FACTORS AFFECTING STRATEGIC MANAGEMENT MODEL CHOICE: EVIDENCE FROM INDONESIAN ENTERPRISES

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Abstract. *In an era marked by rapid digitalization and economic volatility, Indonesian enterprises face increasing pressure to adapt their strategic management practices to ensure resilience and competitiveness. This article addresses the critical issue of how firms in Indonesia select strategic management models in light of internal characteristics and external challenges. The relevance of the topic stems from the need for Indonesian companies—especially small and medium-sized enterprises—to align strategic planning with limited resources, cultural specificities, and global market demands. The purpose of this research is to identify the main determinants guiding the strategic model selection process, focusing on both organizational capacities and environmental conditions. The study adopts a qualitative methodological approach based on integrative literature analysis and thematic synthesis. A comparative framework of strategic models is developed, incorporating SWOT, PEST, Balanced Scorecard, Porter's Five Forces, Blue Ocean Strategy, and Gap Analysis. These models are evaluated according to their applicability within the Indonesian business context. The results indicate that model selection is influenced by a matrix of factors including ownership structure, managerial style, brand strength, resource availability, market volatility, and regulatory dynamics. The findings show that firms with strong internal competencies and transformative leadership tend to prefer flexible, innovation-driven strategies, while organizations constrained by hierarchy or market uncertainty opt for conservative models. Additionally, digital transformation imperatives, institutional reform, and industry-specific pressures compel enterprises to adopt hybrid strategies that integrate agility with long-term planning. The practical value of the article lies in providing a context-sensitive framework that supports Indonesian managers in making informed, adaptive, and effective strategic choices. By offering a nuanced perspective on model selection, this study contributes to both theoretical advancement and practical decision-making in the field of strategic management in emerging economies.*

Keywords: *strategic management model; influencing factors; business leaders; decision-making; Indonesian enterprises.*

JEL Classification: C41, C53, C83

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Introduction. In the context of the Fourth Industrial Revolution (Industry 4.0), enterprises across the globe are facing unprecedented transformations brought about by technological advancements, digital disruption, and increasingly volatile business environments (Luo et al., 2022; Nguyen & Dang, 2022, 2023a). Indonesian firms, in particular, are at a critical juncture where the ability to adapt and strategically reposition themselves has become a determining factor for survival and growth (Qoyum et al., 2021; Tjondro & Olivia, 2018; Waluyo, 2017). One of the most fundamental tasks facing these organizations is to assess their current position in this digital evolution and to determine appropriate pathways that ensure sustained competitiveness and value creation.

Strategic management plays a central role in this process. It is not only about setting long-term goals but also about how a firm can dynamically allocate resources, respond to changes, and leverage its capabilities to gain competitive advantage. As such, the choice of a Strategic Management Model (SMM) becomes an essential decision for Indonesian managers—one that reflects both internal characteristics of the enterprise and the external pressures from the global and local business landscapes.

A successful business strategy must be grounded in sound theoretical frameworks, while also considering industry-specific factors, firm size, organizational culture, leadership style, and the nature of the markets in which the business operates (Guest, 2009; Mak & Kusnadi, 2005; Nguyen, 2025; Rokhim & Susanto, 2011). In this regard, a strategic model is not simply a formal document but a living system that guides decision-making, risk-taking, innovation, and performance evaluation.

While numerous strategic models have been proposed in academic and professional literature, there is still a lack of localized understanding of how these models are selected and adapted in emerging economies like Indonesia. The majority of existing studies are often Western-centric, and their direct application may not fully reflect the institutional, cultural, and economic particularities of Southeast Asian contexts.

Literature review. The concept of strategic management models (SMMs) has evolved considerably since the pioneering work of (Ashta & Herrmann, 2021; Olivero, 1991; Tran & Nguyen, 2025; Tran et al., 2025) on the "strategy–structure" relationship, and further theoretical elaboration by Habib et al. (2024). Chandler's seminal argument that "structure follows strategy" laid the groundwork for later scholars to explore how firms design their organizational systems to support competitive positioning. Ansoff introduced the idea of adaptive strategic behavior in dynamic environments, positing that firms must continuously realign their objectives, resources, and capabilities to emerging market realities. Porter's Five Forces framework provided a systematic method for analyzing industry structure and deriving generic strategies (cost leadership, differentiation, focus) suited to a firm's internal strengths and market conditions. Mintzberg challenged the linear, top-down view of strategy formulation by emphasizing the emergent, iterative nature of strategic planning in complex organizations. Collectively, this body of work offers a rich repertoire of models—from the resource-based view (Miller & Bromiley, 1990) to the dynamic capabilities framework of Vishwanathan et al. (2020) —that firms can draw upon when selecting a strategic management approach. However, the extant literature predominantly reflects Western corporate experiences, with limited attention to the strategic challenges and institutional constraints present in emerging economies such as Indonesia.

Subsequent research has delved into the internal factors that shape strategy model selection, underscoring the significance of firm-specific resources and capabilities. The resource-based view (RBV) theory argues that intangible assets—such as organizational culture, leadership competence, and knowledge management systems—are critical determinants of sustainable competitive advantage and thus influence which strategic framework is most appropriate (Albaum & Peterson, 2006; Nguyen, 2024a; Zarifis & Cheng, 2023). Empirical studies in Southeast Asia (Lucas, 1993; Noman et al., 2018) have demonstrated that Indonesian firms with more mature governance structures and higher managerial expertise are more likely to adopt sophisticated, process-oriented models like the Balanced Scorecard or the EFQM Excellence Model. Additionally, the contingency theory literature (MacIntyre, 2001; Nguyen, 2024b) posits that organizational design and strategy must align with internal variables such as firm size, age, and organizational complexity. In the Indonesian context, where many companies are family-owned or SME-dominated, the degree of formalization and professionalization of management practices significantly moderates the choice of SMMs—firms with more rigid hierarchies often prefer traditional, plan-driven approaches, whereas those with decentralized decision-making structures gravitate towards adaptive, agile models.

Beyond internal dynamics, a robust body of literature emphasizes external factors—including market turbulence, technological disruption, and regulatory frameworks—that compel firms to rethink their strategic paradigms. The environmental uncertainty model (Laksono & Firmansyah, 2020) contends that high-velocity markets necessitate flexible, learning-oriented strategies such as those embodied in the Blue Ocean Strategy (Laksono & Firmansyah, 2020; Nguyen, 2023). Empirical evidence from ASEAN economies (Hamid & Yunus, 2020; Nguyen, 2022a, 2022b) suggests that rapid shifts in consumer behavior and intensifying global competition drive Indonesian enterprises to adopt hybrid models that balance forecasting with real-time experimentation. Furthermore, institutional theory (Nguyen & Dang, 2023b) highlights how coercive pressures (regulatory mandates), normative expectations (industry best practices), and mimetic tendencies (benchmarking competitors) shape strategic model adoption. Indonesia’s evolving regulatory landscape—marked by recent reforms in corporate governance, digital economy regulations, and sustainability reporting requirements—exerts significant coercive and normative pressures on firms to incorporate stakeholder-driven frameworks such as ESG (Environmental, Social, and Governance) criteria into their strategic planning processes.

In recent years, the advent of Industry 4.0 and digital transformation has added another layer of complexity to strategic model selection, demanding that firms integrate emerging technologies—IoT, AI, Big Data analytics—into their strategic management systems. Scholarly work on “digital maturity models” (Fu et al., 2023; Nguyen, 2024c) provides frameworks for assessing an organization’s readiness to harness digital capabilities, but there is still a knowledge gap regarding how these models intersect with traditional SMMs. Case studies from Indonesian manufacturing and fintech sectors (Dranev et al., 2019; Nguyen, 2024d) reveal that while digital pioneers often blend agile strategic management methods with stage-gate governance processes, legacy enterprises struggle to reconcile digital initiatives with established strategic planning cycles. Moreover, research on emerging markets (Li et al., 2017; Nguyen & Dang, 2023b) indicates that contextual factors—such as infrastructure quality, digital literacy, and cultural attitudes towards innovation—significantly influence the effectiveness of digital-centric strategy models. This underscores the need for a contextually grounded framework that captures the interplay between Industry 4.0 imperatives and the unique institutional and resource constraints of Indonesian firms. By synthesizing these strands of literature, the present study seeks to develop an integrative model that explicates how internal capabilities, external pressures, and digital transformation jointly drive the selection of strategic management models in the Indonesian business landscape.

Aims. This study aims to address this gap by identifying and analyzing the key factors influencing the selection of strategic management models specifically within Indonesian firms. By reviewing and synthesizing relevant literature in strategic management, and adapting it to the realities of Indonesia's business environment, this paper provides a framework that helps managers better understand the variables at play when choosing an appropriate strategic approach.

The contribution of this research is twofold. First, it offers a conceptual clarification of the factors—both internal (such as leadership capacity, financial resources, organizational structure) and external (such as market volatility, technological change, and regulatory environment)—that significantly influence strategic model selection. Second, it provides practical guidance to Indonesian business leaders, especially in small and medium-sized enterprises (SMEs), who may lack access to high-level strategic consulting or formal training in strategic planning.

Ultimately, this research seeks to empower managers in Indonesia to make more informed, data-driven, and context-specific strategic choices. In doing so, it contributes not only to the academic field of strategic management but also to the practical improvement of business performance in Indonesia's rapidly changing economy.

Methodology. This study employs a qualitative, integrative research approach grounded in a systematic review of existing literature and strategic management models within the Indonesian business context. Rather than relying on primary data collection such as surveys or interviews, the study synthesizes findings from academic articles, policy reports, case studies, and industry analyses that explore how Indonesian enterprises select and implement strategic management models. The integrative approach allows for a holistic understanding of the interdependent internal and external factors influencing strategic choices.

A comprehensive thematic analysis was applied to extract key determinants affecting model selection across diverse business settings. Sources were identified through academic databases and institutional publications with a focus on peer-reviewed journals and reputable research institutions. These were then categorized into thematic domains such as internal organizational capabilities, external market conditions, technological trends, and macroeconomic factors.

Additionally, a comparative matrix was developed to summarize the characteristics, applications, and contextual relevance of widely adopted strategic models such as SWOT, PEST, Balanced Scorecard, Porter’s Five Forces, Blue Ocean Strategy, and Gap Analysis. This was complemented by an analytical framework mapping the relationships between strategic model selection and determinants like organizational resources, managerial style, ownership structure, and environmental volatility.

By triangulating theoretical perspectives with contextual evidence specific to Indonesia’s economic environment, the methodology ensures both analytical rigor and practical relevance. This methodological design facilitates the development of a synthesized model that can guide Indonesian enterprises in aligning strategic management practices with organizational and environmental realities.

Results. Strategic management has long been considered a vital function in shaping a firm’s long-term direction and competitiveness. Strategic management is essential in identifying variations in organizational operations by evaluating efforts to create competitive advantages, which are critical to a firm's value-creation capacity. In line with this, Ding et al. (2022) defines strategic management as the process by which managers develop and implement an organization’s goals and policies on behalf of stakeholders. This process relies on the availability of resources and a thorough assessment of both internal and external environments. Strategic management provides direction for an organization to achieve its objectives by aligning resources, developing sustainable frameworks, and allocating both financial and non-financial capital to execute strategic plans effectively. It also enhances decision-making by increasing the organization's awareness of opportunities and threats in a volatile market.

In the Indonesian context, where many enterprises are small and medium-sized or family-owned, the application of strategic management must be contextually adapted. While large corporations may have access to formal strategic planning tools and consultants, smaller firms often rely on managerial intuition or experience. Regardless of scale, however, the goal remains the same: to formulate and implement strategies that enhance long-term organizational performance and competitiveness in a rapidly changing, digitally influenced economic landscape.

Studying strategic management models is a significant area within the strategic management field, as these models influence how firms generate and capture value (Ghosh, 2015). As firms adopt or evolve strategies to strengthen value creation, it becomes imperative for managers to understand how strategic and business models, both independently and interactively, affect firm performance. The choice of an appropriate model is not only a theoretical concern but also a practical necessity, especially for Indonesian firms operating in diverse and often uncertain economic conditions.

Below are several widely adopted strategic management models that are also relevant in the Indonesian business environment (Table 1).

Table 1. Strategic Management Models in Indonesia

Model	Purpose	Use in Indonesia
SWOT Analysis	Identify internal strengths and weaknesses, and external opportunities and threats	Used by SMEs for strategic planning and competitive advantage assessment
PEST Analysis	Assess macro-environmental factors: political, economic, social, technological	Used to assess government policies, consumer behavior, and tech trends
Balanced Scorecard (BSC)	Align strategic objectives with performance metrics across four dimensions	Adopted by corporates and public sector to link strategy with execution
Porter's Five Forces	Evaluate industry competitiveness and market attractiveness	Helps firms assess competitive forces before market entry or expansion
Blue Ocean Strategy	Create uncontested market space by redefining value propositions	Popular in innovation sectors like fintech, agritech, e-commerce
Gap Analysis	Compare current performance with desired state to identify strategic gaps	Used for identifying gaps in digital transformation and public service efficiency

Source: systematized by the author

SWOT Analysis Model. SWOT (Strengths, Weaknesses, Opportunities, Threats) remains one of the most fundamental strategic management tools used across industries. This model is especially useful at the initial stages of strategic planning, allowing businesses to internally assess strengths and weaknesses while externally examining opportunities and threats. Indonesian enterprises often use this framework to explore potential areas of growth, mitigate internal inefficiencies, and defend against market risks. The model's simplicity makes it particularly attractive for small and medium-sized firms seeking to identify competitive advantages without significant analytical complexity.

PEST Analysis Model. The PEST framework (Political, Economic, Social, Technological) helps organizations understand macro-environmental trends that could impact strategic planning. For Indonesian businesses, PEST is particularly useful in assessing regulatory shifts, demographic changes, and technological disruptions. For example, government initiatives like Indonesia 4.0 and shifts in consumer digital behavior significantly affect how firms plan for the future. PEST is often used in combination with SWOT to create a more robust picture of the external environment.

Balanced Scorecard (BSC). Developed by Kaplan and Norton, the Balanced Scorecard has emerged as a comprehensive performance management tool. It enables organizations to evaluate performance across four dimensions: financial, internal business processes, learning and growth, and customer satisfaction. In Indonesia, this model has gained popularity among corporations and public sector organizations seeking to link strategy with execution. By aligning key performance indicators (KPIs) across departments, BSC helps ensure that strategic goals translate into measurable outcomes. This model is especially useful for firms undergoing transformation or aiming to professionalize their strategic management processes.

Porter's Five Forces Model. Michael Porter's Five Forces model, first introduced in 1979, remains a cornerstone of industry analysis. It outlines five competitive forces that determine industry attractiveness: existing competition, the threat of new entrants, bargaining power of suppliers, bargaining power of buyers, and the threat of substitute products. Indonesian firms often use this model to assess market dynamics before entering new sectors or launching new products. In markets with low barriers to entry—such as retail or digital services—the model helps businesses identify strategic responses to reduce competitive pressures.

Blue Ocean Strategy. Introduced by (Kim & Mauborgne, 2015), the Blue Ocean Strategy encourages firms to move away from intensely competitive (red ocean) markets and instead create new, uncontested market spaces (blue oceans). In Indonesia, where several industries such as fintech, agritech, and e-commerce are rapidly evolving, this model has found resonance among startups and innovative firms. Rather than competing on price or existing value propositions, firms using this strategy seek to redefine industry boundaries, delivering unique offerings that make competition irrelevant. This approach is particularly relevant in Indonesia's innovation-driven sectors and aligns well with national priorities on entrepreneurship and digital transformation.

Gap Analysis (Gap Planning). Gap analysis is a model used to compare a firm's current performance with its desired future state. It identifies gaps in processes, capabilities, and performance levels, enabling firms to take corrective actions. For Indonesian enterprises undergoing transformation—whether digital, structural, or market-oriented—this model helps articulate strategic roadmaps by revealing misalignments between goals and capabilities. Gap planning is particularly useful for public sector entities and development-oriented organizations focused on improving operational efficiency and service delivery.

Each of these models offers unique strengths and is best suited to specific business contexts. The strategic choice of models by Indonesian firms should consider industry structure, organizational maturity, digital readiness, and market volatility. As Indonesia continues to integrate into the global economy, the need for well-informed, flexible, and localized strategic models becomes more urgent than ever.

Factors Influencing the Selection of Strategic Management Models in Enterprises. A considerable body of prior research has identified various internal and external factors that significantly influence the selection of strategic management models (SMMs) within enterprises. These determinants are critical to the success of strategic decision-making, as they shape how firms adapt to change, allocate resources, and pursue competitive advantage. Prominent among these factors are organizational resources, ownership structure, managerial style, corporate objectives, brand equity, macro-environmental conditions, and industry competition. Each of these dimensions has been studied in isolation or in combination to understand their role in shaping strategic behaviors, particularly within firms navigating complex and rapidly evolving markets such as Indonesia (Table 2).

Organizational Resources. Taylor et al. (2010) conceptualizes an organization as a bundle of assets and capabilities, emphasizing that these internal resources serve as strategic foundations for sustainable competitive advantage. Resources—both tangible and intangible—must be valuable, rare, inimitable, and organized (VRIO) to effectively support a firm's strategy. Prahalad and Hamel (2006) further elaborate on the notion of core competencies, describing them as the collective learning within an organization, particularly regarding how to coordinate diverse production skills and integrate multiple streams of technology. For Indonesian firms, especially those in capital-constrained or resource-limited environments, understanding and leveraging these competencies is vital in choosing a strategic model that aligns with their operational reality. Firms with rich human capital, technological assets, or proprietary knowledge may gravitate toward innovation-driven or blue ocean strategies, while others may favor cost leadership or efficiency-based models.

Table 2. Factors Influencing Strategic Model Selection

Factor	Description	Implications for Model Selection
Organizational Resources	Availability and quality of tangible and intangible assets, including VRIO resources and core competencies that align with strategic model requirements.	Firms with strong resources may pursue innovation, Blue Ocean strategies; resource-constrained firms may favor cost-efficiency models.
Ownership Structure	Extent and type of ownership (e.g., family-owned, state-owned) influencing strategic orientation, governance, and long-term planning.	Highly concentrated or state ownership may lead to centralized, long-term strategies; dispersed ownership may enable more flexible models.
Managerial Style	Leadership approach, cognitive style, and decision-making processes that shape openness to innovation, risk, and strategic flexibility.	Participative or transformational leaders may support adaptive or innovative strategies; autocratic styles may lead to rigid planning.
Corporate Objectives	Clarity, ambition, and feasibility of organizational goals, influenced by vision, mission, and alignment with national or market priorities.	Growth-driven firms may adopt expansion or internationalization strategies; conservative firms may choose lean or efficiency models.
Brand Equity	Strength of brand identity and its capacity to support differentiation, customer loyalty, and expansion into new markets or regions.	Strong brands may support differentiation or customer-centric models; weaker brands may need to focus on building brand equity first.
Macro-Environmental Conditions	External conditions such as politics, economy, social trends, and technology (PEST factors) that shape the viability of strategic models.	Stable macro-environments allow predictive models; volatile environments necessitate scenario planning or agile strategic models.
Industry Competition	Competitive pressures within an industry (as per Porter's Five Forces) that affect the attractiveness and sustainability of strategic models.	Intense rivalry or low barriers to entry favor innovation and speed; consolidated industries favor risk-averse, long-term strategies.

Source: systematized by the author

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Ownership Structure. Ownership configuration is another determinant that can significantly shape strategic preferences and execution. Ali et al. (2024) argue that higher levels of internal ownership are positively associated with profitability, especially in dynamic and uncertain environments. Bagh et al. (2025) highlight that concentrated ownership structures often reflect stronger shareholder influence over managerial decisions. In Indonesia, where family-owned businesses dominate much of the private sector, ownership structures tend to be tightly held, which may lead to centralized decision-making and long-term orientations. Berger et al. (2005) suggest that the relationship between ownership and strategic management can vary, depending on the governance structure and institutional context. For example, state-owned enterprises (SOEs) in Indonesia may face different strategic constraints and incentives compared to private firms, which can influence their choice of strategic models in both subtle and substantial ways.

Managerial Style. The behavior, cognitive style, and leadership approach of managers play a pivotal role in shaping strategic choices. Zhou et al. (2017) underscore that even within the same industry, performance differences among firms often arise from variations in leadership and strategic direction. Yeung and Lento (2018) found a strong correlation between managerial competence and organizational competitiveness, indicating that the leader's vision, experience, and openness to innovation directly affect a firm's ability to implement complex strategies. In Indonesia, where corporate culture often emphasizes hierarchy and respect for authority, managerial styles can either enable or constrain strategic flexibility. Leaders who adopt participative and transformational leadership styles are more likely to explore adaptive or innovation-based strategic models, while those adhering to traditional, top-down approaches may prefer more rigid and risk-averse frameworks.

Corporate Objectives. Strategic model selection is also influenced by the clarity and nature of a firm's goals. Corporate objectives stem from the organization's mission, vision, and core values, which in turn must be grounded in realistic market assessments and stakeholder expectations (Almustafa et al., 2023; Dang et al., 2022). These goals should reflect a balance between ambition and feasibility, taking into account market trends, customer behavior, competitor strategies, technological shifts, and the regulatory landscape. Organizations with aggressive growth ambitions may opt for expansion-oriented strategies, such as diversification or internationalization, whereas firms focused on operational excellence may prefer lean management or cost leadership models. In the Indonesian context, where many businesses are pursuing digital transformation under government initiatives like "Making Indonesia 4.0," strategic alignment with national development goals can also influence the models adopted by companies.

Brand Equity. Brand identity is a critical intangible asset that can serve as a source of sustainable competitive advantage. Boermans and Willebrands (2017) notes that brand value, along with social complexity and product differentiation, significantly affects firm performance. Brandao-Marques et al. (2020) emphasizes that a strong brand can create barriers to entry for competitors by being difficult to replicate, thereby enhancing a firm's profitability. According to Huang et al. (2021), brands are valuable, non-substitutable, and difficult to transfer, making them crucial assets in model selection. For firms with well-established brands, especially in consumer-facing sectors, strategic models that emphasize differentiation, innovation, or customer experience may be more appropriate. In Indonesia, local companies with strong domestic brand recognition may use their reputation to expand regionally or enter new segments, shaping their strategic orientation accordingly.

Macro-Environmental Conditions. The macro-environment encompasses broader external forces that affect organizational strategy. Amore and Bennedsen (2016) categorize these factors into six dimensions: demographic, sociocultural, political/legal, technological, economic, and global. The PEST framework (Political, Economic, Social, Technological) is commonly employed to analyze such macro-level variables. For instance, regulatory changes, interest rate fluctuations, and shifting trade policies can influence firm strategy significantly. In Indonesia, political stability, infrastructure development, digital readiness, and labor market dynamics are particularly salient issues. Firms must assess these conditions when choosing between models that require high capital investment, regulatory compliance, or rapid scalability. A volatile macro-environment may push firms toward more flexible, scenario-based planning models, while a stable one may favor long-term, predictive models.

Industry Competition. Finally, industry-specific forces greatly influence strategic choices. Five Forces model offers a structured approach to analyzing industry dynamics, including supplier power, buyer power, threat of new entrants, threat of substitutes, and rivalry among existing competitors. The combined strength of these forces determines industry profitability and shapes strategic behavior. For instance, in industries with low entry barriers and intense rivalry—such as digital services or retail—firms may adopt strategies focusing on speed, innovation, and customer loyalty. On the other hand, in capital-intensive industries such as energy or infrastructure, strategies may emphasize risk mitigation, long-term contracts, or regulatory engagement. Indonesian enterprises must consider the unique competitive landscape of their industry—whether fragmented or consolidated, growing or declining—before selecting an appropriate strategic management model. The structure and competitiveness of the sector will often dictate which models are viable and sustainable in the long run.

Discussion. The findings of this study underscore the nuanced and multifaceted nature of strategic management model selection among Indonesian enterprises. The discussion reveals that no single factor operates in isolation; rather, a constellation of internal and external determinants collectively influences how firms chart their strategic course.

Internally, the availability and quality of organizational resources - particularly intangible assets like managerial competence, brand equity, and digital readiness - significantly determine a firm's capacity to adopt sophisticated models such as the Balanced Scorecard or Blue Ocean Strategy. Firms with strong human capital and well-established governance frameworks tend to pursue innovation-driven strategies that align with dynamic capabilities theory, emphasizing adaptability and long-term competitiveness.

Ownership structure also plays a decisive role. Family-owned or state-influenced firms often exhibit hierarchical decision-making and long-term strategic horizons, making them more inclined toward traditional, centralized planning models. In contrast, companies with more dispersed ownership and professionalized management demonstrate greater openness to adaptive, agile strategies that better reflect market volatility.

Managerial style emerges as a critical behavioral factor shaping strategic flexibility. Leaders with transformational or participative leadership approaches are more likely to embrace models that promote continuous learning, cross-functional integration, and digital innovation. This is particularly relevant in Indonesia's SME-dominated economy, where managerial cognition often substitutes for formal strategic planning capabilities.

Externally, macro-environmental conditions - especially technological change, regulatory reforms, and market dynamism - strongly influence model selection. Government-led initiatives like "Making Indonesia 4.0" have compelled firms to reassess their strategic trajectories, prompting a shift towards digital maturity frameworks and innovation-centric models. Similarly, regulatory pressure has led to the integration of ESG principles into corporate strategy, reinforcing the relevance of stakeholder-focused models.

Industry competition further modulates strategic behavior. In sectors characterized by low entry barriers and fast-paced innovation (e.g., fintech, retail), firms gravitate toward disruptive strategies that prioritize speed and market differentiation. Conversely, firms in more consolidated, capital-intensive industries may favor long-term, risk-averse models aligned with Porter's Five Forces or Gap Analysis frameworks.

What is particularly distinctive in the Indonesian context is the interplay between institutional pressures and firm-level agility. The coexistence of rapid economic development and institutional constraints requires firms to constantly balance compliance with innovation, formality with experimentation. This duality shapes a hybrid strategic environment where multiple models may coexist or evolve sequentially within a single organization.

Ultimately, the findings suggest that strategic model selection in Indonesian enterprises is a dynamic, iterative process influenced by evolving internal capacities and shifting external realities. Strategic success hinges not only on the appropriateness of the selected model but also on the organization's ability to adapt, execute, and realign strategy as conditions change.

Conclusions. The selection of an appropriate strategic management model is a critical decision that significantly affects a firm's ability to navigate complexity, seize opportunities, and maintain long-term competitiveness. This study has explored a range of internal and external factors that influence this decision-making process within the context of Indonesian enterprises. By reviewing relevant literature and highlighting key variables - such as organizational resources, ownership structure, managerial style, corporate objectives, brand equity, macro-environmental factors, and industry competition—the paper provides a comprehensive understanding of how strategic choices are shaped. These factors are not independent; rather, they interact dynamically to create strategic constraints and possibilities that managers must carefully balance. The relevance of each factor may vary depending on a firm's size, industry, and stage of development, but collectively they offer a robust framework for evaluating and selecting strategic models in the evolving economic landscape of Indonesia.

Given Indonesia's position as an emerging economy with significant diversity across industries, ownership types, and organizational capacities, the findings of this study carry several important implications for practitioners. Managers must adopt a context-sensitive approach to strategy formulation, ensuring that the selected model aligns with internal capabilities and responds effectively to external pressures. For example, firms with limited resources but strong brand value might benefit from differentiation-based models, while those operating in highly regulated or competitive environments may need more flexible, agile strategies. Furthermore, firms undergoing digital transformation must consider models that support innovation, knowledge integration, and cross-functional collaboration. The study also highlights the importance of leadership awareness and strategic foresight, as managerial cognition and style often determine how effectively a chosen model is implemented.

Beyond its practical implications, this study contributes to the academic discourse by contextualizing strategic management theory within the Indonesian setting, where cultural, institutional, and economic factors differ markedly from Western-centric models often found in literature. It encourages future researchers to empirically test the relationships between the identified factors and actual strategic model outcomes across various sectors in Indonesia. As business environments continue to shift in the face of globalization, technological advancement, and environmental uncertainty, the ability to continuously evaluate and adapt strategic models will become an essential capability for Indonesian firms. Ultimately, a firm's success will depend not only on the model it selects, but on its capacity to execute that model with agility, alignment, and strategic clarity.

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