

Strategic Decision-Making for MSME Sustainability Amid Global Economic Disruption

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Abstract

Micro, Small, and Medium Enterprises (MSMEs) face disproportionate risk during periods of global economic turbulence. This study investigates the role of strategic decision-making in fostering business sustainability for MSMEs under such conditions. Drawing on Schermerhorn's decision-making theory, stakeholder theory, and contingency frameworks, the research develops an integrative model that links strategic cognition, organizational learning, and stakeholder alignment. Using qualitative conceptual analysis of international literature and contextual case studies, the findings show that proactive, ethical, and participatory decision-making significantly enhances MSME resilience and long-term viability. External moderators—such as technological readiness, institutional support, and cultural factors—also influence decision outcomes. This study offers both theoretical advancement and practical tools, contributing a multidimensional framework for MSMEs seeking to adapt strategically and sustain operations amid crisis. Implications include actionable strategies for entrepreneurs and policy recommendations for ecosystem-level support.

Keywords

Strategic Decision-Making; MSME Resilience; Organizational Learning; Stakeholder Alignment; Sustainability Strategy

INTRODUCTION

The increasing volatility of the global economy, characterized by fluctuating trade dynamics, supply chain disruptions, and financial instability, has significantly challenged the sustainability of Micro, Small, and Medium Enterprises (MSMEs). These enterprises, often hailed as engines of economic growth, are particularly vulnerable due to their limited resources, reduced market access, and dependency on domestic demand (World Bank, 2023). As such, understanding the strategic capabilities that enhance their adaptability has become a critical area of inquiry in contemporary management studies. The ability of MSMEs to navigate uncertainty rests substantially on their leaders' capacity for strategic decision-making, which involves the integration of foresight, resource optimization, and environmental responsiveness (Schermerhorn, 2021, p. 212).

Strategic decision-making is not merely an operational process but a cognitive and cultural mechanism through which organizations align their goals with external realities. Contemporary scholars emphasize that decision-making in uncertain environments must be both structured and flexible, accommodating emerging risks while exploiting new opportunities (Mintzberg et al., 2022). Theoretical perspectives on decision-making, particularly those derived from behavioral theory and strategic cognition, suggest that the sustainability of MSMEs is directly influenced by how leaders interpret information and commit to action (Eisenhardt et al., 2021). Schermerhorn (2021) also emphasizes that effective decision-making requires the synergy of individual leadership traits, group dynamics, and organizational systems (p. 198).

Beyond internal managerial competence, MSME sustainability is shaped by external institutional and economic pressures. Government policies, access to finance, infrastructure quality, and global supply networks all play roles in either enabling or constraining strategic responses (OECD, 2024). Thus, MSMEs in emerging economies often operate within a paradox: they must innovate and remain agile, yet they are simultaneously constrained by systemic limitations. This duality reinforces the need for research that examines how strategic decision-making can mediate external pressures and internal weaknesses, thereby producing resilient and sustainable business models (Ratten, 2023).

Empirical studies have identified several drivers of MSME sustainability, including digital transformation, innovation capability, and stakeholder engagement. However, few studies have fully integrated strategic decision-making as the central mechanism linking these factors to long-term performance outcomes (Agyapong et al., 2022). The absence of a cohesive framework that captures the cognitive, structural, and environmental dimensions of decision-making within MSMEs presents a notable research gap. This study seeks to address this gap by positioning strategic decision-

making as both a dependent and independent construct within the broader context of sustainability theory and global economic disruption.

Therefore, this paper investigates how strategic decision-making influences the sustainability of MSMEs under global economic pressure. The study addresses the following research questions: (1) How does strategic decision-making contribute to business sustainability in MSMEs? (2) What contextual factors moderate this relationship during periods of global economic disruption? (3) What integrative framework can be developed to enhance the strategic resilience of MSMEs? By answering these questions, the study aims to provide theoretical clarity and practical tools that can guide MSMEs in building sustainable strategies amidst ongoing global challenges.

LITERATURE REVIEW

The literature on MSME sustainability has grown significantly in response to recurring global economic disturbances, yet a comprehensive understanding of strategic decision-making as a determinant of sustainability remains fragmented. MSMEs are often examined through lenses of resource scarcity, innovation capacity, or institutional support (Naidoo & Urban, 2022). However, the theoretical emphasis on decision-making behavior in uncertain environments remains underdeveloped in this context. Foundational management literature highlights decision-making as a deliberate, cognitive process that integrates perception, judgment, and action (Schermerhorn, 2021, p. 211). This process becomes particularly crucial for MSMEs, which lack the buffer of extensive infrastructure and must instead rely on agile and informed responses to environmental turbulence (Baron & Tang, 2021).

Several frameworks contribute to the understanding of strategic thinking in small firms. Mintzberg's (1978) concept of emergent strategy illustrates how organizations, particularly those with limited forecasting tools, often adapt incrementally rather than through grand design. This idea aligns with dynamic capabilities theory, which emphasizes the ability of firms to sense, seize, and transform in response to changing conditions (Teece et al., 2020). However, these theories rarely address the micro-foundations of decision-making—the individual and collective reasoning that informs strategic choices. Schermerhorn (2021) bridges this gap by linking decision quality to leadership style, organizational culture, and learning systems (p. 197), making his framework particularly applicable to MSMEs seeking sustainability through internal alignment and strategic clarity.

Recent empirical studies support the integration of strategic cognition with sustainability outcomes. For example, firms that embrace proactive scanning of

external environments and foster participatory decision-making structures demonstrate higher resilience during economic shocks (Mahmood et al., 2023). Moreover, sustainable MSMEs often incorporate ethical considerations, stakeholder interests, and innovation-driven thinking into their decision-making practices (Klewitz & Hansen, 2021). Nonetheless, the literature tends to treat sustainability and strategic decision-making as separate constructs rather than as interdependent components of business resilience. This study advances the discourse by synthesizing these domains into a singular, integrative framework.

Theoretical Framework

Strategic decision-making serves as a central pillar in organizational theory, particularly for firms operating under resource constraints and market uncertainty, such as MSMEs. According to Schermerhorn (2021), decision-making involves identifying problems, evaluating alternatives, and selecting actions that align with organizational goals while responding to environmental stimuli (p. 212). His model underscores three decision-making contexts—certain, risk, and uncertain environments—with MSMEs primarily functioning under the latter. This framework is foundational in analyzing how these enterprises manage complexity through adaptive reasoning and structured choice-making. The inclusion of both programmed and non-programmed decision types also helps differentiate between routine problem-solving and strategic improvisation, which is vital for business sustainability.

The concept of bounded rationality introduced by Simon and further developed in modern management literature plays a crucial role in understanding MSME behavior. Leaders in small firms often operate with limited information and time, necessitating satisficing rather than optimizing decisions (Gigerenzer & Gaissmaier, 2022). Schermerhorn (2021) integrates this logic by illustrating how decision makers balance analytical and intuitive approaches, especially in time-sensitive environments (p. 215). For MSMEs, this balance determines not only operational viability but also long-term resilience when faced with global disruptions such as pandemics or geopolitical instability.

Organizational learning theory further enriches the framework for strategic decision-making. It posits that sustainability is achievable when firms are capable of learning from past experiences, integrating feedback, and adapting behavior (Argyris & Schön, 1996). Schermerhorn (2021) emphasizes learning organizations as those that promote inquiry, information sharing, and continuous improvement (p. 289), characteristics often underdeveloped in MSMEs due to structural limitations. However, when adopted, these practices can significantly enhance adaptability and reduce strategic

errors. This highlights the interdependency between decision quality and learning culture, reinforcing sustainability pathways.

Contingency theory also supports this research by arguing that decision-making strategies must fit the specific circumstances and external demands faced by an organization (Donaldson, 2001). This theory aligns with Schermerhorn's (2021) assertion that no single decision-making model is universally applicable (p. 219). Instead, managers must assess environmental volatility, organizational capacity, and stakeholder needs before determining an appropriate strategy. For MSMEs, this context-based thinking becomes crucial in responding effectively to economic shocks, supply chain constraints, or customer behavior shifts.

Finally, stakeholder theory integrates the ethical and relational dimensions of sustainability. Freeman's model suggests that organizations are responsible not only to shareholders but to all parties affected by their operations. Schermerhorn (2021) supports this multidimensional view, noting that inclusive decision-making enhances legitimacy, trust, and long-term value (p. 240). For MSMEs, particularly those embedded in local communities, this stakeholder-centric approach not only fulfills moral obligations but also strengthens their social license to operate, which in turn bolsters sustainability.

Previous Research

Recent studies have explored the relationship between strategic decision-making and business resilience, particularly in the context of MSMEs. Agyapong et al. (2019) examined Ghanaian MSMEs and found that proactive planning and internal decision autonomy were strongly associated with firm longevity and crisis responsiveness. Their quantitative analysis revealed that firms with formalized decision structures were more adaptable to market shocks. Similarly, Al-Haddad et al. (2020) emphasized the role of strategic flexibility in Middle Eastern small enterprises, demonstrating that adaptive decision-making models enhanced survival during political and economic instability. However, their research focused narrowly on external contingency factors, without delving into internal decision cognition.

In 2021, Mahmood and colleagues investigated digital transformation and strategic thinking among Southeast Asian MSMEs. Their findings indicated that firms utilizing real-time data and scenario planning tools were better able to withstand economic shocks and logistical breakdowns. This study confirmed the link between strategic foresight and resilience, yet it remained limited by its technological scope and did not examine leadership cognition. Likewise, Putra and Santosa (2021) analyzed Indonesian MSMEs' crisis responses during the COVID-19 pandemic. Their research highlighted

the significance of informal networks and intuitive leadership in decision-making processes but lacked a robust theoretical foundation integrating organizational learning or behavioral theory.

Rahman et al. (2022) conducted a comparative study of MSMEs in South Asia and Latin America, revealing that enterprises embedded in participatory decision cultures demonstrated stronger post-crisis recovery. Their work aligned with stakeholder theory but did not explore how decision-making processes evolve over time. In contrast, Naidoo and Urban (2022) introduced a model connecting entrepreneurial alertness with sustainable performance in African MSMEs, incorporating elements of dynamic capabilities theory. Although insightful, their model did not explicitly link strategic decision-making with long-term sustainability outcomes under global pressure.

More recently, Khalid and Mehmood (2024) proposed a conceptual integration between decision-making styles and sustainability practices in family-owned MSMEs. They suggested that participative and consultative decision styles foster greater employee commitment and innovation. However, the study lacked empirical validation and called for a more comprehensive theoretical synthesis. Collectively, these studies affirm the importance of decision-making in MSME resilience but fall short of offering a unifying framework that integrates individual cognition, organizational systems, and environmental contexts.

This study fills the gap by proposing a multi-dimensional framework that positions strategic decision-making as the central mechanism through which MSMEs attain sustainability amid economic disruption. By integrating Schermerhorn's management principles with organizational learning and contingency theories, this research moves beyond fragmented perspectives and presents a cohesive model capable of informing both scholarly discourse and practical intervention.

RESEARCH METHODS

This study employs a qualitative, conceptual research approach based on secondary data analysis. The nature of the data used is primarily textual, encompassing theoretical frameworks, peer-reviewed academic literature, and case-based empirical findings relevant to MSME strategic behavior and sustainability. Textual data are particularly well-suited to exploring complex, interdependent constructs such as decision-making, resilience, and external economic volatility (Merriam & Tisdell, 2020, p. 5). This approach allows for deep interpretive analysis of abstract concepts, enabling the development of a theory-informed, integrative model grounded in established literature.

The data sources include international books (such as Schermerhorn's *Management*), scholarly journal articles, institutional reports from organizations like the World Bank and OECD, and relevant Sinta-Garuda-accredited Indonesian publications. These materials were selected based on recency (published no later than 2025), relevance, and scholarly credibility. Schermerhorn's (2021) text was pivotal in establishing the conceptual link between strategic decision-making and organizational adaptability (p. 212). Complementary works from authors such as Teece et al. (2020) and Freeman (2020) offer theoretical diversity and depth, ensuring a holistic view of MSME behavior under pressure.

Data were gathered using a document analysis technique, which entails systematic review, extraction, and thematic coding of textual content (Bowen, 2009, p. 33). Each source was reviewed to identify recurring themes related to decision-making approaches, sustainability drivers, and responses to external economic stimuli. Patterns were compared across studies to uncover consistencies, divergences, and gaps. This technique supports both inductive and deductive reasoning, allowing for integration of empirical evidence with theoretical propositions.

The data analysis was conducted through thematic interpretation, wherein data segments were organized under key conceptual categories: decision context (certainty, risk, uncertainty), decision orientation (proactive vs. reactive), and sustainability outcomes (resilience, adaptability, stakeholder alignment). This thematic method facilitated the synthesis of multi-source findings into a structured narrative, guided by theoretical frameworks such as organizational learning, contingency theory, and stakeholder theory. The interpretation phase emphasized internal validity by triangulating findings across literature categories and ensuring consistency with the research questions.

Conclusion drawing was achieved through reflective synthesis, aligning analytical findings with the original research objectives. This final phase consolidated the data into a cohesive theoretical model, highlighting causal and correlational links between strategic decision-making and MSME sustainability. The model was then evaluated against established management theory, particularly Schermerhorn's multi-level decision-making framework (2021, p. 198), to ensure conceptual rigor and practical relevance. The result is a context-sensitive, empirically informed, and theoretically grounded contribution to the field of strategic management and MSME research.

RESULTS AND DISCUSSION

Strategic decision-making within MSMEs plays a decisive role in determining resilience and sustainability amid global economic challenges. The synthesis of literature and theoretical perspectives reveals that MSMEs' ability to anticipate, interpret, and respond to volatile environments depends on their internal decision-making architectures and leadership cognition. Drawing upon Schermerhorn's (2021) classification of decision environments—certain, risky, and uncertain—MSMEs are generally forced to operate under uncertainty, where structured decision-making processes are not always feasible (p. 212). This necessitates a more adaptive, learning-oriented approach to strategic thinking. The convergence of decision-making theory with sustainability goals underscores the importance of equipping MSME leaders with tools that enhance responsiveness and foresight.

This study builds upon previous research by integrating individual, organizational, and environmental levels of analysis. While past literature often isolates variables such as innovation or digital transformation, this research presents decision-making as the nexus of multiple strategic enablers. For instance, stakeholder theory, as emphasized by Freeman (2020), aligns with Schermerhorn's (2021) assertion that inclusive decision-making fosters legitimacy and adaptability (p. 240). Moreover, dynamic capabilities theory contributes to understanding how firms not only respond to shocks but reconfigure themselves to seize emerging opportunities (Teece et al., 2020). The model developed here reflects these insights, demonstrating how strategic cognition, feedback integration, and stakeholder alignment function in tandem to enhance sustainability.

Expert perspectives not previously cited also expand this dialogue. For example, recent contributions by Ratten (2023) suggest that resilience in MSMEs requires not only flexible systems but also leadership mindsets attuned to complexity and ambiguity. This aligns with Schermerhorn's (2021) emphasis on the role of values, ethics, and organizational learning in supporting strategic capacity (p. 289). By integrating these views, the research offers a more nuanced understanding of how MSMEs build and maintain sustainable business models through decisions that are ethically grounded, context-sensitive, and strategically oriented.

1. Strategic Decision-Making as a Driver of MSME Sustainability

This section addresses the first research question: how does strategic decision-making contribute to business sustainability in MSMEs. Strategic decision-making directly influences the long-term viability of MSMEs by enabling leaders to navigate uncertainty with clarity and purpose. Drawing on Schermerhorn's (2021) decision-making model, sustainability begins when organizations shift from reactive to proactive planning (p. 198). MSMEs that adopt deliberate strategies—grounded in environmental scanning and scenario analysis—

demonstrate higher resilience. For example, studies show that enterprises that systematically analyze competitor behavior, regulatory trends, and customer expectations are better positioned to innovate and retain market relevance (Naidoo & Urban, 2022). This proactive stance creates a feedback loop in which past insights inform future decisions, cultivating a culture of continuous improvement.

The effectiveness of strategic decisions also rests on internal organizational alignment. As Schermerhorn (2021) explains, organizations that facilitate open communication, decentralized decision-making, and team-based problem-solving are more likely to adapt effectively (p. 215). This is especially true for MSMEs, where flat structures can become strategic assets if leveraged for knowledge sharing and agility. Firms that involve employees in decision-making processes often experience increased commitment and innovation, both of which support long-term sustainability (Khalid & Mehmood, 2024). These findings affirm the value of internal cohesion and participative leadership in enhancing the decision-making ecosystem.

Additionally, ethical and values-based considerations amplify the impact of strategic decisions. Sustainability, in this context, extends beyond economic performance to include social responsibility and stakeholder engagement. Freeman's (2020) stakeholder theory and Schermerhorn's (2021) emphasis on values-based leadership (p. 240) highlight how inclusive and transparent decision processes foster trust, reduce risk, and strengthen community support. MSMEs that engage with their ecosystems—suppliers, customers, and local communities—not only mitigate external shocks but also gain legitimacy and operational continuity.

2. Contextual Factors Shaping Strategic Decisions in MSMEs

This section addresses the second research question: what contextual factors moderate the relationship between strategic decision-making and MSME sustainability during global economic disruption. The effectiveness of strategic decision-making in MSMEs is significantly shaped by the external context in which they operate. According to contingency theory, decision-making processes must align with situational demands, including market volatility, regulatory complexity, and resource availability (Donaldson, 2001). Schermerhorn (2021) reinforces this logic by asserting that successful organizations tailor their decisions based on environmental conditions and internal capacities (p. 219). For MSMEs, which often face unpredictable cash

flows, limited access to finance, and rapidly shifting customer behavior, flexibility becomes a strategic imperative.

Geographical and institutional contexts also play a moderating role. MSMEs in developing economies often encounter infrastructural deficiencies and bureaucratic constraints that influence the nature and timing of strategic choices (OECD, 2024). For example, firms in rural or underserved regions may lack the digital infrastructure needed to access real-time market data or implement agile supply chains. In such cases, decision-making tends to rely more heavily on informal networks and experiential knowledge (Putra & Santosa, 2021). While these constraints present risks, they also drive innovation, as entrepreneurs develop localized solutions that are both resource-efficient and contextually grounded.

The cultural context of decision-making is equally critical. Leadership orientation—whether hierarchical, collectivist, or participative—affects how decisions are made and implemented. Schermerhorn (2021) points out that organizations rooted in hierarchical cultures may experience delays in responding to crises due to centralized authority structures (p. 204). In contrast, MSMEs that foster open communication and team-based decision-making are often more agile, particularly during economic disruptions. This distinction is especially relevant in multicultural settings where leadership must balance diverse stakeholder expectations while making timely, high-stakes decisions.

Technological readiness also moderates the strategic impact of decision-making. Firms that have adopted digital tools for data analytics, remote operations, and customer engagement are more capable of making informed decisions under pressure (Mahmood et al., 2023). Schermerhorn (2021) highlights the importance of information systems in enhancing decision quality and speed (p. 305). MSMEs with access to such technologies are better equipped to anticipate changes, model scenarios, and pivot operations in real-time. However, disparities in digital literacy and access often create uneven outcomes across the MSME sector.

Finally, institutional support mechanisms such as government aid, microfinance, and business development services significantly influence decision-making efficacy. During global disruptions, MSMEs with access to stimulus packages, tax relief, or regulatory flexibility exhibit stronger resilience and sustainability outcomes (World Bank, 2023). These external enablers function as buffers, allowing firms to take strategic risks and innovate despite uncertain environments. Yet, the variability of such support across regions underscores the importance of context-specific analysis in assessing MSME decision-making capacity.

3. Toward an Integrative Framework for Strategic Resilience

This section addresses the third research question: what integrative framework can be developed to enhance the strategic resilience of MSMEs. Synthesizing the theoretical and empirical findings, this study proposes an integrative framework positioning strategic decision-making as the central mechanism that enables MSMEs to achieve sustainable outcomes amid global economic disruptions. The framework draws heavily on Schermerhorn's (2021) multi-dimensional model of management, which emphasizes the interdependence of decision-making, organizational learning, and external alignment (p. 212). In this model, decision-making is conceptualized not as a single event but as a continuous, iterative process informed by feedback loops, stakeholder engagement, and contextual awareness.

At the core of the framework lies strategic cognition, which refers to how MSME leaders perceive, interpret, and respond to environmental cues. This element is informed by the bounded rationality paradigm, recognizing the limitations of time, information, and cognitive capacity (Gigerenzer & Gaissmaier, 2022). Schermerhorn (2021) integrates this into a practical lens, illustrating how decision-makers can enhance quality through structured thinking, intuition, and learning systems (p. 215). This approach enables MSMEs to balance short-term survival with long-term positioning by aligning internal processes with external realities.

Surrounding strategic cognition is the element of organizational learning, which allows MSMEs to evolve through experience and knowledge acquisition. Firms that embed feedback mechanisms, encourage experimentation, and support team-based learning are better able to adjust their strategies over time (Argyris & Schön, 1996). Schermerhorn (2021) defines learning organizations as those that adapt through continual reflection and shared insights (p. 289). For MSMEs, this learning culture becomes essential in transforming decision errors into opportunities for innovation and resilience.

Another layer of the framework incorporates stakeholder alignment, grounded in Freeman's (2020) stakeholder theory. Effective decision-making in MSMEs requires ongoing dialogue with customers, suppliers, employees, and community members. This relational orientation builds trust and adaptability, particularly in volatile contexts. Schermerhorn (2021) supports this view, noting that values-driven leadership enhances legitimacy and decision acceptance (p. 240). When MSMEs co-create strategies with their stakeholders, they are more likely to develop sustainable and context-relevant solutions.

The outermost layer of the model includes environmental and institutional moderators, encompassing factors such as economic policy, digital access, and cultural norms. These external variables shape how internal decision-making capabilities translate into performance outcomes (Donaldson, 2001). In the proposed framework, contingency factors are not just constraints but potential enablers—depending on how effectively MSMEs can interpret and leverage them. This integration reflects Schermerhorn's (2021) assertion that strategic effectiveness depends on the fit between the organization and its environment (p. 219).

In sum, this integrative framework unifies individual cognition, organizational systems, stakeholder relationships, and contextual dynamics to offer a robust tool for understanding and enhancing MSME resilience. It contributes to theory by bridging fragmented concepts under a holistic model and offers practitioners a practical roadmap to navigate uncertainty through informed, inclusive, and adaptable decision-making.

This study has demonstrated that strategic decision-making is the linchpin of MSME sustainability in the face of global economic turbulence. The findings from the Results and Discussion section provide compelling evidence that decision quality, when shaped by strategic cognition, organizational learning, and stakeholder alignment, enables firms to not only withstand external shocks but also to thrive. The first research question, concerning how strategic decision-making contributes to MSME sustainability, has been addressed through a multidimensional exploration rooted in Schermerhorn's (2021) management principles. It is evident that proactive, structured, and inclusive decision-making supports long-term viability by enhancing adaptability, innovation, and legitimacy.

The second research question explored the contextual factors moderating this relationship. The discussion identified several critical moderators—technological readiness, institutional support, cultural values, and economic policy. These contextual elements affect both the constraints and opportunities MSMEs face in deploying strategic decisions. The findings confirmed that MSMEs embedded in enabling ecosystems are more capable of leveraging decision-making capabilities for sustainable outcomes, validating the contingent nature of organizational strategy as proposed by Donaldson (2001) and reinforced by Schermerhorn (2021, p. 219).

The third research question led to the development of an integrative framework, which synthesizes cognitive, organizational, stakeholder, and environmental components. This framework makes an original contribution to theory by uniting previously disconnected strands of literature—strategic cognition, stakeholder theory, learning

organizations, and contingency theory—into a cohesive model of strategic resilience. It moves beyond linear models by emphasizing dynamic interaction across internal and external systems, rooted in values-driven decision-making and continuous learning.

The theoretical implications of this study are substantial. It expands Schermerhorn's existing decision-making model by contextualizing it within MSME environments and aligning it with sustainability imperatives. The research contributes to the literature by conceptualizing decision-making not merely as a managerial function, but as a socially and institutionally embedded process. Furthermore, it offers a new perspective on sustainability—framing it as an emergent property of informed and ethical strategic choices.

On a practical level, the study provides actionable guidance for MSME leaders and policymakers. For entrepreneurs, the findings underline the importance of cultivating decision-making processes that are participative, data-informed, and ethically grounded. For policymakers, the study underscores the need to design supportive ecosystems that enhance MSME decision capacity—through infrastructure development, digital access, and targeted business services. These implications are especially relevant for emerging economies, where MSMEs constitute the backbone of employment and innovation yet face chronic vulnerability during global economic disruptions.

CONCLUSION

The findings of this study underscore the central role of strategic decision-making in securing the sustainability of MSMEs amidst global economic disruptions. By systematically analyzing the interplay between leadership cognition, organizational systems, and environmental dynamics, this research has confirmed that decision-making is not only a functional requirement but also a transformative capability. MSMEs that internalize structured, participatory, and context-sensitive decision-making processes are more likely to adapt effectively, innovate continuously, and maintain stakeholder trust in volatile environments.

The study affirms the alignment of its integrative framework with established management theory, particularly the works of Schermerhorn (2021), whose principles of decision-making under uncertainty, learning organization structures, and stakeholder engagement provided the conceptual bedrock for this analysis. The developed framework bridges theoretical gaps and offers a multidimensional understanding of MSME resilience—one that transcends static models and responds to real-world complexity. By embedding sustainability within the strategic functions of

the enterprise, the study moves beyond conventional views that isolate external factors or technological readiness as sole determinants of survival.

In terms of actionable insights, the study recommends that MSME leaders invest in building decision-making capacity through training, digital enablement, and collaborative practices. Policymakers are encouraged to design institutional environments that support such capabilities—through regulatory simplification, access to finance, and business development services. Future research should explore empirical validation of the proposed framework across diverse economic contexts and assess its applicability in sector-specific or post-crisis scenarios. Such extensions will further strengthen the practical utility and theoretical depth of the decision-making paradigm for sustainable MSMEs.

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