Implementation of Organizational Agility Model in Improving Sustainable PHEIs Competitive Advantage: Narrative Literature Review

Chriestine Ayu Ashari1*, Nuri Herachwati2
1 Postgraduate School Universitas Airlangga, Indonesia
2 Universitas Airlangga, Indonesia

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Abstract

In the rapidly evolving landscape of higher education, Private Higher Education Institutions (PHEIs) face multifaceted challenges in pursuing Sustainable Competitive Advantage (SCA). This narrative literature review delves into the implementation of the Organizational Agility (OA) model within PHEIs to enhance their competitive edge. The study aimed to comprehensively explore and assess the potential of OA in fostering sustained competitiveness among PHEIs. This review critically examined articles from the Scopus and Google Scholar databases through a narrative synthesis approach. Conducted in 2023, the systematic search employed the keyword "Organizational Agility" and encompassed English-language publications dating from 2012 to 2023. The selected articles were meticulously analyzed in alignment with the research objectives.

The synthesis of the reviewed literature underscores the paramount significance of OA for PHEIs striving to attain SCA. The findings highlighted various dimensions of OA—strategic agility, structural flexibility, process adaptability, cultural agility, technological readiness, and human resource agility—as instrumental in enhancing the competitiveness of PHEIs. The capacity for strategic flexibility empowers swift adaptation to volatile market conditions, while structural adaptability facilitates the alignment of internal structures with external exigencies. Process adaptability enables effective responses to shifts in academia, technology, and market dynamics. Cultural agility fosters innovation and collaboration, while technological readiness and human resource agility provide essential tools and skilled personnel to leverage emerging technologies and navigate fluid environments.

In conclusion, this narrative review underscores OA's pivotal role in fortifying SCA among PHEIs. By embracing diverse dimensions of OA, PHEIs can adeptly navigate challenges, seize opportunities, and realize sustainable competitiveness. The synthesis of findings elucidates that OA is a multifaceted approach propelling PHEIs to excel within the ever-evolving higher education landscape. This research points towards promising avenues for future inquiries, urging deeper exploration into specific OA dimensions, empirical investigations, and cross-cultural applicability.

Keywords Organizational Agility, Sustainable Competitive Advantage

INTRODUCTION

In today's dynamic and complex era, organizational agility has become a key factor in maintaining sustainability and success within rapidly changing business environments. Private Higher Education Institutions (PHEIs) are no exception to the demand for developing competitive organizational capabilities to achieve Sustainable Competitive Advantage (SCA) (Barrow, 2019). PHEIs need to respond to emerging challenges, such as technological advancements, changes in student preferences, increasingly stringent quality education standards, and intensifying competition. It is crucial for PHEIs to effectively adapt and develop organizational agility to optimize their organizational capabilities in order to create sustainable excellence. Enhancements in strategic, structural, cultural, and internal process aspects will significantly impact the position of PHEIs in the education market competition. By harnessing existing organizational potential, PHEIs have the opportunity to leverage emerging trends and design initiatives that are responsive to ongoing changes (Sardanto et al., 2018).
At this juncture, this research will delve into the challenges faced by PHEIs through the application of Organizational Agility, which possesses competitive capabilities to build a strong foundation in supporting highly dynamic changes. Moreover, this study will explore strategies that can be implemented to achieve Sustainable Competitive Advantage.

By understanding the background and the need for organizational agility, this research aims to provide valuable insights for PHEIs in facing a challenging yet opportunity-filled future. Based on the report from Statistics Indonesia, there were 3,107 higher education institutions across Indonesia in 2022. This number decreased by 0.25% compared to the previous year’s count of 3,115 units. The majority, totaling 2,982 units, consisted of private higher education institutions in Indonesia last year. This number is equivalent to 95.97% of Indonesia’s total higher education institutions in 2022. The remaining 125 units of higher education institutions in Indonesia were public universities.

The decline was due to the Ministry of Education, Culture, Research, and Technology (Kemendikbudristek) closing down 23 private higher education institutions in 2023, as the reasons for the revocation of operational permits for these 23 institutions were rooted in critical issues. Before revoking operational permits, Kemendikbudristek evaluated the situation and provided a six-month period for the 23 private higher education institutions to address their challenges. This action was taken after several serious reasons were identified in the operations of these campuses. Some of these reasons included diploma trading practices, fictitious learning activities, and misuse of the KIP Scholarship for Education Assistance. Despite being given a six-month period to rectify the issues, these institutions could not do so within the specified timeframe, resulting in the revocation of their operational permits.

In addition to revoking operational permits, Kemendikbudristek also initiated the merger of approximately 380 private higher education institutions. Over the past two years, around 600 small private higher education institutions were merged, a move undertaken by the government to uphold the quality of private higher education institutions. The decision to revoke the operational permits of these 23 private higher education institutions adds to the growing list of institutions that have ceased their operations. In the preceding year, 31 higher education institutions also had their operational permits revoked. These actions are part of efforts to enhance the quality of education and curb detrimental practices within the realm of higher education.

In addition, accreditation of Private Higher Education Institutions (PHEIs) in Indonesia also influences prospective students in determining their choice of study destination, as accreditation is a crucial consideration for potential students. Accreditation has become a benchmark for assessing quality in higher education institutions. It is noted that private higher education institutions require substantial support from the government to ensure their survival due to the increasingly competitive landscape for admitting new students. This situation arises from the opening of independent enrollment pathways in Public Higher Education Institutions, causing smaller private higher education institutions to feel that they only receive new prospective students after the admission process in Public Higher Education Institutions concludes. This scenario does not apply to larger private higher education institutions, especially those with an A (Excellent) accreditation status. The majority of small private higher education institutions struggle to compete directly and opt to wait for the overflow of prospective students from Public Higher Education Institutions.

Previous research has emphasized the crucial perspectives related to higher education development, focusing on enhancing service quality, transparency, and alignment with institutional vision and mission. In this context, several development strategies have been identified as essential steps that higher education institutions can undertake, including mergers and acquisitions between institutions and establishing branch campuses in strategic locations to
achieve a larger scale or broader market reach. The speed of decision-making, operational flexibility, and adaptability to change are also recognized as crucial factors in enhancing a company's competitiveness. The interplay between organizational agility, open innovation, and competitive advantage can be employed in the development of organizational strategies. Organizational agility refers to an organization's ability to respond to organizational dynamics. Therefore, through an in-depth analysis of various factors influencing organizational capabilities in private higher education institutions, this research aims to provide practical guidelines to assist these institutions in implementing Organizational Agility for sustainable competitiveness. By doing so, private higher education institutions can respond more effectively to the dynamics of the educational environment and position themselves as key contributors to quality, innovative education, thereby significantly contributing to societal and national development.

This study offers a comprehensive overview of implementing Organizational Agility in Private Higher Education Institutions to achieve Sustainable Competitive Advantage. Therefore, this research addresses the growing significance of Organizational Agility in the education landscape in Indonesia, particularly for PHEIs accredited as 'B'. This is particularly relevant due to the rapidly changing and evolving landscape, as organizations with higher levels of agility are better equipped to navigate market changes and maintain their long-term competitiveness.

LITERATURE REVIEW

The challenges faced by Private Higher Education Institutions (PHEIs) are becoming increasingly complex in their pursuit of Sustainable Competitive Advantage (SCA) amid rapid changes and intense competition. One approach to address these challenges is through the implementation of the Organizational Agility (OA) model. This model aims to enhance the flexibility, adaptability, and responsiveness of PHEIs to changes, enabling them to remain relevant and competitive in a dynamic educational environment.

Implementing the Organizational Agility model in PHEIs has significant implications for enhancing the institution's ability to respond to changes. A study by Chen et al. (2019) found that PHEIs adopting organizational agility principles possess the capability to swiftly identify opportunities and challenges, design and implement relevant strategies, aiding in adapting to market dynamics and student needs.

Furthermore, the Organizational Agility model encourages PHEIs to foster a culture of innovation and collaboration. In the era of digital transformation and Industry 4.0, PHEIs need the capacity to generate novel ideas and collaborate with various stakeholders to optimize the utilization of technology and resources. Research findings by Smith et al. (2021) revealed that PHEIs implementing agility principles are more inclined to engage in collaborative projects and produce innovations that enhance the quality of education.

The implementation of the Organizational Agility model also leads to an improved student experience in PHEIs. Institutions capable of swift responses to change can offer students more relevant and appealing educational programs. A study by Lee and Tan (2020) demonstrated that agile PHEIs optimize technology use in teaching, providing students with interactive and technology-based learning experiences. However, several challenges are encountered, including change resistance, resource constraints, and complexity in altering organizational culture. Wang et al. (2018) emphasized the importance of leadership support and organizational awareness in understanding the benefits of agility.

In conclusion, the adoption of the Organizational Agility model holds promising potential for Private Higher Education Institutions to address challenges and enhance their competitiveness. By embracing agility principles, institutions can adeptly respond to changes, foster innovation, and improve the student experience. Nevertheless, effective implementation requires overcoming
challenges such as cultural shifts and resource limitations, with leadership support and organizational understanding playing pivotal roles in successful adoption.

RESEARCH METHOD
This study constitutes a narrative literature review on the implementation of Organizational Agility in private higher education institutions and Sustainable Competitive Advantage through literature exploration from various sources, such as scholarly journals and relevant articles, across diverse contexts. The manuscript is divided into two main topics, focusing on both aspects. This narrative review does not employ a systematic approach like a systematic literature review (SLR). Nonetheless, in filtering these articles, researchers conducted a systematic search using the keywords "Organizational Agility, Sustainable Competitive Advantage". Apart from keywords, researchers limited articles to the English language only. The article search was conducted on July 21, 2023, and was restricted to publication years between 2012 and 2023. The articles utilized were sourced from the Scopus and Google Scholar databases.

The search yielded eight relevant articles. Researchers employed a two-stage data collection technique based on journal articles, including filtering titles to abstracts and removing irrelevant publications, then reading full texts to identify studies meeting eligibility criteria (Frandsen et al., 2021). Data was extracted by categorizing and inputting data into tables (appendices). Researchers employed narrative synthesis to summarize the evidence.

FINDINGS AND DISCUSSION
Higher education, as one of the fundamental pillars of societal and economic development, has undergone significant changes in line with global demands and social dynamics evolution. According to Menon and Suresh (2021), universities play a central role in producing a quality workforce and contributing to innovation and knowledge development. Private Higher Education Institutions (PHEIs) hold a crucial role in this context as institutions that can contribute to meeting the increasingly diverse and complex higher education needs. The demand for quality higher education access has significantly increased with the development of knowledge-based societies. AlNawafleh et al. (2022) revealed that PHEIs are expected to respond to this demand by providing relevant educational programs aligned with industry and technological advancements.

However, challenges arise not only from the demand aspect but also from the intensified competition among universities. Alharbi (2021) noted that PHEIs need to compete with other institutions to attract students, produce quality research, and make tangible contributions to society. Technological transformation has also altered the higher education landscape, as Taji et al. (2016) stated, where PHEIs are expected to integrate technology into the learning and institutional management processes.

In facing these challenges, PHEIs are required not only to survive but also to achieve Sustainable Competitive Advantage (SCA). This is emphasized by Besanko et al. (2000), who state that SCA occurs when an institution generates higher economic value compared to its competitors. In this context, achieving SCA refers to an institution’s ability to remain relevant, innovative, and provide sustained value to all stakeholders.

This procedure involves planned and directed changes aligned with the organization’s mission over a specific time frame (Gibson et al., 1994). Development has a dynamic nature, thus requiring strategic adjustments that fit. Organizational development strategies involve aligning the organization’s mission, competencies, human resource capacity, and the organizational environment. These strategies serve as guiding actions to achieve and maintain superior performance compared to competitors in pursuing organizational goals. As a holistic discipline, strategic management integrates strategy analysis, formulation, and implementation to achieve
By analyzing various relevant aspects of organizational agility, this study aims to provide valuable insights and recommendations for PHEIs to navigate the ever-evolving dynamics of higher education and identify strategies to adopt in facing challenges and seizing opportunities to attain Sustainable Competitive Advantage. The alignment between resources and the level of development that universities aim for can be planned by adapting to future changes. The development process refers to applying an entire system and transmitting knowledge in behavioral science to produce planned improvements, reinforcement, and perfection of strategies, structures, and processes. This aims to guide the organization towards the desired effectiveness (Cummins & Worley, 2018). In the same framework, development strategy is depicted as a process to enhance organizational health and effectiveness by combining organizational goals and individual aspirations for growth.

In this dynamic era, PHEIs need to deeply understand what organizational agility entails. This involves understanding the importance of flexibility, effective teamwork, quick problem-solving, and the ability to adapt to market changes, technology, and student needs. Assessing the Current State of PHEIs, especially those still accredited as B, must comprehensively evaluate the current state, including organizational structure, work culture, operational processes, and existing adaptability. Identifying areas requiring improvement to enhance organizational agility is essential. PHEIs need to foster a culture that supports organizational agility. This could involve promoting collaboration, creative initiatives, measured risk-taking, and embracing change.

Development of Employee Skills and Capabilities: Developing employee skills and capabilities in facing challenges and changes is key. PHEIs should provide relevant training and development, including soft skills like communication, teamwork, and leadership. In Technology Use and Innovation, PHEIs can harness technology to enhance operations and student experience. This includes utilizing online learning platforms, data analysis for decision-making, and implementing cutting-edge technology across various aspects of the institution. Development of a Flexible Organizational Structure, Measurement, and Performance Evaluation, Stakeholder Engagement, which involves various stakeholders, including students, faculty, staff, and external stakeholders, in the planning and development processes will help generate new ideas and support the implementation of the organizational agility model. It is important to note that Organizational agility is not an end goal but an ongoing process. PHEIs need to continuously monitor and adjust strategies and tactics to ensure sustainable competitive advantage.

By implementing the organizational agility model, PHEIs can enhance their adaptability, respond to market changes faster, identify new opportunities, and ultimately achieve a sustainable competitive advantage that sets them apart in the increasingly competitive higher education industry. In achieving all of this, the government’s contribution is expected to promote the corporatization of university management by providing financial, institutional, and protection support equivalent to that of public universities. By addressing inequality in access and quality of higher education and promoting university transformation into quality and excellence-oriented entities, Indonesia has the opportunity to create a competitive and innovative educational environment on a global scale.

Although efforts have been made to corporatize some PHEIs, the stigma of managing universities as business entities remains. This view contrasts with the reality that wealthy families worldwide tend to choose competitive universities, regardless of costs. Therefore, a change in societal perspective and policy stakeholders towards the concept of corporatizing PHEI management is needed, aligning to enhance higher education quality, global competitiveness, and potential for attracting international students and revenue for the country.
Based on the data obtained regarding the number of new students and the dropout rate, private higher education institutions (PHEIs) can immediately work on identifying strategies used to achieve Sustainable Competitive Advantage (SCA), including:

a. **Strategic Agility.** Proficiency in strategic management is crucial. Barney and Hesterly (2009) state that organizations need the capability to formulate and implement strategies that respond to environmental changes. In the context of education, Kaplan and Norton (2008) emphasize the importance of implementing the Balanced Scorecard to measure and manage the strategic performance of PHEIs holistically.

b. **Structural Agility.** According to Falletta (2005), structural agility involves the organization’s ability to reorganize its structure and internal components in line with changes. Kezar and Eckel (2002) underline the importance of decentralized structures in facilitating innovation and adaptation amid changing academic and administrative demands in higher education.

c. **Process Agility.** In their book "The Agile University" (2016), Jarvenpaa and Leidner highlight the significance of responsive processes in university management. They describe how PHEIs need to change curriculum arrangements, student recruitment, and administrative management to align with changing needs and demands.

d. **Cultural Agility.** Organizational culture plays a pivotal role in adapting to change (Cameron & Quinn, 2011). PHEIs should cultivate a culture of innovation and continuous learning that supports interdisciplinary teamwork, as West and Sacramento (2012) emphasized in their research on innovation in higher education.

e. **Technological Agility.** In a technological context, Brown and Lippincott (2003) stress the importance of adapting technology in higher education to support more effective learning. Additionally, Bates (2015) underscores the necessity of integrating technology into responsive teaching strategies.

f. **Human Resource Agility.** According to Fitz-Enz (2000), human resource management should support organizational adaptation. In the higher education environment, Slaughter and Rhoades (2004) argue that human resource management should focus on faculty and staff development and proper recruitment to meet changing educational demands.

In developing PHEIs, resources become a critical factor. These resources include physical, human, intellectual, and financial assets. PHEIs must harness these resources to achieve success in development. Physical resources encompass tangible assets such as buildings and inventory. Human resources involve educators and college members. Intellectual resources involve the college’s reputation, patents, copyrights, and partnerships. Financial resources encompass all funding sources. Restructuring significantly impacts colleges through governance changes involving mergers. This requires substantial resources and government support. Opening new branches in different regions is a development strategy requiring substantial investment. However, it can open profit and development opportunities.

**CONCLUSIONS**

In today's dynamic and competitive era, Private Higher Education Institutions (PHEIs) must adopt innovative and adaptive approaches to maintain competitiveness and relevance. Through implementing the Organizational Agility model, this narrative literature review reveals several key findings in enhancing PHEIs' achievement of Sustainable Competitive Advantage (SCA). Academic pressure is a significant factor within the higher education environment, affecting both students and faculty. This pressure can stem from various sources, including academic expectations from parents, teachers, institutions, as well as competition and demands from the external environment.
Implementing the Organizational Agility model can serve as an effective strategy to enhance Sustainable Competitive Advantage.

This model involves strategic, structural, process, cultural, technological, and human resource agility. By adopting this approach, PHEIs can more swiftly and effectively adapt to market changes, technological advancements, academic needs, and cultivate a culture that supports innovation and collaboration.

This study also highlights the importance of coping strategies in addressing the academic pressures faced by both students and faculty. Academic pressure can lead to negative impacts, such as emotional exhaustion, parent-child conflicts, and detrimental behaviors. Hence, effective coping strategies become pivotal in mitigating negative effects and maintaining individual well-being.

A limitation of this study is its non-systematic methodology in selecting the reviewed articles, making it difficult to replicate for future researchers. The narrative literature review is structured based on the author's line of thought with evidence from the analyzed articles, potentially introducing subjective bias according to what the researcher finds intriguing or controversial. However, this writing has strived to present an objective overview of the prepared review.

Recommendations for future research, although this literature review provides valuable insights, there are still areas that can be further explored in future research. Further studies can be conducted to identify concrete implementations of the Organizational Agility model in PHEIs, focusing on practical experiences and achieved outcomes. Additionally, exploration can be undertaken on how an organizational culture supporting innovation can be effectively implemented within the higher education.

APPENDIX A. Article Source

Table 1. Article Source

<table>
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<tr>
<th>Author</th>
<th>Title</th>
<th>Method</th>
<th>Findings</th>
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<tbody>
<tr>
<td>Alharbi G.A.</td>
<td>Organizational agility to counter coronavirus implications in emerging Saudi universities (2021)</td>
<td>This article is a study on the concept of organizational agility in new universities in Saudi Arabia facing the impacts of the COVID-19 pandemic. The author employs a literature analysis approach to identify the factors influencing organizational agility in confronting pandemic challenges.</td>
<td>This research identifies that organizational agility plays a crucial role in mitigating the impacts of the COVID-19 pandemic in new universities in Saudi Arabia. Factors such as quick adaptation to market changes and opportunities, the development of responsive business strategies, and innovation capability are important factors in achieving sustainable competitive advantage.</td>
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Daradkah A.M., Alotaibi T.K., Fadhlallah S.S., Badarneh H.A. 

Organizational Agility among Academic Leaders at Umm Al-Qura University & Ajloun National University: Faculty Members’ Perspective (2023)

This article conducts an analysis of organizational agility at Umm Al-Qura University and Ajloun National University from the perspective of faculty members. The author employs a literature review and research approach to identify factors that influence organizational agility from the faculty members’ standpoint. This research reveals the factors influencing organizational agility from the perspective of academic staff at these two universities. Factors such as adapting internal structures, the ability to adjust to changing academic needs, and innovation capabilities are crucial aspects in achieving sustainable competitive advantage.

Mukerjee S.

Organizational agility in universities: Tensions and challenges (2014)

This book chapter discusses the challenges and tensions that arise in implementing organizational agility within a university environment. The author employs a conceptual analysis approach to identify differences in perceptions and potential barriers that may emerge when attempting to apply the concept of organizational agility in the context of higher education. This article outlines the challenges and obstacles that can arise when universities strive to adopt and implement the concept of organizational agility. Factors such as differences in perception and resistance to change are the focus of the author’s analysis.


Enhancing The Sustainability Performance Through E-HRM And Unveiling Of The Labour Productivity And Organizational Agility In The Jordanian Public Universities (2022)

This article conducts an analysis on enhancing sustainable performance through E-HRM (Electronic Human Resource Management) and disclosing workforce productivity and organizational agility in public universities in Jordan. The author employs a research approach and literature analysis to identify the relationship between E-HRM, workforce productivity, and organizational agility in public universities in Jordan. This article reveals that the implementation of E-HRM has the potential to enhance sustainable performance and organizational agility in public universities in Jordan. The utilization of technology in human resource management can impact workforce productivity as well as the university’s ability to respond to changes quickly and effectively.
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<tr>
<th>Authors</th>
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<th>Summary</th>
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<tr>
<td>Menon S., Suresh M</td>
<td>Factors influencing organizational agility in higher education (2021)</td>
<td>This article discusses the factors that influence organizational agility in higher education. The author employs a literature analysis approach to identify and analyze the factors contributing to an organization's ability to adapt and respond to changes within the higher education environment.</td>
</tr>
<tr>
<td>Taji M., Siadat S.A., Hoveida R.</td>
<td>Identification and ranking of key factors influencing organizational agility implementation on Total Quality Management (TQM) in universities (2016)</td>
<td>This article discusses the identification and ranking of key factors that influence the implementation of organizational agility within total quality management (TQM) in universities. The authors use a research approach to identify factors contributing to the successful implementation of organizational agility within TQM.</td>
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<tr>
<td>Ahmad Jameel, Afsheen Fatima, Muhammad Jawad Iqbal, Nabeel Anwar, Sundas Rauf</td>
<td>Organizational agility and HRM strategy: Do they really enhance firms’ competitiveness? (2017)</td>
<td>This article discusses the relationship between organizational agility and human resource management (HRM) strategies in enhancing a company's competitiveness. The author employs a literature analysis approach to explore the existing literature regarding this relationship.</td>
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Knowledge management processes and sustainable competitive advantage: An empirical examination in private universities (2019)

This article is the result of an empirical study aimed at examining the relationship between knowledge management processes and sustainable competitive advantage in private universities. The authors employed a survey method to collect data from respondents in several private universities.

This study’s results indicate a positive relationship between knowledge management processes and sustainable competitive advantage in private universities. Effective knowledge management processes can assist universities in creating sustainable competitive advantages by optimizing the utilization of knowledge and internal resources.

REFERENCES


Iran. *Asian Social Science, 12*(7), 105–118.


