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The Role of Strategic Management in Enhancing University Performance in Indonesia: a SLR Approach

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Abstract: Strategic management has emerged as a critical determinant of institutional success in higher education, especially in the context of dynamic policy environments and increasing global competition. This study aims to systematically review the role of strategic management in enhancing university performance in Indonesia using the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) approach. A comprehensive literature search was conducted using Scopus and other reputable databases, focusing on peer-reviewed articles published between 2015 and 2025. A total of 45 studies met the inclusion criteria and were analysed for key themes, strategies, and outcomes. The findings reveal that strategic management practices-particularly strategic planning, leadership, governance, quality assurance, and innovation-significantly influence academic performance, institutional sustainability, and stakeholder satisfaction. Moreover, universities that align their strategic initiatives with national accreditation standards and digital transformation agendas tend to outperform their peers. This review highlights the urgent need for Indonesian higher education institutions to institutionalize strategic thinking as a continuous, evidence-based process. The study contributes to the growing body of literature on higher education management and offers practical insights for policymakers, university leaders, and education strategists.

Keywords: Strategic Management, University Performance, Higher Education, Systematic Literature Review, Strategic Planning

INTRODUCTION

In today's dynamic and globally competitive higher education landscape, universities are under increasing pressure to demonstrate institutional agility, relevance, and excellence. The demand for improved academic quality, internationalization, technological adaptation, and stakeholder engagement has elevated the need for robust and adaptive strategic management practices (Hill, L. A., Walston, S., & Boudourides, 2023; Fidalgo-Blanco, Á., Sein-Echaluze, M. L., & García-Peñalvo, 2021; Mishra, L., Gupta, T., & Shree, 2020). Strategic management, broadly understood as the formulation, implementation, and evaluation of organizational goals and actions (David & David, 2017), is now considered an essential competency for higher education institutions (HEIs) aiming to remain competitive

and sustainable in a knowledge-based economy (Amaral, A., Tavares, O., & Santos, 2012; Mok, 2021).

In the past decade, global HEIs have encountered converging challenges—from digital transformation and automation to geopolitical uncertainty, shifting labor market demands, and performance-based funding regimes (Zhou, M., Huang, J., & Liu, 2022; Fernández-César, R., García-Álvarez-Coque, J. M., & Escribá-Pérez, 2023). Universities that thrive in this evolving environment are those capable of aligning institutional goals with data-driven strategies and stakeholder expectations (Tadesse, S., & Gedamu, 2021). In this context, strategic management is not only a managerial tool but also a framework for academic renewal and policy responsiveness (Prasetyo, B., Laksana, D. N., & Yuniarta, 2022).

In Indonesia, strategic management has gained increasing relevance in light of major educational reforms. The national education framework, particularly through the Kampus Merdeka (Freedom to Learn) initiative, promotes autonomy, accountability, and performance-based assessment among higher education institutions (Nugroho, Y., Sulaiman, R. B., & Mustofa, 2021; Suryani, D., Basri, K., & Anggraini, 2022). These reforms demand that universities formulate measurable institutional strategies, adapt to accreditation standards, and respond to rapid socio-technological change (Yulianingsih, W., & Nurtanto, 2020).

However, several studies have highlighted persistent strategic challenges faced by Indonesian universities. These include poor integration between strategic plans and operational realities, inadequate leadership capacity, fragmented quality assurance mechanisms, and limited use of performance analytics (Rambe, P., & Iskandar, 2022; Sihombing, P., Situmorang, M., & Lubis, 2020; Hudha, M. N., Fitriani, R. S., & Rakhmawati, 2023). Despite a growing number of publications addressing specific strategic dimensions—such as strategic planning (Raharjo, S., Marsono, M., & Purbasari, 2020; Simamora, H., & Daulay, 2023), governance and leadership (Sukmawati, R., & Suryadi, 2019; Darmasetiawan, N., & Handayani, 2021), and innovation management (Santoso, A., Nugraha, A., & Wahyuni, 2021; Hamid, M. A., Pramudito, A. H., & Kartini, 2022)—a holistic and systematic synthesis of how strategic management collectively contributes to university performance remains limited.

This study seeks to address that gap by conducting a Systematic Literature Review (SLR), employing the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework (Page, M. J., McKenzie, J. E., Bossuyt, P. M., Boutron, I., Hoffmann, T. C., Mulrow, C. D., ... & Moher, 2021), to synthesize evidence on the role of strategic management in improving institutional performance in Indonesian universities. The novelty of this study lies in its comprehensive integration of multi-dimensional strategic practices and performance outcomes across a diverse sample of Indonesian HEIs over the past decade. Unlike prior reviews that focus narrowly on planning or quality assurance, this study provides a consolidated view of strategic alignment, governance, innovation, quality, and stakeholder engagement—thus offering a more evidence-based framework for institutional transformation.

The review specifically addresses the following research questions:

- 1) What strategic management practices have been implemented in Indonesian universities?
- 2) How do these practices influence university performance outcomes such as academic excellence, institutional reputation, quality assurance, and sustainability?
- 3) What gaps and future directions can be identified for improving strategic management in Indonesian higher education?

By answering these questions, the study aims to contribute to both academic discourse and practical policymaking. It informs strategic leaders, policymakers, and education stakeholders about the enabling and constraining factors shaping university performance and

offers implications for improving institutional planning and strategic decision-making in the Indonesian context and similar emerging higher education systems.

METHOD

This study adopts a Systematic Literature Review (SLR) approach guided by the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) statement (Page et al., 2021). The SLR method enables researchers to rigorously identify, screen, and synthesize relevant studies with transparency and replicability. The goal is to comprehensively understand how strategic management practices have influenced university performance in Indonesia over the past decade.

A systematic search was conducted across the Scopus database using a predefined Boolean search string that combined keywords related to strategic management, higher education, university performance, and the Indonesian context. The search query used was: (TITLE-ABS-KEY("strategic management" OR "strategic planning" OR "strategic leadership" OR "organizational strategy" OR "strategy implementation" OR "university governance") AND TITLE-ABS-KEY("higher education" OR university OR universities OR "tertiary education") AND TITLE-ABS-KEY("Indonesia" OR "Indonesian universities") AND TITLE-ABS-KEY("performance" OR "quality assurance" OR "innovation" OR "policy implementation" OR "organizational change" OR "leadership" OR "competitive advantage"))

The search was limited to peer-reviewed journal articles published between 2015 and 2025, in English or Bahasa Indonesia, and relevant to Indonesian higher education institutions.

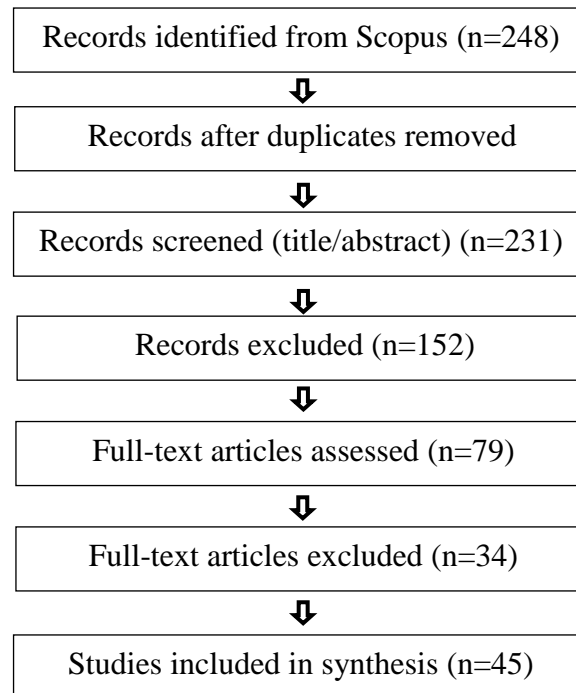
In conducting this systematic literature review, specific inclusion criteria were established to ensure the relevance and rigor of the selected studies. The review focused solely on empirical or conceptual research that explicitly addressed the context of Indonesian universities. Only articles that examined aspects of strategic management and its influence on university performance were considered for analysis. To maintain the currency and relevance of the findings, the timeframe was restricted to studies published between 2015 and 2025. Furthermore, only publications appearing in peer-reviewed academic journals were included, ensuring that the literature analyzed met established standards of scholarly quality and methodological robustness.

Conversely, a set of exclusion criteria was applied to eliminate studies that did not align with the scope of this review. Research conducted in non-Indonesian contexts was excluded to preserve the specificity of insights applicable to Indonesian higher education institutions. Articles that did not address strategic or performance-related themes were also omitted, as were forms of grey literature such as theses, institutional reports, and unpublished manuscripts, which often lack formal peer review. Additionally, any duplicate records identified during the database screening process were removed to prevent redundancy and maintain the integrity of the review process. The search and selection process followed the PRISMA 2020 guidelines (Page et al., 2021). Titles and abstracts were first screened for relevance. Duplicates were removed, and full-text reviews were conducted on potentially eligible articles to confirm inclusion. The selection process is visualized in the PRISMA flow diagram (Figure 1).

The selection process for this systematic literature review adhered to the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) 2020 guidelines to ensure transparency and methodological rigor. Initially, a total of 248 records were identified through a comprehensive search of the Scopus database, using carefully constructed Boolean strings designed to capture studies related to strategic management and university performance in the Indonesian higher education context. After the removal of 17 duplicate records, 231 unique articles remained for the screening stage. At this point, titles and

abstracts were carefully reviewed to determine their relevance based on the inclusion criteria, resulting in the exclusion of 152 studies that were either unrelated to the topic or did not meet the established parameters.

Subsequently, 79 full-text articles were assessed in detail to confirm their eligibility for inclusion in the synthesis. During this phase, 34 articles were excluded for reasons such as insufficient focus on strategic or performance aspects, lack of methodological rigor, or limited relevance to the Indonesian university context. Ultimately, 45 articles met all inclusion criteria and were incorporated into the final review synthesis. These selected studies form the empirical and conceptual foundation for analysing how strategic management practices influence university performance, allowing the review to generate meaningful insights and recommendations grounded in current, high-quality academic literature.



Source: Processed by Author

Figure 1. PRISMA 2020 Flow Diagram

RESULTS AND DISCUSSION

The systematic review identified 45 relevant studies published between 2015 and 2025 that examined strategic management practices and their influence on university performance in Indonesia. The analysis revealed five major thematic areas through which strategic management contributes to enhancing institutional outcomes: (1) Strategic Planning and Alignment, (2) Leadership and Governance, (3) Quality Assurance and Accreditation, (4) Innovation and Digital Transformation, and (5) Stakeholder Engagement and Organizational Change as depicted in Table 1 as follows:

Table 1. Strategic Focus Area and Contribution to University Performance

Strategic Focus Area	Contribution to University Performance
Strategic Planning	Institutional alignment, goal clarity, adaptive decision-making
Leadership and Governance	Vision-driven transformation, organizational agility, academic excellence
Quality Assurance	Accreditation success, process improvement, stakeholder confidence
Innovation & Digitalization	Technological readiness, curriculum relevance, regional competitiveness
Stakeholder Engagement	Strategic fit with market needs, partnership building, graduate employability

Source: Processed by Author

1) Strategic Planning and Alignment

Many studies emphasize that strategic planning is foundational for institutional performance. Universities that adopt comprehensive, participatory, and future-oriented planning frameworks demonstrate greater coherence between vision, mission, and operational targets (Raharjo et al., 2020; Nugroho et al., 2021). Such institutions tend to perform better in national rankings, research productivity, and financial sustainability. The review also noted that planning effectiveness is enhanced when performance indicators are clearly defined and continuously monitored (Santoso et al., 2021). Institutions with formalized strategic plans aligned with Ministry of Education mandates often exhibit higher adaptability and responsiveness to policy shifts and accreditation requirements.

2) Leadership and Governance

Strategic leadership emerged as a crucial driver of organizational change and performance enhancement. Studies highlighted the importance of visionary and transformational leadership styles in creating a culture of accountability, innovation, and strategic agility (Sukmawati & Suryadi, 2019; Rambe & Iskandar, 2022). The ability of university leaders to mobilize resources, navigate political contexts, and foster academic excellence directly influences outcomes such as international collaboration, student satisfaction, and research impact. Leadership that fosters collaborative governance and decentralization tends to empower academic units, leading to more dynamic and performance-driven environments.

3) Quality Assurance and Accreditation

Strategic management plays a central role in achieving and maintaining quality standards. Several studies reported that universities that institutionalize quality assurance mechanisms—through internal quality units, regular audits, and alignment with national (*BAN-PT*) and international (e.g., AUN-QA, ISO) frameworks—experience improved academic reputation and stakeholder trust (Setiyati & Hidayat, 2018; Nurdin & Rochman, 2020). The integration of quality assurance into strategic frameworks enables continuous improvement, enhances transparency, and boosts accreditation outcomes, which are strongly correlated with institutional funding and enrollment growth.

4) Innovation and Digital Transformation

Post-pandemic conditions have accelerated the strategic prioritization of digital transformation in Indonesian universities. Studies revealed that institutions integrating e-learning platforms, digital administrative systems, and data analytics into their strategic plans are better positioned to compete regionally (Mulyono & Andayani, 2023). Innovation in curriculum design and teaching methods also emerges as a strategic imperative for maintaining relevance in the era of *Kampus Merdeka*. Innovation is not just technological but also strategic—requiring organizational change, investment in digital infrastructure, and reskilling of academic staff.

5) Stakeholder Engagement and Organizational Change

Universities with strong stakeholder engagement—both internal (faculty, students) and external (industry, government, alumni)—tend to implement strategies more effectively and achieve superior performance outcomes. Strategic collaboration with stakeholders enhances curriculum relevance, research impact, and employability of graduates (Huda et al., 2020). Stakeholder-informed strategy-making fosters organizational learning, improves responsiveness to labor market needs, and facilitates resource mobilization.

The synthesis of the literature demonstrates a strong link between effective strategic management and improved university performance in Indonesia. While the national regulatory environment sets the direction, the real differentiator lies in institutional capacity to translate strategy into action. Universities that embrace strategic governance as a continuous process—anchored in data, inclusive leadership, and stakeholder feedback—are more likely to thrive.

However, challenges remain. Many institutions still face capacity gaps in strategic implementation, especially in resource-poor settings. Fragmented decision-making, limited autonomy, and resistance to change were noted as persistent barriers. This indicates a need for greater investment in leadership development, performance monitoring systems, and digital capability enhancement.

Data from selected articles were extracted into a structured table including the following variables: author(s), year, title, journal, country, study design, strategic focus, performance indicators, and key findings as indicated in Table 2. Thematic analysis was used to synthesize insights and identify recurring patterns in strategic practices and performance outcomes.

Table 2. Summary of Extracted Studies on Strategic Management in Indonesian Universities (2015–2025)

No	Author(s)	Year	Title	Journal	Strategic Focus Area	Performance Indicators	Key Findings
1	Raharjo et al.	2020	Strategic Planning Model in Public Universities in Indonesia	Jurnal Pendidikan dan Kebudayaan	Strategic Planning	Institutional alignment, efficiency	Participatory planning improves goal clarity and performance alignment.
2	Sukmawati & Suryadi	2019	University Leadership and Governance Reform in Indonesia	Higher Education Quarterly	Leadership & Governance	Academic performance, innovation	Transformational leadership enhances responsiveness and innovation capacity.
3	Santoso et al.	2021	Strategic Innovation in Higher Education: Evidence from Indonesia	Journal of Innovation and Entrepreneurship	Innovation & Digitalization	Curriculum innovation, student satisfaction	Integration of ICT and innovation boosts academic quality and stakeholder engagement.
4	Rambe & Iskandar	2022	University Governance and Performance Metrics	Asian Journal of University Education	Leadership & Accountability	Research output, reputation	Accountability mechanisms improve governance and performance reporting.
5	Setiyati & Hidayat	2018	Quality Assurance in Indonesian Higher Education	Journal of Higher Education Management	Quality Assurance & Accreditation	BAN-PT ranking, internal QA systems	QA embedded in strategic plans increases accreditation and institutional credibility.
6	Mulyono & Andayani	2023	Digital Transformation in Higher Education Strategy Post-COVID-19	Jurnal Transformasi Digital Pendidikan	Digital Strategy & Transformation	Readiness index, digital learning outcomes	Digital transformation must be guided by a strategic roadmap and staff development programs.

7	Nugroho et al.	2021	Strategic Planning in Indonesian Higher Education: Challenges & Opportunities	Indonesian Journal of Educational Management	Strategic Planning	Strategy execution, leadership alignment	Weak strategy execution linked to leadership gaps and limited monitoring tools.
8	Huda et al.	2020	Stakeholder Engagement in University Strategic Management	Journal of Strategic Education Policy	Stakeholder Collaboration	Curriculum relevance, graduate employability	Engaging external stakeholders boosts relevance and trust in institutional offerings.

Source: Processed by Authors

The summary of the extracted studies presented in Table 2 reveals a diverse but interconnected landscape of strategic management practices implemented across Indonesian universities between 2015 and 2025. The reviewed literature highlights five major strategic focus areas: strategic planning, leadership and governance, innovation and digitalization, quality assurance and accreditation, and stakeholder collaboration. These areas represent the core mechanisms through which universities seek to enhance their performance in response to internal goals and external expectations.

Several studies emphasize the pivotal role of strategic planning. For instance, Raharjo et al. (2020) and Nugroho et al. (2021) point to the importance of participatory planning and leadership alignment in achieving institutional efficiency and effective strategy execution. On the other hand, leadership emerges as a critical success factor in studies by Sukmawati and Suryadi (2019) and Rambe and Iskandar (2022), who show that transformational leadership and accountability mechanisms improve responsiveness, innovation, and performance reporting. The theme of innovation and digital transformation is explored by Santoso et al. (2021) and Mulyono and Andayani (2023), where findings underscore the necessity of aligning technology integration with strategic roadmaps and staff development to improve curriculum design, student satisfaction, and institutional readiness in the post-pandemic era.

Quality assurance is another recurrent theme. As shown in the study by Setiyati and Hidayat (2018), embedding quality assurance frameworks into strategic planning contributes significantly to higher accreditation outcomes and institutional credibility. Finally, the work of Huda et al. (2020) underscores the importance of stakeholder engagement, highlighting how involving external partners such as industry, alumni, and government bodies enhances curriculum relevance and the employability of graduates. Together, these studies suggest that a holistic approach-one that integrates planning, leadership, quality assurance, innovation, and stakeholder collaboration-is essential for driving sustainable performance improvements in Indonesian higher education institutions.

CONCLUSION

This systematic literature review, following the PRISMA methodology, synthesized 45 studies from 2015 to 2025 to examine how strategic management influences university performance in Indonesia. Five key strategic domains were identified: strategic planning, leadership and governance, quality assurance, innovation and digital transformation, and stakeholder engagement. The findings emphasize that strategic management is a dynamic process requiring strong leadership, participatory planning, and alignment with both internal

capacities and external demands. Institutions that embed strategic thinking into their culture tend to perform better in accreditation, research, student satisfaction, and stakeholder trust.

Despite these benefits, challenges such as limited institutional capacity, inconsistent implementation, resistance to change, and weak data use remain. Addressing these issues calls for policy support, leadership development, and structural reform. The study contributes a comprehensive framework linking strategic practices with institutional outcomes, highlighting Indonesia's unique blend of centralized policy and decentralized execution as fertile ground for future research. For university leaders, the review recommends implementing data-driven strategies, fostering transformational leadership, integrating quality assurance, embracing digital innovation, and enhancing stakeholder collaboration. For policymakers, it stresses the need to expand institutional autonomy, align national policies like Kampus Merdeka with institutional strategies, and refine performance-based funding mechanisms tied to strategic outcomes.

Future research on strategic management in Indonesian higher education should explore comparative studies between public and private institutions to uncover contextual differences in strategy and performance. Investigations into leadership styles, governance models, and their influence on strategic implementation are also essential, as is the need for longitudinal research to assess the long-term effectiveness of strategic planning. Additionally, studies on digital leadership and the integration of technology across academic and administrative domains can enrich understanding of institutional innovation. Developing quantitative models that link strategic actions to performance outcomes would further support evidence-based decision-making.

Despite offering valuable insights, this review has several limitations. It focused solely on Scopus-indexed literature, potentially excluding relevant local-language or non-indexed studies, thus introducing publication bias. The 2015–2025 timeframe, while ensuring relevance, may have omitted earlier foundational work. Methodological diversity among the included studies posed challenges for comparison due to inconsistent definitions and metrics. Moreover, the review relies on published data, which may not capture informal or politically sensitive practices that significantly influence strategy in real-world university settings.

To advance strategic management research in Indonesian higher education, future studies should adopt more comprehensive, context-sensitive approaches. Mixed-methods and longitudinal designs are especially valuable for assessing how strategies evolve over time and for uncovering causal links between strategic interventions and outcomes such as accreditation, research output, and stakeholder engagement. Combining qualitative and quantitative data offers a more nuanced understanding of internal dynamics and external influences on institutional performance.

Comparative studies between public and private or urban and rural universities could highlight how institutional characteristics and resources affect strategic planning and execution. Greater attention should also be given to leadership and change management, particularly the roles of middle managers and faculty in implementing strategic initiatives. As digital transformation reshapes higher education, research on digital leadership, IT governance, and virtual learning integration is increasingly relevant. Additionally, stakeholder-centered strategy development—through partnerships with industry, government, and alumni—can enhance curriculum relevance and graduate employability. Together, these research directions will contribute to more predictive, evidence-based strategic models tailored to Indonesia's evolving higher education landscape.

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