job, positions, business, etc. as they can collapse at any time. In this situation, a resilience is really needed.

A- Anxious

It is a situation of anxiety by people or organizations due to the fragility of the situation. This is actually fears of missing out (FOMO) or fear of left out or losing something. In today situation after covid 19, people and organization were used to face bad news and anxiety. For example, there is (exaggerated) information in digital media that categorized as hoaxes, and fake news, and more. The worst conditions of anxiety may lead to a depression and feel of helpless. In this situation, empathy and mindfulness are really important. Individual and Organization mindfulness can be defined simply by behaviour of Individual and Organization living in a present time. Organizational mindfulness refers to the extent to which an organization captures discriminatory detail about emerging threats and creates a capability to swiftly act in response to these details [8]. To overcome the anxiety, we need to foster a growth mindset. Growth mindset was that intelligence can continue to grow with time, effort, and perseverance [2]. People can continue to add and develop other abilities in addition to their basic abilities, which they consider only the starting point of their potential [2].

N- Nonlinear

It is defined as a situation where cause and effect has obvious connection. As we used to think in a logical thinking, a non-linear situation creates an ambiguity. For example, in a non-linear situation, a small cause can have enormous effects. There is a situation that difficult to predict, to plan, to forecast, and or to foresee the future. Therefore, individual or organization need to adapt and be flexible on this uncertain conditions.

I- Incomprehensible

It is actually a situation where our reasoning become unobvious. Usually our response and answer to situation not convincing and no longer make sense, and we don't understand why. Consequently, we don't have confident to our respond to the situation that lead to the block of creativity. Therefore, we have to practice confident in this situation by having enough courage to imagine.

4 HEI and Strategic Environment

The method used in this paper was based on observation, author experience in the field of education, and literature study. By using this method, the author made subjective assessment and conclusion.

4.1 Important Factors for HEI

Baskoro (2021) defined major factors of assessment before and during the pandemic were a) academic and b) non-academic. He indicated during the pandemic based on his subjective assessment that both factors were lower compared to the time before

Table 1. BANI vs Factors related to HEI

Strategic Environment	Factors related to HEI	Worst Case for HEI
B-Brittle	Stability and sustainability	Unstable leads to bankruptcy
A- Anxious	Organization dynamic	Stagnant and apathetic
N- Nonlinear	Leadership and management	Bureaucracy and rigid
I- Incomprehensible	Vision and idealism	No vision and idealism

Table 2. Assessment of factors related to HEI with BANI

Strategic Environment	Factors related to HEI	Assessment of HEI
B-Brittle	Stability and sustainability	Generally unstable
A- Anxious	Organization dynamic	Generally stagnant
N- Nonlinear	Leadership and management	Depends on the leader
I- Incomprehensible	Vision and idealism	Depends on the board

the pandemic. He also indicated that factors of non-academic suffered more than the academic factors.

Although the similar factors defined previously in Baskoro (2021) still applicable for the assessment [4]. However, this paper defines different factors of assessment merely related to organization, management, and leadership. This paper also identifies possible worst case when those factors are not managed properly.

4.2 Assessment of BANI to HEI

This paper defines assessment of HEI based on subjective evaluation from the author that observed primarily private HEI in Indonesia during and after the pandemic.

5 Discussion

Strategic environment of BANI has impacted directly or indirectly to HEI as indicated in Tables 1 and 2. Table 1 shows factors related to HEI due to BANI. The explanation of those factors are as follows:

In brittle environment, the stability of HEI operation that lead to sustainability will be the main concern. In the worst case situation for HEI due to threats in a brittle environment will be bankruptcy and out of business. It was observed that during and after pandemic some (private) HEIs in Indonesia showed an unstable operation merely due to degradation of student intake, migration to distance learning, poor digital literation of especially (senior) lecturers, etc. (Table 2). During and after the pandemic, most HEIs (prepared or unprepared) must operate in a distance learning education using available platform and methods. This was a kind of disruption in education that no one (both lecturer and student)

has experienced before. Consequently, those that cannot adapt in this new normal will not survive. In this brittle environment government, and management of HEI have tried their best to mitigate the risk by applying several initiatives for example financial support and tuition reduction scheme for student, technology support and training, and even the possibility for merger between HEIs. It was also observed that HEI with strong financial backup will be better to endure in brittle environment compared to those who were not.

In anxious environment both people and organization feel anxiety due to, among other, the risk of getting out of business. Naturally the anxiety will impact to organization dynamic. For example, due to the feeling of anxiety then energy to do or to innovate something will be lower compared to the normal condition. Not surprisingly that based on observation during and after pandemic, HEIs tend to be stagnant or stand still and the worst case become apathetic to the situation. Simply because people and organization don't want to do something they consider "risky".

In non-linear environment almost difficult to have reasoning of cause and effect in a logical thinking. Ambiguity of reasoning can impact in the difficulty to predict, to plan, to forecast, and or to foresee the future. In this uncertain situation, leadership and management in organization are challenged to find ways to ensure organization keep moving forward towards its vision. The assessment of HEI in this uncertain situation showed that leader plays a central role. Therefore, we observed that organizations that have a good leadership and management have overcome this situation creatively. So that negative impact due to the uncertain situation can be suppressed.

Similarly, especially in incomprehensible situation, vision and idealism of the board played a big role for HEI. We have observed that boards of HEI that have crystal clear vision and idealism have overcome the situation of BANI much better. The boards of HEI that have idealism not only able to mitigate and suppressed the risks but also unexpectedly still able to develop and make expansion of HEIs in this difficult time while others were struggling. The board play a big role not only in incomprehensible situation but in normal situation as well because vision and idealism of HEI depends on actually by the board. We have also observed that even HEI with very low tuition fee still able to manage operation, and expand the boundary because the board has very strong idealism and crystal clear vision.

6 Conclusion

This paper has concluded that HEIs in Indonesia were struggling in the VUCA world especially due to the pandemic. Moreover, in the new strategic environment of BANI that considerable heavier situation than VUCA, HEIs especially related to factors of academic and non-academic were struggling more to ensure their sustainability. Both VUCA and BANI were actually a serious threat for HEI (Fig. 1). This paper also concluded that HEIs still able to manage the operation and sustainability in the situation of BANI due to good leadership of the HEIs and the board. This leads to conclusion that idealism, vision, leadership and management were the key factors of success to overcome the uncertain strategic environment of BANI.

Finally, there is always a thousand way out of any problem. Always try to find the way.

7 Limitation

As the strategic environment is dynamic, therefore the situation is always changing according to the changing of strategic environment.

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