The Nexus of Strategic Management, Organizational Resilience, and Sustainable Performance: A Systematic Review Towards an Advanced Central Java

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Abstract

The acceleration of regional development toward the "Advanced Central Java" vision necessitates a reconstruction of operational paradigms amidst macroeconomic vulnerabilities. This study aims to conceptualize the tripartite nexus of strategic management, organizational resilience, and sustainable performance using a PRISMA-compliant Systematic Literature Review (SLR). Thematic analysis was executed via the constant comparative technique to extract data from internationally reputable (Scopus, WoS) and national (SINTA) literature. The theoretical foundation was constructed by integrating the Resource-Based View (RBV), Dynamic Capabilities Theory (DCT), and the ethical framework of Islamic values. The findings confirm that organizational resilience functions as a perfect mediator transforming strategic capabilities into sustainable green performance outcomes. The integration of Amanah, 'Adl, Maslahah, and Mizan offers a novel, adaptive conceptual model for the resilience of industrial ecosystems and MSMEs in Central Java Province.

Keywords: Strategic Management, Organizational Resilience, Sustainable Performance, Empowerment, Ngopeni Nglakoni, Islamic Values

INTRODUCTION

The acceleration of domestic regional development to realize the spatial vision of "Advanced Central Java" is currently confronted with the structural volatility of global markets and the threat of external supply chain disruptions. The expansion dynamics of industrial megatrends along the northern coast, such as the Batang Integrated Industrial Estate and the Kendal Industrial Park, demand simultaneous adaptive readiness from both corporate actors and Micro, Small, and Medium Enterprises (MSMEs). In a hypercompetitive market landscape, conventional short-term growth orientations have proven inadequate in mitigating sudden macroeconomic shocks (Kraus et al., 2020). Consequently, the stability of regional economic growth can only be sustained if business entities and public bureaucracies shift their orientation toward achieving holistic, eco-friendly performance (Ortiz-de-Mandojana & Bansal, 2016). A multidimensional equilibrium encompassing economic profitability, social equity, and ecological protection has become the primary determinant for the survival of a regional ecosystem (Hariram et al., 2023).

To bridge these sustainability ambitions, the internal structure of organizations requires a managerial governance reorientation that no longer relies on rigid, linear planning schemes. Turbulent environmental changes force conventional management to pivot toward strengthening adaptive internal capacities to detect and exploit new market opportunities with agility (Barney, 1991). Through the lens of modern governance, flexibility in reconfiguring asset ownership and capital allocation is an absolute

prerequisite for creating defensive competitive advantages (Teece et al., 1997). These dynamic capabilities enable both corporations and public institutions in Central Java to minimize structural inertia and accelerate bureaucratic responses to investment regulations (Eisenhardt & Martin, 2000).

Nevertheless, the formulation of a visionary strategy does not automatically translate into enduring green performance outcomes without the presence of a robust intervening variable. The internal capacity that acts as a shield to absorb external pressures while driving transformative adaptation is identified as organizational resilience (Sajdak, 2019). In the practical context of Central Java, these resilience values closely intersect with the socio-religious characteristics of the local community, which emphasize morality and spiritual blessings (Rice, 1999). The internalization of spiritual ethical values has been proven to reinforce social capital bonds and trigger transparent work commitments within organizations (Ali & Al-Owaihan, 2008). Consequently, the integration of universal religious values serves as an essential instrument in guiding economic activities to remain aligned with poverty reduction and environmental preservation for the collective welfare (Sulaeman et al, 2025).

RESEARCH METHODOLOGY

This study was designed using a Systematic Literature Review (SLR) approach, strictly adopting the standard operational guidelines of the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) protocol. The literature search process was executed electronically across three highly reputable indexing databases: Scopus, Web of Science (WoS), and SINTA 1 and SINTA 2, restricting the publication years to a contemporary timeframe (Wamba et al., 2020). Article selection was conducted through rigorous inclusion criteria, wherein full-text manuscripts were evaluated to ensure explicit interconnectedness among the investigated nexus variables (Ivankova et al., 2022). Descriptive articles lacking valid empirical foundations were immediately excluded from the analysis matrix to maintain the quality of the conceptual synthesis (Kraus et al., 2020).

RESULTS AND DISCUSSION

1. Constant Comparative Analysis of Inter-Variable Relationship Patterns.

The application of the constant comparative technique to the structured data matrix yielded new insights into the causal nature of the nexus. The analysis indicates that the strategic management dimension acts as the primary antecedent stimulating the development of internal system agility (Ortiz-de-Mandojana & Bansal, 2016). Organizations possessing deep strategic vision are proven capable of building robust resilience architectures, thereby establishing higher readiness against operational shocks (Sajdak, 2019). Furthermore, this interaction model demonstrates that organizational resilience fully mediates the influence of strategic governance on the attainment of sustainable performance targets (Teece, 2014).

2. Theoretical Integration of Resource-Based View (RBV) and Dynamic Capabilities Theory (DCT).

The theoretical synthesis constructed in this study marries the Resource-Based View (RBV) and Dynamic Capabilities Theory (DCT) to dissect the development acceleration in Central Java. Through the lens of RBV, Central Java is identified as possessing strategic assets that satisfy the VRIO (Valuable, Rare, Inimitable, Organized) criteria, such as an abundant demographic bonus and a strategic geographical location (Barney, 1991). However, because these resources are inherently static, the DCT instrument is required as a dynamic driver to continuously

reconfigure, renew, and transform internal capacities (Teece et al., 1997). The collaboration of both theories clarifies that the mastery of regional resources will not generate long-term prosperity unless balanced by agile bureaucratic capacities to seize digital investment opportunities (Al-Aali & Teece, 2014).

3. Internalization of Islamic Values Based on the Quran and Hadith

To produce an adaptive framework tailored to the socio-religious characteristics of the Central Java community, this conceptual model integrates Islamic values into the pillars of sustainability. The conventional Triple Bottom Line concept is transformed toward a universal public welfare orientation (Maslahah al-Ammah) derived from the moral ethics of the Quran and Hadith (Rice, 1999). These values serve as a spiritual anchor directing economic behavior away from mere material gain, prioritizing integrity and social responsibility instead (Ali & Al-Owaihan, 2008). This religious paradigm positions regional development as a form of worship and a trust (Amanah) that must be accounted for transparently.

Specifically, these Islamic values are operationalized into four core pillars: Amanah (Absolute Accountability), Aligned with the Quranic mandate to deliver trusts to those entitled to them (QS. An-Nisa: 58). In Central Java's public management, Amanah obligates clean, corruption-free governance oriented toward public service.

'Adl (Distributive Justice): Grounded in the mandate to uphold justice and the prohibition of harming others' rights (QS. Al-An'am: 152). Its implementation demands a balanced partnership between large corporations in new industrial zones and local MSMEs in Central Java.

Maslahah (Inclusive Welfare): Referring to the substance of the Prophet Muhammad's Hadith stating that "The best of mankind is the one who is most beneficial to others" (Narrated by Thabrani). Regional strategic policies must be directed to reduce poverty rates and generate inclusive employment.

Mizan (Ecological Equilibrium): Based on the Quranic prohibition against disrupting the natural balance created by Allah SWT (QS. Al-A'raf: 56). This pillar mandates the adoption of Green Industry concepts in Central Java's manufacturing to prevent ecological disasters such as tidal floods on the northern coast.

CONCLUSION

This study has successfully formulated a novel conceptual model that integrates strategic management, organizational resilience, and sustainable performance, underpinned by RBV, DCT, and Islamic ethical values to support the Advanced Central Java vision. Organizational resilience is proven to hold a crucial mediating role in translating strategic orientations into tangible environmental preservation and inclusive economic growth (Wamba et al., 2020). The systemic resilience of the Central Java region heavily relies on ethical collaboration among stakeholders, grounded in principles of social justice and ecological sustainability (Ivankova et al., 2022). Therefore, future research directions are recommended to conduct quantitative empirical testing using Structural Equation Modeling (SEM) to validate this conceptual model across manufacturing industry sectors and MSME clusters in Central Java (Sajdak, 2019).

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