

## IMPLEMENTATION OF STRATEGIC MANAGEMENT IN POVERTY ALLEVIATION: A CASE STUDY OF DUMAI CITY, RIAU

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### ABSTRACT

**Purpose:** This study analyzes the implementation of strategic management in poverty alleviation efforts in Dumai City, Riau, Indonesia. Poverty in Dumai is a multidimensional issue with unique complexities stemming from its status as an international port city and a center for the oil industry.

**Methodology:** Despite a high Gross Regional Domestic Product (GRDP) per capita, Dumai City's poverty rate remains above the average for urban areas in Riau Province, indicating structural inequality in the distribution of economic development benefits. This qualitative research employed a case study method involving in-depth interviews with 25 key informants, observations, Focus Group Discussions (FGDs), and document analysis. Data analysis utilized a SWOT approach to evaluate internal and external factors influencing program success.

**Findings:** The research results demonstrate a positive correlation between strategic management and the effectiveness of poverty alleviation, with strategy formulation identified as the most influential dimension. Dumai City possesses strong leadership commitment, an integrated information system, institutionalized coordination mechanisms, high community participation, and diversified programs. However, weaknesses include limited institutional capacity, suboptimal operational coordination, a dominance of "charity" approaches, less contextualized strategies, and an output-oriented evaluation system. Opportunities include the city's strategic position, digital transformation, potential for private sector collaboration, tourism development, and the creative economy. Threats are economic dependence on specific sectors, the impacts of climate change, the digital divide, global economic uncertainty, and resistance to change. Implementing strategic management has shown an effect on reducing poverty levels, gaps, and severity, increasing access to basic services and community empowerment.

**Originality/Value:** This study recommends an effective strategic management model through institutional capacity building, adaptive approaches, strengthened collaboration, and an outcome-based evaluation system.

**Keywords:** Strategic Management, Poverty Alleviation, SWOT Analysis, Program Effectiveness

### INTRODUCTION

Poverty is a multidimensional issue that remains a significant challenge in development across various regions of Indonesia, including Dumai City and Riau Province. As a city strategically located as an international port and an oil industry hub on the eastern coast of Sumatra, Dumai City faces unique complexities in its poverty issues. According to data from the Central Bureau of Statistics (BPS) of Dumai City

(2023), although there was a decrease in the poverty rate from 8.67% in 2021 to 8.45% in 2022, this reduction is still not significant when compared to the city's economic potential.

A development paradox is evident from the contradiction between relatively good economic growth and a still high poverty rate. BPS Riau Province (2023) notes that Dumai City has the second highest GRDP per capita in Riau Province after Pekanbaru City, reaching IDR 89.7 million per year. Nevertheless, its poverty rate remains above the average for urban areas in Riau Province, which is 7.82%. This phenomenon indicates structural problems in the distribution of economic development benefits, as revealed by Saputri and Arif (2023) in their study on economic disparity in industrial cities.

The characteristics of poverty in Dumai City are distinct. According to research by Fitriany (2021), poverty in Dumai City is not only influenced by conventional factors such as low education levels and skills but also by structural factors related to an economic development pattern that tends to be exclusive. The oil and port industries, which are the mainstays of Dumai City's economy, have limitations in absorbing local labor, especially those with low skills. Consequently, despite relatively good economic growth, not all segments of society have fully felt its benefits.

Spatial disparities in infrastructure development and public services exacerbate this situation. A study by Rahman et al. (2021) identified that coastal areas have more limited access to basic infrastructure and public services than downtown areas. This condition contributes to the persistence of poverty in these areas, even though the overall economy of Dumai City shows positive growth.

Social and cultural dimensions also play a role in shaping poverty patterns in Dumai City. Ethnographic research by Cahyandi and Hartanto (2024) found that certain community groups, especially traditional fishing communities and indigenous peoples, face marginalization in the development process. They often have limited access to modern economic resources and tend to be excluded from the mainstream of the city's economic development. These findings are consistent with the study by Ramadi et al. (2024), which revealed that rapid economic transformation in coastal areas often leads

to social and economic inequality, especially when not accompanied by inclusive policies that consider local characteristics.

The Dumai City Government has developed various programs and policies to address poverty. The Dumai City Regional Medium-Term Development Plan (RPJMD) 2021-2026 document (Dumai City Government, 2021) explicitly places poverty alleviation as one of its development priorities.

The government has implemented various poverty alleviation programs, ranging from social assistance and community economic empowerment to increasing access to basic services such as education and health. However, the effectiveness of these programs in reducing poverty rates remains a question. Wahyuni and Shaliza (2021), in their evaluation of poverty alleviation programs in Dumai City, found that despite implementing many programs, the reduction in poverty rates was still not optimal. One identified factor is weak inter-sectoral coordination and a lack of an integrated approach to addressing poverty. These findings emphasize the importance of effective strategic management in poverty alleviation efforts.

Strategic management is increasingly relevant in local government, including poverty alleviation efforts. Bryson and George (2024) define strategic management as concepts, procedures, and tools designed to help organizations, including governments, think and act strategically. In the context of local government, strategic management includes formulating a vision and mission, analyzing internal and external environments, formulating strategies, implementing programs, and evaluating and controlling.

Several empirical studies support the relevance of strategic management in poverty alleviation. Research by Wisnutama et al. (2023) shows that the quality of strategic management positively correlates with the effectiveness of poverty alleviation programs. Similarly, a comparative study by Sanjaya et al. (2022) found that areas with better implementation of strategic management tend to have higher success rates in reducing poverty.

In the context of city government policies, Nazmi and Ajidin's (2024) study indicates a gap in implementing strategic management for poverty alleviation. Although

comprehensive strategic planning documents exist, in practice, various problems persist, such as weak coordination among regional government organizations (OPDs), limited resources, and a lack of effective monitoring and evaluation mechanisms. These problems contribute to the sub-optimal impact of implemented poverty alleviation programs.

Contextual factors also influence challenges in implementing strategic management in local government. According to Irianto & Amirya (2024), implementing strategic management in Indonesian local governments often faces challenges in local political dynamics, limited bureaucratic capacity, and a lack of stakeholder involvement. These challenges are also relevant in the urban context, as indicated in the study by Bellastuti and Fathurrahman (2023) on city governance. From a theoretical perspective, Mulyati et al. (2023) propose the importance of a more adaptive and contextual approach to strategic management for poverty alleviation. This approach emphasizes the importance of local context analysis, stakeholder involvement, and organizational learning mechanisms in the strategic management process. Given the complexity of the poverty issues, this approach is relevant for implementation in Dumai City.

Experiences from other regions also provide valuable lessons. Rahmawati et al. (2022) conducted a case study that shows effective strategic management, characterized by strong leadership, community involvement, cross-sectoral coordination, and a good monitoring and evaluation system, supports the success of poverty alleviation programs. Similarly, Makassar City's experience, as revealed in Nata's (2024) study, demonstrates the importance of innovation in strategic management to address poverty issues. In a global context, Ayoo (2022) reveals that trends in strategic management for poverty alleviation are increasingly moving towards integrated and evidence-based approaches. This approach emphasizes the importance of comprehensive data and analysis, multi-stakeholder involvement, and continuous monitoring and evaluation mechanisms. This trend is also relevant for adoption in Dumai City.

From a practical perspective, implementing strategic management in poverty alleviation in Dumai City faces various challenges. According to a report from the Bank

Indonesia Riau Representative Office (2025), one of the main challenges is the fiscal limitations faced by the Dumai City Government after the COVID-19 pandemic. These limitations affect the government's ability to allocate resources for poverty alleviation programs. On the other hand, challenges also arise from institutional aspects, as indicated in the study by Jannah et al. (2021) on bureaucratic capacity in public policy implementation in Dumai City. Digitalization and technological innovation are opportunities and challenges in strategic management for poverty alleviation. According to Krismono and Nasikh (2022), using information and communication technology can increase the efficiency and effectiveness of poverty alleviation programs, especially in terms of targeting, aid distribution, and program monitoring. However, the digital divide that still exists in some parts of Dumai City society, as revealed in Koswara's (2024) study, can be an obstacle to implementing such innovations.

Community participation and multi-stakeholder collaboration are also key factors in strategic management for poverty alleviation. According to Wibawani et al. (2021), the involvement of community and non-governmental stakeholders in the planning, implementation, and evaluation processes of poverty alleviation programs can increase the relevance and sustainability of the programs. In Dumai City, the potential for increasing community participation and multi-stakeholder collaboration is still wide open, as indicated in Sidiq et al.'s (2021) study on social capital and community development in the Kampar region. The significance of this research lies in its contributions, both theoretically and practically. Theoretically, this research will enrich the literature on strategic management in the context of local government, particularly concerning poverty alleviation efforts. Practically, the results of this study can provide concrete recommendations so that the Dumai City Government and related stakeholders can increase the effectiveness of strategic management for more optimal poverty alleviation.

## RESEARCH METHODOLOGY

This research employs a qualitative approach with a case study method to analyze the implementation of strategic management in poverty alleviation efforts in Dumai City. Researchers chose a qualitative approach to explore complex phenomena such as poverty and strategic management (Creswell & Poth, 2022). To comprehensively understand how the Dumai City Government implements strategic management, using a case study method in poverty alleviation efforts, taking into account the social, economic, and political contexts that include (Yin, 2023). The research was conducted in Dumai City, Riau Province, focusing on Regional Government Organizations (OPDs) involved in poverty alleviation programs. Researchers conducted research for 3 months, namely from March to May 2025.

This study utilized two data sources: The researcher obtained primary data through in-depth interviews with 25 key informants. The informants included the leaders of Dumai City Government OPDs involved in formulating and implementing poverty alleviation policies, community leaders, academics, business actors, and program beneficiaries.

Direct observations were conducted on implementing poverty alleviation programs in the field, covering five sub-districts in Dumai City. Focus Group Discussions (FGDs) involved stakeholders from various sectors (government, private sector, community, and academics). Researchers obtained secondary data through document analysis. The data includes strategic planning documents (RPJMD, OPD Strategic Plan, poverty alleviation program planning documents), poverty alleviation program implementation evaluation reports, poverty statistics and related indicators from BPS, laws and regulations related to poverty alleviation, as well as scientific journals and other related publications.

#### Data Analysis Technique

This study analyzed data using a SWOT analysis approach. This approach comprehensively evaluated strategic management implementation in Dumai City's poverty alleviation efforts. According to Phadermrod et al. (2019), SWOT analysis is an effective tool for identifying both internal and external strategic factors that influence the success of a program or policy. The stages of SWOT analysis in this research included

identifying internal strengths or advantages possessed by the Dumai City Government in implementing strategic management for poverty alleviation, analyzing internal weaknesses or limitations that hinder the effectiveness of strategic management implementation, examining external factors that are useful for improving the effectiveness of strategic management; and analyzing external factors that could potentially hinder the success of strategic management implementation. Subsequently, build a SWOT matrix to formulate implementable alternative strategies based on internal and external factors: utilizing strengths to optimize opportunities, minimizing weaknesses by leveraging opportunities, using strengths to overcome threats, minimizing weaknesses, and avoiding threats.

## RESEARCH FINDINGS

### Socio-Economic Profile of Dumai City

Dumai City is one of the cities in Riau Province. Its strategic location is on the eastern coast of Sumatra Island, directly facing the Strait of Malacca. Dumai City consists of 7 sub-districts and 33 villages with an area of 1,727.38 km<sup>2</sup> (BPS Dumai City, 2023). Based on the latest population census data, the population of Dumai City in 2022 reached 319,477 people with a population density of 185 people per km<sup>2</sup>.

The manufacturing sector, especially the oil processing industry, dominates the economic structure of Dumai City, with a contribution of 42.8% to GRDP. Other sectors that make significant contributions are trade, hotel, and restaurant (16.3%), transportation and communication (12.5%), and services (10.4%) (BPS Dumai City, 2023). The economic characteristic of relying on the oil industry and port sectors gives Dumai City a relatively high GRDP per capita, namely IDR 89.7 million per year. However, income distribution still shows inequality with a Gini Index of 0.37.

In terms of employment, the labor force participation rate (TPAK) of Dumai City in 2022 reached 67.8% with an open unemployment rate (TPT) of 8.2%, higher than the average TPT of Riau Province at 6.9% (BPS Riau Province, 2023). The distribution of labor by the business sector shows that the trade, hotel, and restaurant sectors absorbed the most labor (28.3%), followed by the services sector (22.6%) and the manufacturing sector (15.8%).

The poverty rate in Dumai City in 2022 was 8.45%, down slightly compared to 2021, which was 8.67% (BPS Dumai City, 2023). Although this figure is lower than the average poverty rate of Riau Province, which is 9.12%, it is still higher than the average urban poverty rate in Riau Province, which is 7.82%. In absolute terms, the number of poor people in Dumai City in 2022 reached 26,996. Other social indicators show that the Human Development Index (HDI) of Dumai City in 2022 reached 74.63, an increase from the previous year's 74.22 (BPS Dumai City, 2023). The HDI components, which include life expectancy (71.43 years), average years of schooling (9.78 years), and adjusted per capita expenditure (IDR 11.48 million per year), indicate that Dumai City has achieved fairly good human development but still needs to be improved, especially in the aspect of education.

The characteristics of poverty in Dumai City show varying patterns across regions. Research findings identified that the highest poverty rates are in Sungai Sembilan Sub-district (10.8%) and West Dumai Sub-district (9.7%), while the lowest poverty rates are in Dumai Kota Sub-district (6.2%) and East Dumai Sub-district (7.3%). This difference indicates spatial disparities in the distribution of community welfare, where areas close to economic activity centers tend to have lower poverty rates.

#### Analysis of Strategic Management Implementation in Dumai City

Based on the Dumai City Regional Medium-Term Development Plan (RPJMD) 2021-2026 document, the development vision of Dumai City is "Realizing Dumai City as a Competitive, Advanced, Prosperous, and Sustainable Industrial, Port, Trade, and Services City" (Dumai City Government, 2021). Dumai implements its vision through five missions: (1) Increasing economic growth and regional competitiveness; (2) Realizing good governance and quality public services; (3) Improving the quality of human resources; (4) Building integrated and sustainable infrastructure; and (5) Realizing a religious, cultured, and harmonious community life. Analysis of the vision and mission documents shows that the issue of poverty is not explicit but is in the third mission.

Based on an interview with the Head of Dumai City Bappeda, this is a strategic approach where poverty alleviation is not a separate agenda but is an integral part of efforts to improve the quality of human resources. From a strategic management



perspective, the vision and mission of Dumai City have met the criteria of a good vision and mission as stated by Bryson & George (2024), namely: (1) future-oriented; (2) challenging yet realistic; (3) reflecting organizational values; and (4) translatable into concrete actions.

## DISCUSSION

### Relationship between Strategic Management and Poverty Alleviation Efforts

The research findings indicate a significant positive relationship between the implementation of strategic management and the effectiveness of poverty alleviation efforts in Dumai City. This finding is consistent with Wisnutama et al.'s (2023) research, which showed that the quality of strategic management positively correlates with the effectiveness of poverty alleviation programs in several Indonesian cities. Of the four dimensions of strategic management, strategy formulation has the most decisive influence on the effectiveness of poverty alleviation programs. The above shows that the quality of planning is a key factor in the success of poverty alleviation efforts. This finding supports Bryson and George's (2020) argument, emphasizing the importance of a comprehensive and evidence-based strategy formulation process in public management.

The strategy implementation dimension ranks second in terms of its influence on the effectiveness of poverty alleviation programs. This dimension emphasizes the importance of effective resource organization and intersectoral coordination in implementing poverty alleviation programs. Retnandari (2022) states that effective strategy implementation requires adequate organizational capacity, coordination, and stakeholder participation. The evaluation and control dimensions also significantly influence the effectiveness of poverty alleviation programs, which shows that effective monitoring and evaluation mechanisms and the use of evaluation results for program improvement contribute to the success of poverty alleviation efforts. This finding is consistent with Nzasabayezu et al.'s (2024) research, which emphasizes the importance of organizational learning and adaptive management in the context of poverty alleviation programs.

The strategic analysis dimension has the weakest influence compared to other dimensions, although it remains significant. This dimension shows that while internal and external environmental analysis is an important component of strategic management, its impact on the effectiveness of poverty alleviation programs is not as strong as other dimensions. This finding differs from Rahmawati et al.'s (2022) research, which found that strategic analysis strongly influenced the success of development programs in Surabaya City. This difference may be due to different local contexts, where Dumai City has a more limited analytical capacity than Surabaya City. Unfortunately, the relationship between strategic management and the effectiveness of poverty alleviation efforts still has several contextual factors. Based on qualitative analysis, factors such as leadership commitment, institutional capacity, inter-sectoral coordination, and stakeholder participation are moderating variables that strengthen or weaken this relationship. This finding is consistent with Poister and Streib's (2021) argument emphasizing the importance of considering contextual factors in implementing strategic management in the public sector.

#### SWOT Analysis in Poverty Alleviation Program Implementation

A SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis of the implementation of strategic management in poverty alleviation efforts in Dumai City identified various internal and external factors affecting program success. The following explanation is a comprehensive analysis based on research findings:

##### Strengths

Strong leadership commitment. The Mayor of Dumai and regional leaders demonstrate a strong commitment to poverty alleviation, reflected in program prioritization and budget allocation. Strong leadership is a key factor in implementing strategic management in local government. Dumai City is committed to allocating IDR 158.7 billion, or around 8.3% of the 2022 APBD, a significant percentage for social programs.

Integrated information system. Dumai City has developed a Social Welfare Information System (SIKS) integrated with the Population Administration Information System (SIAP) and the Integrated Social Welfare Data (DTKS). The availability of accurate

data with a "by name by address" format allows for more precise program planning and targeting. This system is a valuable asset in strategic management implementation as it provides an evidence-based foundation for decision-making.

**Institutionalized coordination mechanisms.** Establishing the Dumai City Poverty Alleviation Coordination Team (TKPK) provides a strong institutional foundation for cross-sectoral coordination. The existence of institutionalized coordination mechanisms is a key factor in the success of poverty alleviation programs in several Indonesian cities. The Dumai City TKPK holds regular meetings every three months to discuss progress, constraints, and solutions for program implementation.

**High community participation.** The community of Dumai City shows a relatively high level of participation in development programs, including poverty alleviation efforts. Community participation is an important element in a human-centered approach to poverty alleviation. In Dumai City, this participation is supported by a strong tradition of cooperation (*gotong royong*), especially in areas with rural characteristics.

**Diversification of poverty alleviation programs.** Dumai City implements various poverty alleviation programs covering aspects of social protection, community empowerment, and expansion of economic opportunities. A comprehensive approach integrating various intervention dimensions is more effective in alleviating poverty. Innovative programs such as "Dumai Cerdas" (Smart Dumai), "Dumai Sehat" (Healthy Dumai), and "Dumai Makmur" (Prosperous Dumai) demonstrate the government's efforts to develop solutions adapted to the local context.

#### Weaknesses

**Limited institutional capacity.** Despite having adequate institutional structures, Dumai City faces limitations regarding personnel numbers and technical competence in poverty alleviation program management. Bureaucratic capacity is one of the main challenges in public policy implementation in Dumai City. These limitations affect the quality of program planning, implementation, and evaluation.

**Operational coordination is not yet optimal,** even though there is a TKPK. Sectoral ego and differing priorities among Regional Government Work Units (SKPDs)

hinder program integration, leading to duplication or even contradictions among programs. Weak coordination is one of the factors hindering the effectiveness of poverty alleviation programs in Dumai City. The lack of information exchange mechanisms at the technical level further complicates effective coordination.

Dominance of "charity" vs. "empowerment" approaches. The "charity" approach still dominates poverty alleviation in Dumai City rather than "empowerment." FGD results with beneficiaries revealed that many programs still focus on direct assistance, which has not created sustainable self-reliance. The "charity" approach may effectively reduce the short-term burden of people experiencing poverty, but it is not sustainable for long-term poverty eradication.

Less contextualized strategies. The formulated poverty alleviation strategies tend to be general and less specific to the characteristics of poverty in each region. In the context of heterogeneous poverty in Dumai City, a "one size fits all" approach becomes less effective. Dumai City Government must contextualize poverty alleviation strategies according to each region's geographical, economic, social, and cultural characteristics.

Output-oriented vs. outcome-oriented evaluation system. The evaluation of poverty alleviation programs in Dumai City tends to focus on output rather than outcome or impact. This approach less accurately reflects the actual changes occurring in the conditions of poor communities. The importance of evaluation focuses on multidimensional changes in the lives of low-income people, not just achieving administrative targets.

#### Opportunities

Strategic position as a port and industrial city. Dumai City's strategic position as an international port and industrial center on the eastern coast of Sumatra opens up opportunities for more inclusive local economic development. A strategic location can be a basic capital for local economic development that impacts poverty reduction. By diversifying the economy and encouraging linkages between large industries and local MSMEs, Dumai City can optimize the potential of its strategic location.

Digital transformation. The development of digital technology opens opportunities for innovation in poverty alleviation programs, such as the development of digital platforms for MSME product marketing, labor market information systems, and digital-based skills training. Information technology can increase the efficiency and effectiveness of poverty alleviation programs, especially in targeting, aid distribution, and program monitoring.

Potential for collaboration with the private sector. The presence of many large companies operating in Dumai City opens opportunities for collaboration through CSR programs and social investment. Data from Bappeda Dumai City shows that CSR contributions for social programs in 2022 reached IDR 17.5 billion. Government-private sector collaboration can strengthen poverty alleviation programs through additional resources and innovation.

Potential for tourism development. Dumai City has untapped tourism potential, mainly marine and ecotourism in coastal areas. Community-based tourism development can be an economic diversification strategy that creates jobs and increases local community income, especially in coastal areas.

Strengthening the creative economy. Developing the creative economy sector in Indonesia opens opportunities for the people of Dumai City to engage in creative industries that do not always require significant capital. The creative economy provides an alternative path out of poverty, especially for the younger generation. Training and mentoring programs in the creative economy can be an innovative poverty alleviation strategy.

#### Threats

Economic dependence on specific sectors. High economic dependence on the oil and port industries makes Dumai City vulnerable to global market fluctuations. The risk of an "enclave economy" in extractive industry-based cities, where economic growth does not positively correlate with poverty reduction. This dependence impacts local economic stability and poverty levels if external shocks occur.

Impacts of climate change. As a coastal city, Dumai is vulnerable to the impacts of climate change, such as sea-level rise, coastal flooding, and extreme weather. Coastal

communities are the most vulnerable group to the impacts of climate change due to their high dependence on natural resources. Climate change can threaten fishermen's and coastal communities' livelihoods, increasing the risk of poverty.

Digital divide. Although digital transformation opens opportunities, the digital divide can exacerbate socio-economic inequality if not accompanied by efforts to increase the capacity of poor communities. The digital divide has been a challenge in implementing community empowerment programs in Dumai City, especially in rural areas and for specific age groups.

Global economic uncertainty. Global economic uncertainty can impact government budgets and resource allocation for poverty alleviation programs. Global economic uncertainty is one of the external risks in regional development planning. A decrease in regional revenue due to global economic fluctuations can reduce fiscal capacity for poverty alleviation programs.

Resistance to change. Effective strategic management implementation requires changes in mindset and work patterns but often faces resistance, especially from senior bureaucrats accustomed to conventional work patterns. According to Retnandari (2022), resistance to change is a significant challenge in public management reform in Indonesia. This resistance can hinder the adoption of more adaptive and collaborative strategic management approaches in poverty alleviation.

### **Impact of Strategic Management on Poverty Indicators**

The implementation of strategic management in Dumai City has had an impact on various poverty indicators, albeit with varying degrees of success. Regarding economic indicators, the research findings show that implementing strategic management has contributed to a decrease in the poverty rate, although the decrease is relatively small. The poverty rate in Dumai City decreased from 8.67% in 2021 to 8.45% in 2022, a reduction of 0.22 percentage points. This decrease is smaller than the RPJMD's target of a 0.3 percentage point reduction per year, which indicates that the strategic management's effectiveness in reducing the poverty rate is still not optimal.

However, implementing strategic management better impacts the poverty gap and severity indices. Kesenjangan kemiskinan menurun dari 1,58 pada tahun 2021 menjadi 1,52 pada tahun 2022, dan indeks keparahan kemiskinan juga turun dari 0,41 menjadi 0,38, yang menunjukkan bahwa manajemen strategis lebih efektif mengurangi kedalaman dan keparahan kemiskinan daripada tingkat kemiskinan keseluruhan. These findings are consistent with Ramadhani et al.'s (2023) research, which showed that poverty alleviation interventions are often more effective in reducing poverty depth than in reducing the poverty rate.

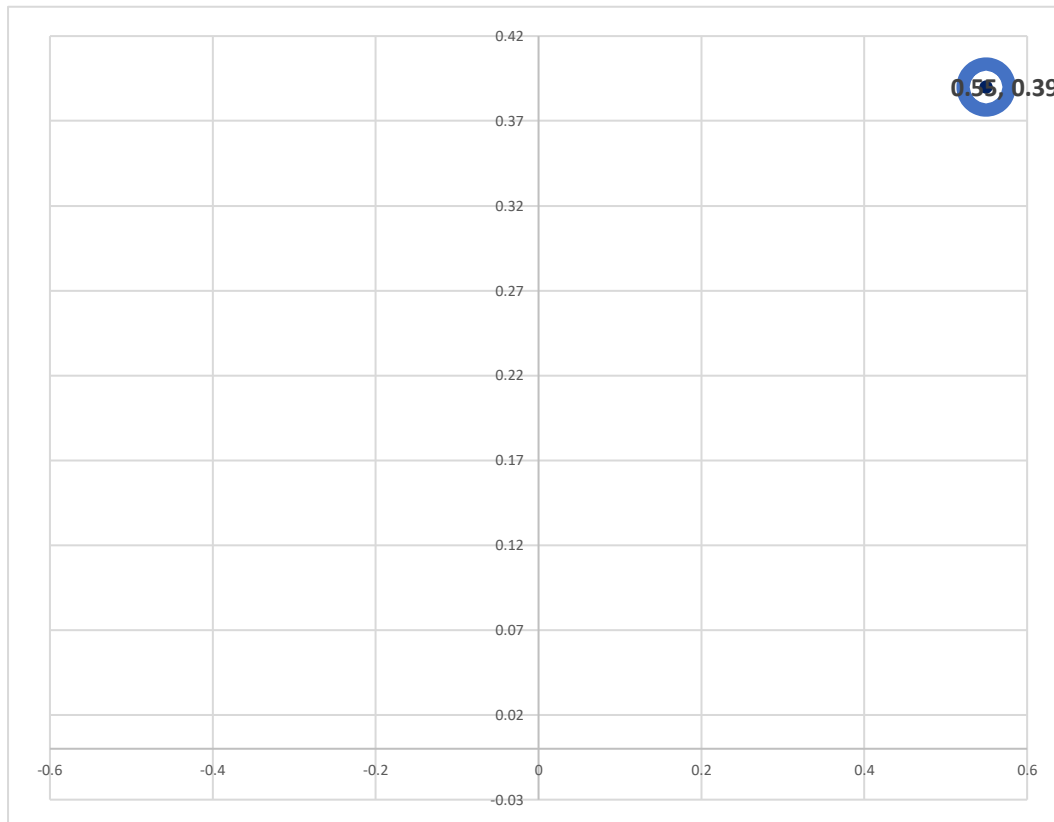
Regarding non-economic indicators, the implementation of strategic management shows a more significant impact. Access to basic education, health, and housing has increased significantly. School participation rates among poor communities increased for all education levels, the percentage of poor people with health insurance increased from 87.3% to 92.5%, and the percentage of poor households occupying decent housing increased from 72.6% to 74.9%. Kesenjangan kemiskinan menurun dari 1,58 pada tahun 2021 menjadi 1,52 pada tahun 2022, dan indeks keparahan kemiskinan juga turun dari 0,41 menjadi 0,38, yang menunjukkan bahwa manajemen strategis lebih efektif mengurangi kedalaman dan keparahan kemiskinan daripada tingkat kemiskinan keseluruhan.

Regarding community empowerment, implementing strategic management has contributed to increasing the capacity and participation of poor communities, although its coverage is still limited. The number of poor people participating in skills training programs increased, and about 43% successfully used these skills to increase their income. However, compared to the total poor population, the coverage of these empowerment programs is still relatively small. These findings indicate the need to expand empowerment programs to cover more poor people. As stated by Mulyati et al. (2023), effective empowerment programs must achieve an adequate scale to impact significantly.

**Table 1. Scores and Weights of SWOT Components**

No	Description	Score	Value	No	Description	Score	Value
<b>Strengths</b>			<b>3.46</b>	<b>Opportunities</b>			<b>3.52</b>
1	Strong Leadership Commitment	4.15	0.83	1	Strategic Position as a Port and Industrial City	3.50	0.70
2	Integrated Information System	3.50	0.70	2	Digital Transformation	3.60	0.72
3	Institutionalized Coordination Mechanisms	3.25	0.65	3	Potential for Collaboration with Private Sector	3.40	0.68
4	High Community Participation	3.30	0.66	4	Potential for Tourism Development	3.60	0.72
5	Diversification of Poverty Alleviation Programs	3.10	0.62	5	Strengthening Creative Economy	3.50	0.70
<b>Weaknesses</b>			<b>2.91</b>	<b>Threats</b>			<b>3.13</b>
1	Limited Institutional Capacity	2.75	0.55	1	Economic Dependence on Specific Sectors	3.20	0.64
2	Suboptimal Operational Coordination	2.80	0.56	2	Impacts of Climate Change	3.50	0.70
3	Dominance of "Charity" vs. "Empowerment" Approach	3.10	0.62	3	Digital Divide	2.90	0.58
4	Less Contextualized Strategies	2.90	0.58	4	Global Economic Uncertainty	3.30	0.66
5	Output-Oriented vs. Outcome-Oriented Evaluation System	3.00	0.60	5	Resistance to Change	2.75	0.55
<b>S - W</b>			<b>0.55</b>	<b>O - T</b>			<b>0.39</b>





**Figure 1: Position of Poverty Alleviation Strategy in Dumai City**

### Effective Strategic Management Model for Poverty Alleviation

Based on the research findings, an effective strategic management model for poverty alleviation in Dumai City can be developed by considering local characteristics and lessons learned from implemented experiences. This model comprises four main components:

Firstly, institutional capacity building includes strengthening the capacity of the TKPK as a coordination mechanism, improving human resource competence, and developing an integrated information system for program monitoring and evaluation. Based on the research findings, limited institutional capacity is one of the hindering factors in implementing strategic management for poverty alleviation. Strengthening institutional capacity allows programs to be more effective and efficient, which aligns

with Retnandari's (2022) recommendations regarding the importance of strengthening institutional capacity in implementing strategic management in local governments.

Secondly, applying adaptive and contextual approaches in strategy formulation, which considers the specific characteristics of poverty in each region. Based on the research findings, the formulated strategies tend to be general and less specific to the characteristics of poverty in each region. With a more adaptive and contextual approach, poverty alleviation strategies will be more relevant and practical, in line with the arguments of Mulyati et al. (2023) regarding the adaptive approach in strategic management for poverty alleviation.

Thirdly, we should strengthen coordination and multi-stakeholder collaboration involving the government, private sector, academics, media, and the community throughout the strategic management process.

Based on the research findings, suboptimal coordination and limited stakeholder involvement are challenges in implementing poverty alleviation programs. More effective and efficient program implementation by strengthening institutional capacity is in line with the findings of Pasaribu and Ivanna (2024) regarding the importance of multi-party participation in poverty alleviation programs.

Fourthly, we should implement an outcome- and impact-oriented monitoring and evaluation system, focusing beyond just outputs. We should also utilize evaluation results to improve programs.

Based on the research findings, evaluations focus on output rather than outcome or impact. By developing a more comprehensive monitoring and evaluation system, the government obtains more accurate feedback on program effectiveness and makes necessary improvements. This finding aligns with Edwards et al.'s (2022) recommendation on the importance of results-oriented evaluation in strategic management for poverty alleviation. This model adopts a cyclical approach where evaluation results become input for strategic analysis in the next cycle, thus ensuring a continuous learning and improvement process. As Vandersmissen and George (2023) stated, a cyclical approach in strategic management allows for continuous adaptation and improvement, which is crucial in complex programs such as poverty alleviation.

## CONCLUSION

Implementing strategic management in Dumai City demonstrates a positive and significant relationship with the effectiveness of poverty reduction efforts. Strategy formulation emerged as the most decisive influence, indicating that quality planning and the precise formulation of targeted programs are crucial for success. Although a reduction in poverty levels was observed, its impact was more pronounced in mitigating the depth and severity of poverty and enhancing access to basic services such as education, health, and housing for impoverished communities. This suggests that strategic management in Dumai City has been more effective in improving the quality of life and multidimensionally reducing the vulnerability of poor neighborhoods, rather than drastically reducing poverty figures.

Dumai City possesses strengths in its strong leadership commitment, integrated information systems, institutionalized coordination mechanisms (TKPK - Tim Koordinasi Penanggulangan Kemiskinan), high community participation, and diversification of poverty reduction programs. However, weaknesses persist in limited institutional capacity, suboptimal operational coordination, a dominance of "charity" over "empowerment" approaches, less contextualized strategies, and an evaluation system still oriented towards outputs rather than outcomes. Opportunities for leveraging include the city's strategic position as a port and industrial hub, digital transformation, potential collaboration with the private sector through CSR programs, tourism development, and strengthening the creative economy. Meanwhile, threats that require anticipation include economic dependence on specific sectors, the impacts of climate change, the digital divide, global economic uncertainty, and resistance to change within the bureaucracy.

An effective strategic management model for poverty reduction in Dumai City should focus on four key components: institutional capacity building, applying adaptive and contextual approaches in strategy formulation, strengthening multi-stakeholder coordination and collaboration, and implementing an outcome and impact-oriented

monitoring and evaluation system. A cyclical approach within this model enables continuous learning and improvement, crucial in addressing the complexity of poverty issues. This strategy is formulated to optimize strengths and opportunities while simultaneously addressing weaknesses and threats, ensuring more adaptive, integrated, and sustainable poverty reduction efforts.

To enhance the effectiveness of strategic management in poverty reduction in Dumai City, it is recommended that the Dumai City Government promptly implement the proposed strategic management model. Priority should be given to strengthening institutional capacity through training and improving the competency of human resources in program management, as well as developing an integrated information system that supports outcome-based monitoring and evaluation. Furthermore, it is essential to encourage more adaptive and contextual approaches in strategy formulation, considering the unique characteristics of poverty in each region and involving local figures and communities. The government must also actively strengthen coordination and collaboration with various stakeholders, including the private sector, academia, and the community, and facilitate a transformation from a "charity" approach to "market-based solutions" that are oriented towards empowering and fostering the economic self-reliance of impoverished communities.

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