Available on: https://jmrr.ep-journals.org/ E-ISSN: 3051-3588, P-ISSN: 3051-357X

Journal of Management Research and Review

Volume: 02 Issue: 07 July-2026

Strategic Management of Regional Development in Indonesia: A Systematic Literature Review

Robert Tua Siregar
Department of Economics and Business, Universitas Prima Indonesia, Medan, Indonesia

Syahrul Gunawan
Universitas Islam 45 (UNISMA) Bekasi, Bekasi, Indonesia

Published Date: July 24, 2026 **Article DOI: 10.65150/EP-jmrr/V2E7/2026-09**

ABSTRACT

Background. Indonesia's decentralised governance has devolved substantial authority to sub-national governments, yet regional development outcomes remain spatially uneven and institutionally fragmented.

Purpose. This review synthesises how strategic management is conceptualised and applied in Indonesian regional development, and how governance, public policy, and sustainability considerations shape that practice.

Method. Following PRISMA 2020, a Scopus search returned 486 records; after screening by document type, language, publication window (2021–2026), and thematic relevance, 62 English-language articles and reviews were synthesised through bibliometric description and thematic analysis.

Results. Five interlocking themes emerged: strategic management in regional development, governance and institutional capacity, public policy, sustainable development, and digital transformation. The evidence shows that strategy in Indonesian regions is enacted less through formal planning documents than through the interplay of institutional capacity, multi-level coordination, and stakeholder collaboration.

Implications. Strengthening dynamic capabilities, aligning fiscal and regulatory instruments, and institutionalising collaborative governance are pivotal for translating regional plans into measurable development gains.

Originality. The study offers the first theory-driven synthesis integrating the resource-based view, dynamic capabilities, institutional theory, and stakeholder theory to explain strategic regional development in a large decentralised emerging economy, and proposes a forward-looking research agenda.

KEYWORDS: strategic management, regional development, collaborative governance, public policy, sustainable development, Indonesia

INTRODUCTION

Regional development has re-emerged as a central concern of contemporary strategic management because the competitiveness of nations is increasingly decided at the sub-national scale, where firms, governments, and communities co-produce value. Across the global South, the devolution of authority to regions has been promoted as a route to responsive service delivery and locally grounded growth. In practice, however, decentralisation has generated markedly heterogeneous outcomes, with some regions converting new autonomy into cumulative advantage while others remain locked in dependence and administrative fragility. This divergence has sharpened scholarly interest in how sub-national actors formulate, resource, and execute development strategy under conditions of institutional complexity and resource scarcity.

Indonesia offers an especially instructive setting. Since the "big bang" decentralisation of the early 2000s, the archipelago has distributed considerable fiscal and administrative authority across more than five hundred provincial, district, and municipal governments. Two decades on, regional autonomy has undeniably widened the space for local initiative, yet it has also exposed persistent gaps in planning quality, coordination, and implementation capacity. Ambitious regional medium-term development plans frequently coexist with weak execution, so that the strategic intent articulated in policy documents is only partially realised on the ground (Hudalah et al., 2022; Rindrasih & Saputra, 2025). The result is a landscape in which development performance is shaped less by the existence of plans than by the institutional and managerial capabilities that determine whether plans are translated into outcomes.

Current debates on Indonesian regional development converge on several unresolved tensions. First, the alignment between national strategic priorities and regional agendas remains loose, producing duplication and misdirected investment (Permana et al., 2026; Utami et al., 2026). Second, uneven institutional capacity constrains the ability of many local governments to mobilise resources, coordinate stakeholders, and manage complex programmes (Burhanuddin et al., 2024; Rusdi, 2026). Third, the imperative of sustainability has added a further layer of strategic difficulty, requiring regions to reconcile growth with environmental stewardship and social inclusion (Putra et al., 2024; Setiawan et al., 2025). Finally, digital

License: This is an open access article under the CC BY 4.0 license: https://creativecommons.org/licenses/by/4.0/

transformation has begun to reconfigure how regions plan, deliver services, and engage citizens, yet adoption is fragmented and often disconnected from strategic goals (Koniyo et al., 2026; Rusmini et al., 2025).

Despite a growing empirical literature, the field remains theoretically fragmented. Studies tend to examine governance, policy, sustainability, or digitalisation in isolation, and comparatively few explicitly mobilise strategic management theory to explain why regional development trajectories diverge. The strategic management lexicon—resources, capabilities, positioning, and stakeholder alignment—is rarely brought to bear systematically on the Indonesian regional context, leaving a conceptual gap between development studies and management scholarship. This review addresses that gap by consolidating dispersed evidence within an explicit strategic management frame.

Accordingly, the study pursues three objectives: to map the intellectual structure and thematic composition of recent Scopus-indexed research on strategic management of Indonesian regional development; to synthesise substantive findings across the dominant themes; and to develop a theory-informed agenda for future research and practice. Three questions guide the review. RQ1: How is strategic management conceptualised and enacted in Indonesian regional development? RQ2: Which governance, policy, sustainability, and digital factors condition strategic outcomes across regions? RQ3: What theoretical and practical directions can advance strategic regional development in decentralised emerging economies?

The contribution to strategic management is threefold. Conceptually, the review extends resource-based, dynamic-capability, institutional, and stakeholder perspectives from the firm to the region, treating the sub-national government and its partners as a strategic actor embedded in a multi-level system. Empirically, it provides a structured, PRISMA-based synthesis of contemporary evidence from a major decentralised economy. Practically, it distils implications for managers, planners, and policymakers charged with converting regional strategy into sustainable development outcomes.

LITERATURE REVIEW

Strategic management and the region as a strategic actor

Strategic management is conventionally concerned with how organisations secure durable performance by aligning internal resources with external opportunities. Transposed to the regional scale, the perspective treats a sub-national government and its network of partners as a collective strategic actor that must position its territory, allocate scarce resources, and adapt to shifting environments. Recent Indonesian scholarship reflects this move, framing regional growth as the product of deliberate strategy rather than exogenous endowment (Sitorus et al., 2025; Widodo et al., 2024). Yet the literature also cautions that strategy at the regional scale is diffused across many actors and tiers of government, so that intent and execution are frequently decoupled (Hudalah et al., 2022).

Regional development and sustainable development

Regional development is increasingly understood as a multidimensional process encompassing economic growth, spatial equity, and ecological resilience. The sustainability turn has reframed the objective from maximising output to balancing prosperity, inclusion, and environmental integrity, a shift crystallised in efforts to localise the Sustainable Development Goals within regional planning (Putra et al., 2024). Empirical work in Indonesia demonstrates both the promise and the difficulty of this integration, whether in reconciling energy transitions with regional economies (Surya et al., 2021; Setyowati & Quist, 2022) or in embedding ecological governance within growth strategies (Setiawan et al., 2025). Sustainability thus operates simultaneously as a goal and as a constraint that reshapes strategic choice.

Public governance, public policy, and collaborative governance

Governance denotes the structures and processes through which collective decisions are made and implemented across state and non-state actors, while public policy provides the instruments—regulatory, fiscal, and organisational—through which strategy is enacted. In decentralised Indonesia, the quality of regional regulation and fiscal capacity is a demonstrable determinant of economic performance (Permana et al., 2026), and policy implementation gaps recur as a binding constraint (Hartono et al., 2026; Hafid, 2026). Collaborative governance—the pooling of authority and resources across government, business, community, and academia—has become a favoured response to this complexity, evident in smart-city and corridor-development initiatives (Noor, 2022; Djais et al., 2024) and in deliberative innovations that widen citizen participation (Tresiana et al., 2023). The collaborative turn signals that regional strategy is co-produced rather than dictated.

Theoretical lenses: institutional theory, RBV, dynamic capabilities, and stakeholder theory

Four theories anchor the analytical framework of this review. Institutional theory explains how formal rules and informal norms shape the legitimacy and behaviour of regional actors, illuminating why capacity and regulatory quality vary so widely across Indonesian regions (Ali et al., 2023; Utami et al., 2026). The resource-based view (RBV) interprets regional advantage as the outcome of valuable, rare, and hard-to-imitate resources—natural assets, human capital, and infrastructure—that regions must identify and protect (Alam et al., 2026; Khoeriyah et al., 2025). Dynamic capability theory extends this logic to change, emphasising a region's ability to sense opportunities, seize them, and reconfigure its resource base in response to shocks such as pandemics, climate risk, and technological disruption (Kolopaking et al., 2022; Nainggolan et al., 2024). Stakeholder theory foregrounds the plurality of interests that regional strategy must reconcile, from farmers and fishers to firms and civil society (Mudzakir et al., 2024; Soedarto & Hendrarini, 2025).

Conceptual synthesis

These perspectives are complementary rather than competing. Institutional conditions set the rules within which regions accumulate and deploy resources; the RBV identifies the strategic stock of assets a region controls; dynamic capabilities determine whether that stock is renewed and recombined as conditions change; and stakeholder relations shape whose interests are served and how legitimacy is sustained. Governance and public policy are the mechanisms that convert this configuration into action, while sustainability and digital transformation act as contemporary forces that simultaneously pressure and enable strategic renewal. The review therefore proposes an integrative proposition: regional development performance in Indonesia is a function of institutionally embedded resources, activated through dynamic capabilities and collaborative governance, and directed by policy toward sustainable ends. This synthesis frames the thematic analysis that follows.

License: This is an open access article under the CC BY 4.0 license: https://creativecommons.org/licenses/by/4.0/

MATERIALS AND METHODS

Research design

The study adopts a systematic literature review (SLR) governed by the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) 2020 statement, complemented by a bibliometric description and a qualitative thematic synthesis. The SLR design was selected because it offers a transparent, replicable procedure for consolidating a dispersed body of evidence and for exposing patterns that individual studies cannot reveal. The review integrates quantitative mapping of the corpus with interpretive synthesis, enabling both descriptive breadth and analytical depth.

Data source, search strategy, and Boolean query

Scopus was used as the sole bibliographic database because of its broad coverage of peer-reviewed management, development, and policy scholarship and its consistent, structured metadata, which supports reproducible querying. The search was executed on the title, abstract, and keyword fields. The publication window spanned 2015–2026, restricted to English-language articles and reviews. The exact Boolean query is reproduced below.

TITLE-ABS-KEY("regional development" OR "regional planning" OR "regional policy" OR "local development") AND ("strategic management" OR "development management") AND ("sustainable development" OR sustainability) AND (governance OR "public policy") AND (Indonesia OR Indonesian)) AND PUBYEAR > 2014 AND (LIMIT-TO(DOCTYPE,"ar") OR LIMIT-TO(DOCTYPE,"re")) AND (LIMIT-TO(LANGUAGE,"English"))

Inclusion and exclusion criteria

Studies were included when they were peer-reviewed journal articles or reviews, written in English, published between 2021 and 2026, and substantively concerned with strategic management, governance, public policy, sustainability, or digital transformation in the context of Indonesian regional or local development. The 2021–2026 window was applied at the eligibility stage to concentrate the synthesis on the contemporary strategic landscape shaped by the Sustainable Development Goals decade of action, pandemic recovery, and accelerating digitalisation. Studies were excluded when they were conference papers, book chapters, books, editorials, or errata; when they were not in English; when they fell outside the eligibility window; or when their focus was tangential to strategic regional development (for example, purely technical or clinical studies with no governance, policy, or strategic dimension).

Screening, eligibility, and final selection

The initial query returned 486 records. Because a single database was used, no duplicates required removal. During screening, 227 records were excluded on document type (conference papers, book chapters, books, editorials, and errata) and a further 2 on language, leaving 257 English-language articles and reviews. At the eligibility stage, 53 records published between 2015 and 2020 were excluded to enforce the contemporary window, yielding 204 records for full assessment of titles, abstracts, and keywords. A relevance and quality screen then removed 142 records that lacked a substantive strategic, governance, policy, or sustainability focus on Indonesian regional development, producing a final corpus of 62 studies for synthesis. The selection is depicted in the PRISMA flow diagram (Figure 1).

Data extraction and quality assessment

A structured extraction template captured bibliographic metadata (authors, year, source title, and DOI), study context and region, theoretical orientation, methodological approach, and principal findings. Quality was appraised on four criteria adapted to review synthesis: clarity of research aims, appropriateness and transparency of method, contextual grounding in the Indonesian regional setting, and explicit contribution to strategic, governance, policy, or sustainability debates. Because all sources were Scopus-indexed articles and reviews that had passed peer review, and priority was given to higher-ranked outlets, the corpus met an acceptable quality threshold for inclusion.

Bibliometric description and thematic synthesis

The corpus was first characterised quantitatively by year of publication and methodological approach (Tables 2 and 3). It was then analysed qualitatively using a three-stage thematic procedure: open coding of study aims and findings, aggregation of codes into candidate themes, and consolidation into five substantive themes plus a forward-looking synthesis (Table 4). This mixed descriptive–interpretive strategy underpins the results reported in the next section.

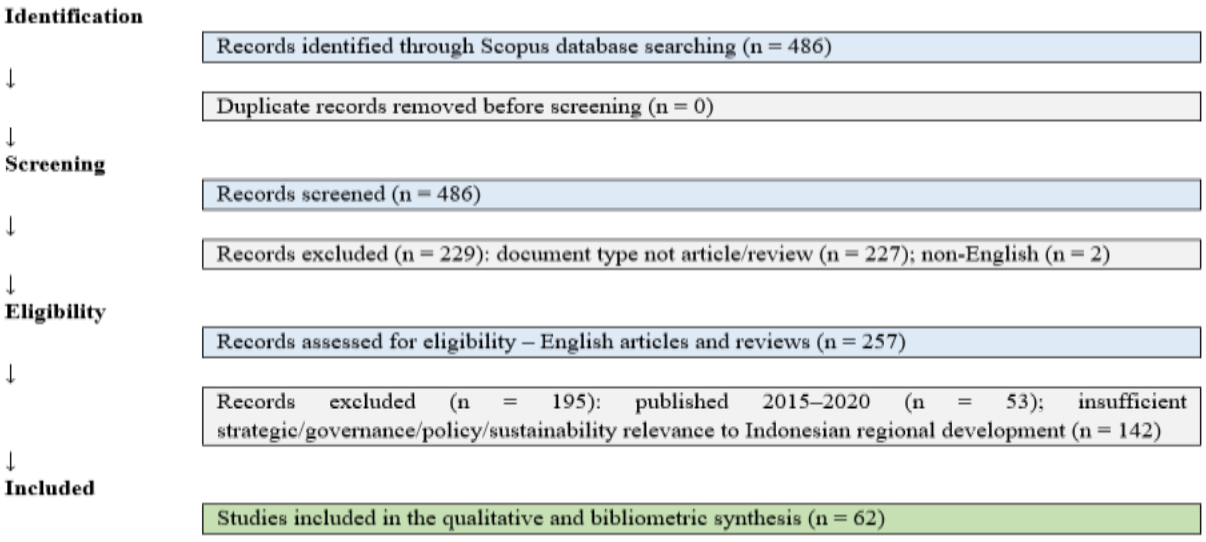


Figure 1. PRISMA 2020 flow diagram of the study selection process.

License: This is an open access article under the CC BY 4.0 license: https://creativecommons.org/licenses/by/4.0/

RESULTS

Bibliometric profile of the corpus

The 62 included studies display a pronounced concentration in the most recent years, with 38 of 62 (61 per cent) published in 2025 and 2026, signalling an accelerating scholarly interest in strategic regional development in Indonesia. Table 2 reports the distribution by publication year. Methodologically, the corpus is dominated by qualitative case studies and spatial or model-based analyses, with a smaller stream of quantitative and mixed-methods work and a handful of dedicated reviews (Table 3). The prevalence of case-based and spatial designs reflects a field that privileges contextual depth and place-specific evidence over large-N generalisation. Table 1 summarises the characteristics of a representative subset of studies spanning the five themes.

Table 1. Characteristics of a representative subset of included studies.

Study	Context / focus	Region	Method	Key contribution
Hudalah et al. (2022)	State rescaling and megaproject planning	Java	Qualitative	Explains decoupling of strategic intent and execution
Surya et al. (2021)	Growth model and renewable energy	South Sulawesi	Quantitative	Links regional growth to energy sustainability
Noor (2022)	Collaborative governance, smart city	Balikpapan	Qualitative	Frames smart-city governance for regions
Nainggolan et al. (2024)	Multilevel governance, climate	Coastal/mangrove	Qualitative	Advances climate-compatible development
Putra et al. (2024)	SDG integration into regional plans	National/regional	Content analysis	Demonstrates SDG localisation gaps
Permana et al. (2026)	Regulation quality and growth	Indonesia	Quantitative	Ties regulatory/fiscal capacity to growth
Utami et al. (2026)	Multi-level governance readiness	Indonesia	Qualitative	Defines regional policy capacity
Rusdi (2026)	Integrative governance, poverty	Jeneponto	Qualitative	Model for poverty-focused governance
Sitorus et al. (2025)	Bottom-up inclusive growth	Coastal cities	Quantitative	Inclusive growth model for periphery
Koniyo et al. (2026)	Pentahelix digital knowledge system	Gorontalo	Design/mixed	Digital collaboration architecture
Rusmini et al. (2025)	E-government readiness	Indonesia	Mixed methods	Readiness-based digital assessment
Priatmoko et al. (2025)	Community-based tourism	Rural regions	Qualitative	Strategy for rural CBT development

Table 2. Distribution of included studies by publication year.

Publication year	Number of studies	Share
2021	7	11.3%
2022	5	8.1%
2023	4	6.5%
2024	8	12.9%
2025	16	25.8%
2026	22	35.5%
Total	62	100.0%

Table 3. Distribution of included studies by methodological approach.

Methodological approach	Number of studies	Share
Qualitative case study	25	40.3%
Spatial / GIS & modelling	22	35.5%
Quantitative / econometric	8	12.9%
Mixed methods	4	6.5%
Systematic/literature review	3	4.8%
Total	62	100.0%

Beyond these descriptive patterns, thematic coding consolidated the corpus into five substantive themes and one integrative direction, summarised in Table 4. The remainder of this section synthesises the evidence within each theme, and the Discussion interprets the theoretical, managerial, and policy implications.

License: This is an open access article under the CC BY 4.0 license: https://creativecommons.org/licenses/by/4.0/

Theme 1 – Strategic management in regional development

The first and largest thematic cluster (n = 13) examines how strategy is formulated and executed at the regional scale. A recurring finding is that Indonesian regions rarely lack plans; they lack the managerial capabilities to convert plans into results. Hudalah et al. (2022) trace how state rescaling around megaprojects produces pragmatic, negotiated forms of planning in which strategic intent is continually renegotiated. Complementing this, Sitorus et al. (2025) and Widodo et al. (2024) model bottom-up inclusive growth and integrated port-based industrial development, showing that competitive regional positioning depends on aligning infrastructure, industry, and local participation. Sectoral studies reinforce the pattern: strategy in tourism-led regions hinges on matching place-specific assets to market opportunity (Priatmoko et al., 2025; Wulung et al., 2021; Rizal et al., 2021; Tasni et al., 2025), while border and lagging regions require deliberately compensatory strategies to overcome peripherality (Rahim et al., 2022; Khoeriyah et al., 2025). Comparison across these studies reveals a shared logic: durable regional advantage arises when strategy is resource-informed, capability-driven, and responsive to context, rather than imposed uniformly from above. The principal gap is the near-absence of explicit strategic management theorising; most studies describe strategy without naming its conceptual foundations.

Theme 2 – Governance and institutional capacity

The second cluster (n = 14) locates development performance in the quality of governance and the depth of institutional capacity. Permana et al. (2026) provide econometric evidence that regulatory quality and fiscal capacity jointly drive regional economic growth, while Burhanuddin et al. (2024) show that human-resource capacity conditions a region's ability to execute programmes. Collaborative governance emerges as a dominant prescription: Noor (2022) documents smart-city collaboration in Balikpapan, Djais et al. (2024) analyse cross-jurisdictional corridor governance, and Nainggolan et al. (2024) demonstrate the necessity of multilevel coordination for climate-compatible development. Studies of institutional design in service delivery (Ali et al., 2023), integrative governance for poverty alleviation (Rusdi, 2026), and deliberative citizen engagement (Tresiana et al., 2023) converge on a common insight: capacity is relational, produced through coordination across tiers and sectors rather than residing in any single agency. Emerging work even links governance to technological control systems, as in fraud detection within regional development banks (Harahap & Erlina, 2026) and Bayesian analysis of policing governance (Suhendarwan & Fauzi, 2026). The gap here concerns measurement—capacity is widely invoked but inconsistently operationalised.

Theme 3 – Public policy for regional development

The third cluster (n = 12) foregrounds the policy instruments through which strategy is enacted and the persistent gap between policy design and implementation. Hafid (2026) and Hartono et al. (2026) document how implementation failures erode policy intent in food and health domains, while Astuti et al. (2026) show that translating national policy into local practice depends on territorial conversion factors that vary across regions. Fiscal and regulatory instruments feature prominently, from village-fund deployment for ecological restoration (Sujai et al., 2021) to the contested politics of regional energy planning (Setyowati & Quist, 2022) and the sequencing of pollution-control policy (Deng et al., 2026). Studies of spatial-planning innovation (Muchsin & Solihah, 2025), farmland-protection actor dynamics (Soedarto & Hendrarini, 2025), and public–private bundling of transport projects (Novianingsih et al., 2026) illustrate that policy effectiveness depends on aligning instruments with stakeholder incentives. Compared across cases, the evidence indicates that the binding constraint is rarely policy formulation and almost always implementation capacity and coordination—precisely the managerial dimension that strategic management theory foregrounds.

Theme 4 – Sustainable development

The fourth cluster (n = 13) addresses the reconciliation of growth with ecological and social sustainability. Putra et al. (2024) show that localising the SDGs within regional development plans remains partial and procedural rather than transformative. A strong stream demonstrates how sustainability reshapes strategic choice in resource-dependent regions: ecological governance for sustainable development (Setiawan et al., 2025), scenario-based land-use planning (Giofandi et al., 2025), community-based sustainable settlement (Wikantiyoso et al., 2021), and the management of coastal and marine assets (Chung et al., 2026; Meilana et al., 2024). Finance is increasingly implicated, with ESG-driven green finance (Nasution et al., 2026) and green-port metrics (Fahmiasari et al., 2026) linking sustainability to regional competitiveness. Yet cautionary cases—the failure of refuse-derived fuel biomass projects (Suryawan et al., 2026) and the strategic complexity of regional decarbonisation (Luan et al., 2026)—reveal that sustainability transitions demand dynamic capabilities that many regions have yet to build. The gap is a shortage of longitudinal evidence on whether sustainability integration actually improves development outcomes over time.

Theme 5 – Digital transformation and smart regional development

The fifth cluster (n = 10) examines how digitalisation is reconfiguring regional strategy. Rusmini et al. (2025) reframe e-government failure as a problem of organisational readiness rather than technology, and Koniyo et al. (2026) propose a pentahelix digital knowledge-management architecture that institutionalises multi-actor collaboration. Digital participation platforms are shown to widen citizen engagement in planning (McDermott et al., 2025), while geospatial and remote-sensing tools increasingly underpin evidence-based spatial decisions (Iswari et al., 2026; Surira et al., 2026; Sutanta et al., 2025; Setiawan et al., 2026). Precision-agriculture and data-driven resource management extend the digital frontier into the rural economy (Seminar et al., 2023; Kurniawan et al., 2021). Across these studies, technology delivers strategic value only when embedded in capable institutions and aligned with development goals—echoing the readiness argument and reinforcing the dynamic-capabilities logic. The principal gap is the weak integration of digital initiatives with overarching regional strategy, leaving many "smart" efforts fragmented and pilot-bound.

Table 4. Major themes emerging from the thematic synthesis.

Theme	Focus	Studies (n)	Representative studies
1	Strategic management in regional development	13	Hudalah et al. (2022); Sitorus et al. (2025); Widodo et al. (2024)
2	Governance and institutional capacity	14	Permana et al. (2026); Noor (2022); Nainggolan et al. (2024)

License: This is an open access article under the CC BY 4.0 license: https://creativecommons.org/licenses/by/4.0/

3	Public policy for regional development	12	Hafid (2026); Astuti et al. (2026); Setyowati & Quist (2022)
4	Sustainable development	13	Putra et al. (2024); Setiawan et al. (2025); Nasution et al. (2026)
5	Digital transformation and smart regional development	10	Rusmini et al. (2025); Koniyo et al. (2026); McDermott et al. (2025)
	Total	62	

DISCUSSION

Read together, the five themes substantiate the integrative proposition advanced earlier: regional development performance in Indonesia depends on institutionally embedded resources, activated through dynamic capabilities and collaborative governance, and directed by policy toward sustainable ends. The evidence answers RQ1 by showing that strategic management is enacted at the regional scale less through formal planning documents than through the everyday work of coordinating actors, mobilising resources, and adapting to shocks. It answers RQ2 by identifying institutional capacity, regulatory and fiscal quality, stakeholder collaboration, and digital readiness as the decisive conditioning factors. RQ3 is addressed by the theoretical and practical directions developed below and consolidated in Table 5.

Theoretical implications

The synthesis contributes to strategic management theory by relocating four firm-level lenses to the regional scale and demonstrating their complementarity. Institutional theory explains the wide variance in regional regulatory quality and capacity (Permana et al., 2026; Utami et al., 2026); the resource-based view accounts for how regions leverage distinctive natural, human, and infrastructural assets (Alam et al., 2026; Widodo et al., 2024); dynamic capability theory illuminates why some regions renew their strategies amid climate, pandemic, and technological disruption while others stagnate (Kolopaking et al., 2022; Nainggolan et al., 2024; Suryawan et al., 2026); and stakeholder theory clarifies how legitimacy and cooperation are secured across plural interests (Tresiana et al., 2023; Soedarto & Hendrarini, 2025). The central theoretical advance is the recognition that these lenses operate as a system rather than as rival explanations, and that collaborative governance is the connective mechanism through which institutional endowments and resources are converted into strategic action.

Managerial implications

For regional managers and planning agencies, the evidence points to three priorities. First, invest in dynamic capabilities—sensing, seizing, and reconfiguring—rather than in planning documents alone, since the recurring failure mode is weak execution rather than weak intent (Hudalah et al., 2022; Rusmini et al., 2025). Second, institutionalise collaboration through durable pentahelix or multilevel arrangements so that coordination does not depend on individual champions (Koniyo et al., 2026; Djais et al., 2024). Third, treat digital transformation as an organisational capability embedded in strategy, not as a procurement exercise, so that data and platforms actually inform decisions (McDermott et al., 2025; Iswari et al., 2026).

Policy implications

For policymakers, the findings underscore the primacy of implementation. National and provincial authorities should strengthen the regulatory and fiscal capacity of local governments (Permana et al., 2026), tie transfers and village funds to measurable strategic outcomes (Sujai et al., 2021), and build territorial conversion capacity so that national policy is realised locally (Astuti et al., 2026). Sustainability objectives should be operationalised through instruments with clear accountability, given the demonstrated fragility of poorly governed green initiatives (Suryawan et al., 2026; Nasution et al., 2026).

Theme 6 – Future strategic directions

Synthesising across the corpus, six forward-looking directions emerge. The field should move from describing strategy to theorising it explicitly; from cross-sectional cases to longitudinal designs that track whether capabilities and sustainability integration actually improve outcomes; from single-region studies to comparative work that explains divergence across Indonesia's heterogeneous regions; from technology adoption to strategy-aligned digital transformation; from participation rhetoric to measurable collaborative-governance performance; and from growth-centred metrics to integrated indicators that capture prosperity, equity, and ecological resilience together. Table 5 translates these directions into a concrete research agenda.

Table 5. Future research agenda for strategic regional development.

Direction	Identified research gap	Proposed research question
Strategic management theorising	Strategy described but rarely theorised	How do RBV and dynamic capabilities explain divergent regional trajectories?
Capability development	Execution gaps despite adequate plans	Which micro-foundations of dynamic capabilities predict implementation success?
Collaborative governance	Collaboration invoked but weakly measured	What governance configurations maximise co-produced development value?
Sustainability outcomes	Scarce longitudinal evidence	Does SDG localisation improve regional outcomes over time?
Digital transformation	Fragmented, pilot-bound initiatives	How can digital capability be aligned with regional strategy at scale?
Comparative regional analysis	Predominance of single-region cases	Why do similarly endowed regions achieve divergent outcomes?

License: This is an open access article under the CC BY 4.0 license: https://creativecommons.org/licenses/by/4.0/

CONCLUSION

This systematic review synthesised 62 Scopus-indexed articles and reviews (2021–2026) to clarify how strategic management is understood and practised in Indonesian regional development. The main finding is that regional development performance is determined less by the presence of plans than by the institutional capacity, dynamic capabilities, and collaborative governance through which plans are executed and adapted. Five interlocking themes—strategic management, governance and institutional capacity, public policy, sustainable development, and digital transformation—describe a field in which strategy is co-produced across tiers of government and sectors of society.

Theoretically, the study integrates institutional theory, the resource-based view, dynamic capability theory, and stakeholder theory into a single explanatory frame, extending firm-level strategic management to the regional scale and identifying collaborative governance as the mechanism that binds them. For managers, the review recommends investing in execution capabilities, institutionalising multi-actor collaboration, and treating digitalisation as a strategic capability. For policymakers, it recommends strengthening regional regulatory and fiscal capacity, tying fiscal transfers to strategic outcomes, and operationalising sustainability through accountable instruments.

The review has limitations. It relied on a single database (Scopus) and on English-language articles and reviews, potentially omitting relevant grey literature and Indonesian-language scholarship; it concentrated on 2021–2026, privileging contemporary evidence over longer trends; and thematic synthesis, though systematic, involves interpretive judgement. These boundaries suggest a future agenda—summarised in Table 5—that prioritises explicit strategic theorising, longitudinal and comparative designs, measurable collaborative-governance performance, and strategy-aligned digital transformation, so that the strategic management of regional development in decentralised emerging economies can be understood not only descriptively but causally.

ACKNOWLEDGMENT

The authors thank their respective institutions, Universitas Prima Indonesia and Universitas Islam 45 (UNISMA) Bekasi, for scholarly support during the preparation of this manuscript. No external funding was received.

DECLARATIONS

Funding: This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.
Conflict of interest: The authors declare that they have no competing interests.
Ethics approval: Not applicable; the study synthesises previously published literature and involved no human or animal participants.
Plagiarism statement: The manuscript is original and has been prepared to maintain a similarity index below 15 per cent.

REFERENCES

1) Alam, S., Larisu, Z., Arsyad, M., Kadir, A., & Sudirman, F.A. (2026). Strengthening local asset management through an integrated policy ecosystem: The role of mid-level bureaucratic connectivity. *Public Money and Management*, *46*(1), 66–76. https://doi.org/10.1080/09540962.2025.2504574
2) Alfirdaus, L.K., & Hanani, R. (2025). In search of a better tuberculosis governance in village level: A regulatory analysis in Indonesia. *Indian Journal of Tuberculosis*, *72*(4), 547–551. https://doi.org/10.1016/j.ijtb.2025.03.013
3) Ali, F., Lestari, D.L., Putri, M.D., & Azmi, K.N. (2023). Analysis of the institutional development of drinking water supply systems in XYZ City, Indonesia coastal area. *River*, *2*(2), 158–168. https://doi.org/10.1002/rvr2.49
4) Astuti, N.M.W., Reid, A., & Kidman, G. (2026). Disaster risk reduction education in Indonesia: Territorial conversion factors and public policy processes. *International Journal of Disaster Risk Reduction*, *143*, Article 106278. https://doi.org/10.1016/j.ijdrr.2026.106278
5) Burhanuddin, B., Syufri, S., Asriani, A., Hartawan, H., & Saputra, A.N. (2024). Exploring the role of regional capacity in human resource development in Indonesia. *Frontiers in Political Science*, *6*, Article 1412098. https://doi.org/10.3389/fpos.2024.1412098
6) Chung, M., Banzragch, B., & Gasparatos, A. (2026). Understanding coral reef change in urbanised and tourism-intensive seascapes: Insights from Sanur, Bali. *Ocean and Coastal Management*, *279*, Article 108252. https://doi.org/10.1016/j.ocecoaman.2026.108252
7) Deng, Y., Lu, D., Pradhan, M., Manomaiviboold, P., Boonma, K., Wu, R., Van Pham, T., Unroj, P., Phengsisombounf, S., & Zhou, C. (2026). Evolution and consistency analysis of plastic pollution control policies in East Asian Seas countries. *Marine Pollution Bulletin*, *224*, Article 119103. https://doi.org/10.1016/j.marpolbul.2025.119103
8) Djais, G., Fransen, J., & Koppenjan, J. (2024). Governing sustainable corridor development: A case study of the Gilimanuk–Denpasar–Padang Bai corridor in Indonesia. *Environmental Policy and Governance*, *34*(6), 623–636. https://doi.org/10.1002/eet.2104
9) Fahmiasari, H., Lam, J.S.L., & Lo, E.Y. (2026). Environmental, social, and governance metrics for green ports in archipelago countries. *Discover Sustainability*, *7*(1), Article 556. https://doi.org/10.1007/s43621-025-02516-8
10) Fajarwati, B., Fahmid, I.M., & Ali, M.S.S. (2026). Governing a Wildlife-Based Regional Economy: A Prospective Policy Analysis of Swiftlet's Nest Trade in Indonesia Supporting SDGs 6 and 9. *Sustainability (Switzerland)*, *18*(6), Article 2997. https://doi.org/10.3390/su18062997
11) Frinaldi, A., Magriasti, L., Maani, K.D., Renaldi, I., Saputra, B., & Mubarak, A. (2026). Sustainable Rural Planning Through Indigenous Governance: Participatory Tourism and Social Welfare in Minangkabau, Indonesia. *International Journal of Sustainable Development and Planning*, *21*(4), 1537–1547. https://doi.org/10.18280/ijsdp.210408
12) Giofandi, E.A., Sekarjati, D., Tjahjono, B., Hidiya, M., & Mulyono, M.R. (2025). Long-term land use dynamics and scenario-based planning for sustainable development in the dumai river basin, Western Indonesia. *Journal of Umm Al-Qura University for Applied Sciences*. https://doi.org/10.1007/s43994-025-00296-5
13) Hafid, F. (2026). Understanding the Policy Stream in Local Food Policy: Explaining the Declining Rice Production in Sidenreng Rappang Regency, Indonesia. *International Journal of Drug Delivery Technology*, *16*(5), 448–455. https://doi.org/10.25258/ijddt.16.5s.60

License: This is an open access article under the CC BY 4.0 license: https://creativecommons.org/licenses/by/4.0/

14) Hakim, M.L., & Qurbani, I.D. (2025). Local Government Policy in the Fulfillment and Protection of the Rights of Persons with Disabilities. *Human Rights in the Global South*, *4*(2), 165–194. https://doi.org/10.56784/hrgs.v4i2.104
15) Harahap, A.J.S., & Erlina, E. (2026). Bridging governance and technology for fraud detection: Evidence from regional development banks in Indonesia. *Banks and Bank Systems*, *21*(2), 36–49. https://doi.org/10.21511/bbs.21(2).2026.03
16) Hartono, R.K., Rum, M.R., Sihombing, I.M., Susanti, F.A., & Melinda, G. (2026). Tobacco Control for Children in Indonesia: Policy Implementation Gaps, Institutional Fragmentation, and Alignment With the WHO MPOWER Framework. *World Medical and Health Policy*, *18*(3), Article e70079. https://doi.org/10.1002/wmh3.70079
17) Hudalah, D., Talitha, T., & Lestari, S.F. (2022). Pragmatic state rescaling: The dynamics and diversity of state space in Indonesian megaproject planning and governance. *Environment and Planning C: Politics and Space*, *40*(2), 481–501. https://doi.org/10.1177/23996544211030935
18) Iswari, M.Y., Supriyadi, I.H., Nurdiansah, D., Anggraini, K., & Rahili, N. (2026). Integrating Water Indices and Cloud-Based Engine for Change Detection of Aquaculture Areas in Lampung, Indonesia. *Geomatics and Environmental Engineering*, *20*(1), 49–68. https://doi.org/10.7494/geom.2026.20.1.49
19) Khoeriyah, S., Juawita, A.H., Luru, M.N., Rahmawati, E., & Purwanto, A.D. (2025). Sustainable Development Strategy to Alleviate Disadvantaged Regions in Indonesia. *International Review for Spatial Planning and Sustainable Development*, *13*(3), 14–29. https://doi.org/10.14246/irspsd.13.3_14
20) Kolopaking, L.M., Wahyono, E., Irmayani, N.R., Habibullah, H., & Erwinsyah, R.G. (2022). Re-Adaptation of COVID-19 Impact for Sustainable Improvement of Indonesian Villages' Social Resilience in the Digital Era. *International Journal of Sustainable Development and Planning*, *17*(7), 2131–2140. https://doi.org/10.18280/ijsdp.170713
21) Koniyo, M.H., Amali, L.N., Hinelo, R., Tuloli, M.S., Zakaria, A., & Katili, M.R. (2026). Designing a pentahelix-based digital knowledge management system for rural enterprises: A prototype from tomini bay, indonesia. *Interdisciplinary Journal of Information, Knowledge, and Management*, *21*, 1–38. https://doi.org/10.28945/5707
22) Kurniawan, K., Gustiano, R., Kusmini, I.I., & Prakoso, V.A. (2021). Genetic resources preservation and utilization of Indonesian native freshwater fish consumption. *Ecology, Environment and Conservation*, *27*(1), 227–233.
23) Lesmana, E.S., Afiff, A.Z., Wijanto, S.H., & Kasri, R.A. (2025). A Multi-Criteria Decision-Making Framework for Evaluating Government Institutional Performance: The Role of Corporate Citizenship in Hajj Fund Ecosystems. *Decision Making: Applications in Management and Engineering*, *8*(1), 743–757. https://doi.org/10.31181/dmame8120251486
24) Luan, S., Ma, J., Gan, D., Urinov, B., Sultan, M.S., Zeynalova, A., & Agarzayev, A. (2026). Decarbonizing regional air transport: Strategic pathways for sustainable multi-airport systems in developing economies. *Journal of Air Transport Management*, *135*, Article 103023. https://doi.org/10.1016/j.jairtraman.2026.103023
25) McDermott, R., Sagala, S., Susetyo, N.A., Insan, A., Harahap, W.D.P., Indrarini, A., & Azhari, D. (2025). The role of digital participation platforms in risk-informed development: A case study of Surabaya, Indonesia. *Progress in Disaster Science*, *26*, Article 100430. https://doi.org/10.1016/j.pdisas.2025.100430
26) Meilana, L., Fang, Q., Roberts, E.G., Susanto, H.A., Ikhumhen, H.O., & Nelson, B.R. (2024). Identification of potential marine protected areas based on cumulative risk assessment: case study in Balikpapan Bay, Indonesia. *Ocean and Coastal Management*, *255*, Article 107230. https://doi.org/10.1016/j.ocecoaman.2024.107230
27) Muchsin, S., & Solihah, M. (2025). Factors inhibiting spatial information and systembased public service innovation in spatial planning. *Public Policy and Administration*, *24*(4), 737–750. https://doi.org/10.13165/VPA-25-24-4-15
28) Mudzakir, A.K., Boesono, H., & Suherman, A. (2024). Strategies and stakeholders of the artisanal fisheries management in Tegal City, Indonesia. *AACL Bioflux*, *17*(1), 180–194.
29) Nainggolan, R.R.E., Suroso, D.S.A., Argo, T.A., & Sagala, S.A.H. (2024). Multilevel governance for climate compatible development: A case study of mangrove governance in Indonesia. *Journal of Infrastructure, Policy and Development*, *8*(6), Article 3740. https://doi.org/10.24294/jipd.v8i6.3740
30) Narendra, B.H., Siregar, C.A., Dharmawan, I.W.S., Sukmana, A., Pramono, I.B., Basuki, T.M., Nugroho, H.Y.S.H., Supangat, A.B., Setiawan, O., Nandini, R., Ulya, N.A., Arifanti, V.B., & Yuwati, T.W. (2021). A review on sustainability of watershed management in Indonesia. *Sustainability (Switzerland)*, *13*(19), Article 11125. https://doi.org/10.3390/su131911125
31) Nasution, M.D.R., Nidar, S.R., Sumirat, E., Saefullah, K., & Lubis, A.A.R.D. (2026). ESG-Driven Green Finance in Selected ASEAN Banks: Implications for Regional Sustainability Planning. *International Journal of Sustainable Development and Planning*, *21*(3), 1049–1057. https://doi.org/10.18280/ijsdp.210308
32) Noor, M. (2022). Collaborative Governance on the Smart City-Based Regional Development of Balikpapan. *Journal of Social Studies Education Research*, *13*(4), 381–405.
33) Novianingsih, I., Verweij, S., Arts, J., Woltjer, J., Hudalah, D., & Pradono, P. (2026). Geographical bundling of transport projects through public-private partnerships: A case study of bundled toll road projects in Indonesia. *Case Studies on Transport Policy*, *24*, Article 101798. https://doi.org/10.1016/j.cstp.2026.101798
34) Permana, I., Suyono, E., & Arifin, A. (2026). Regional regulation quality and economic growth: the role of enterprise governance and fiscal capacity. *Journal of Governance and Regulation*, *15*(2), 267–280. https://doi.org/10.22495/jgrv15i2art23
35) Priatmoko, S., Rahmat, A.F., Isnugroho, E., Bujdosó, Z., & Dávid, L.D. (2025). Digging up rural community-based tourism (cbt) in developing country, indonesia's framework finding. *Geojournal of Tourism and Geosites*, *61*(3), 1420–1429. https://doi.org/10.30892/gtg.61302-1512

License: This is an open access article under the CC BY 4.0 license: https://creativecommons.org/licenses/by/4.0/

36) Putra, A.A., Hasibuan, H.S., Tambunan, R.P., & Lautetu, L.M. (2024). Integration of the Sustainable Development Goals into a Regional Development Plan in Indonesia. *Sustainability (Switzerland)*, *16*(23), Article 10235. https://doi.org/10.3390/su162310235
37) Rahim, D.A., Priyarsono, D.S., Rustiadi, E., & Syaukat, Y. (2022). Have the Government's Efforts to Build Border Areas Succeeded? Case Studies in Kalimantan Corridor - Indonesia. *International Journal of Sustainable Development and Planning*, *17*(1), 323–328. https://doi.org/10.18280/ijsdp.170133
38) Rindrasih, E., & Saputra, E. (2025). Regional Development Status of Sulawesi Island for New Policy Direction. *International Review for Spatial Planning and Sustainable Development*, *13*(4), 228–248. https://doi.org/10.14246/irspsd.13.4_228
39) Rizal, A., Apriliani, I.M., & Permana, R. (2021). Sustainable management policy strategy of coastal tourism in Pangandaran district, Indonesia. *Geojournal of Tourism and Geosites*, *37*(3), 894–904. https://doi.org/10.30892/GTG.37321-723
40) Rusdi, M. (2026). Integrative governance for extreme poverty alleviation in Jeneponto Regency of Indonesia. *Discover Sustainability*, *7*(1), Article 691. https://doi.org/10.1007/s43621-026-03108-w
41) Rusmini, R., Alamsah Deliarnoor, N., Yuningsih, N.Y., & Sagita, N.I. (2025). Rethinking e-government failure: a readiness-based assessment of Indonesia's digitalization efforts. *Cogent Social Sciences*, *11*(1), Article 2559867. https://doi.org/10.1080/23311886.2025.2559867
42) Saragih, J.R., Purwoko, A., & Purba, T. (2024). Developing Participatory Planning Model to Improve Regional Development Planning Case study of sub-district development planning deliberation in Pematangsiantar City, Indonesia. *International Review for Spatial Planning and Sustainable Development*, *12*(4), 279–302. https://doi.org/10.14246/IRSPSD.12.4_279
43) Seminar, K.B., Nelwan, L.O., Budiastra, I.W., Sutawijaya, A., Wijayanto, A.K., Imantho, H., Nanda, M.A., & Ahamed, T. (2023). Using Precision Agriculture (PA) Approach to Select Suitable Final Disposal Sites for Energy Generation. *Information (Switzerland)*, *14*(1), Article 8. https://doi.org/10.3390/info14010008
44) Setiawan, K.P., Putra, A., Arifin, T., Ramdhan, M., Rahmania, R., Fihrin, H., Daulat, A., Edial, H., Asaf, R., Athirah, A., & Akhwady, R. (2026). Integrated land–sea spatial planning for disaster risk reduction in Tanah Laut Regency, South Kalimantan, Indonesia. *Integrated Environmental Assessment and Management*, *22*(4), 1169–1184. https://doi.org/10.1093/inteam/vjag035
45) Setiawan, T., Myrna, R., Isnawati, N.W., Samith, M.F., & Mughits, M.H. (2025). The environmental dynamics in shaping ecological governance for sustainable development in coastal areas. *Discover Sustainability*, *6*(1), Article 925. https://doi.org/10.1007/s43621-025-01849-8
46) Setyowati, A.B., & Quist, J. (2022). Contested transition? Exploring the politics and process of regional energy planning in Indonesia. *Energy Policy*, *165*, Article 112980. https://doi.org/10.1016/j.enpol.2022.112980
47) Sitorus, M.I.R., Lubis, S.N., Sembiring, M.T., Kesuma, S.I., & Lubis, A.A.R.D. (2025). A Bottom-Up Inclusive Growth Model for Peripheral Coastal Cities: Structural Pathway to Regional Development in Post-Decentralized Indonesia. *International Journal of Sustainable Development and Planning*, *20*(7), 2989–2996. https://doi.org/10.18280/ijsdp.200723
48) Soedarto, T., & Hendrarini, H. (2025). Actor dynamics in farmland protection: A MACTOR analysis in Tasikmalaya, Indonesia. *Asian Journal of Agriculture and Rural Development*, *15*(4), 608–618. https://doi.org/10.55493/5005.v15i4.5733
49) Suhendarwan, B., & Fauzi, A. (2026). Bayesian Network Analysis of Policing Governance: Implications for Mining and Regional Sustainability. *Sustainability (Switzerland)*, *18*(3), Article 1217. https://doi.org/10.3390/su18031217
50) Sujai, M., Mizuno, K., Soesilo, T.E.B., Wahyudi, R., & Haryanto, J.T. (2021). Village Fund for Peatlands Restoration: Study of Community's Perceived Challenges and Opportunities in Muaro Jambi District. *Forest and Society*, *5*(2), 604–618. https://doi.org/10.24259/fs.v5i2.14187
51) Surira, E.A., Asmal, I., Tumpu, M., & Lee, H.P. (2026). GIS-Based Flood Hazard Mapping and Spatial Analysis in North Luwu Regency, Indonesia. *Civil Engineering and Architecture*, *14*(3), 1477–1493. https://doi.org/10.13189/cea.2026.140307
52) Surya, B., Salim, A., Saleh, H., Abubakar, H., Suriani, S., Sose, A.T., & Kessi, A.M.P. (2021). Economic growth model and renewable energy utilization: Perspective of natural resources management and sustainable development of the gowa regency region south Sulawesi, Indonesia. *International Journal of Energy Economics and Policy*, *11*(6), 68–90. https://doi.org/10.32479/ijeep.11676
53) Suryawan, I.W.K., Ulhasanah, N., Suhardono, S., Sari, M.M., Rahman, A., Sofiyah, E.S., & Lee, C.-H. (2026). Understanding why refuse-derived fuel biomass projects fail through the lens of adaptive capacity in rural Bali. *Energy for Sustainable Development*, *92*, Article 101950. https://doi.org/10.1016/j.esd.2026.101950
54) Sutanta, H., Ummah, M.H., Widjajanti, N., & Atunggal, D. (2025). Harmonisation of Geospatial Data in the Process Evaluation of Land Utilisation Suitability Based on Cadastral Land Parcel. *International Journal of Geoinformatics*, *21*(4), 97–114. https://doi.org/10.52939/ijg.v21i4.4071
55) Sutrisno, E., Kurniawati, N., Reza, I.F., Nugroho, A.A., & Khaerunisa, D. (2023). Strategy for Accelerating Regional Development Reached Through Digital Governance. *International Journal of Membrane Science and Technology*, *10*(2), 1200–1210. https://doi.org/10.15379/ijmst.v10i2.1405
56) Tasni, N., Walenna, M.A., & Asmal, I. (2025). Optimizing Coastal Tourism Infrastructure: A Typology-Based Approach for Sustainable Development in Bontobahari, Indonesia. *SSRG International Journal of Civil Engineering*, *12*(5), 56–70. https://doi.org/10.14445/23488352/IJCE-V12I5P105
57) Tresiana, N., Duadji, N., & Damayantie, A. (2023). Deliberative Democracy Innovations at Citizen Level: Challenges of Local Government in Indonesia. *Lex Localis*, *21*(4), 807–832. https://doi.org/10.4335/21.4.807-832(2023)
58) Utama, I.M.S., Widia, I.W., Arthawan, I.G.K.A., Badgery Parker, J., Arya, N.N., Sayaka, B., Widyastuti, S., Djarkasi, G.S.S., Sumual, M.F., & Sumendap, A.L. (2025). From farm to HORECA: advancing sustainable value chains for tourism-driven agribusiness in Indonesia. *Frontiers in Sustainable Food Systems*, *9*, Article 1639384. https://doi.org/10.3389/fsufs.2025.1639384

License: This is an open access article under the CC BY 4.0 license: https://creativecommons.org/licenses/by/4.0/

59) Utami, A.N.F., Saputra, A.N., Fariaty, C.N., Kusmin, A.F., Rahimallah, M.T.A., & Lawelai, H. (2026). Multi-level governance readiness and regional policy capacity in supporting Indonesia's new capital development. *Frontiers in Political Science*, *8*, Article 1758903. https://doi.org/10.3389/fpos.2026.1758903
60) Widodo, S., Surya, B., Nasution, M.A., & Manaf, M. (2024). Model for Integrated Port-Based Industrial Area Development in the Sustainability of Regional Development in Sorong Regency, Indonesia. *International Journal of Sustainable Development and Planning*, *19*(12), 4803–4810. https://doi.org/10.18280/ijsdp.191227
61) Wikantiyoso, R., Cahyaningsih, D.S., Sulaksono, A.G., Widayati, S., Poerwoningsih, D., & Triyosoputri, E. (2021). Development of Sustainable Community-Based Tourism in Kampong Grangsil, Jambangan Village, Dampit District, Malang Regency. *International Review for Spatial Planning and Sustainable Development*, *9*(1), 64–77. https://doi.org/10.14246/IRSPSD.9.1_64
62) Wulung, S.R.P., Adriani, Y., Brahmantyo, B., & Rosydie, A. (2021). Spatial model planning for geotourism destinations. *Journal of Engineering Science and Technology*, *16*(3), 1883–1897.

License: This is an open access article under the CC BY 4.0 license: https://creativecommons.org/licenses/by/4.0/