

## ENHANCING STRATEGIC DECISION-MAKING FOR SUSTAINABLE AND QUALITY EDUCATION IN STARTUPS

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### **Abstract**

Startups need systematic decision-making strategies to achieve education quality with sustainability. This investigation studies how educational startups handle risk control and creative developments to support enduring sectoral development. Research data was gathered through a mixed methods approach from 100 startups from different business sectors and specializing in education-based businesses. Decision-making factors consist of leadership styles as well as market conditions and innovation capacities that emerge from the research data. The research recommends essential methods for startup founders to find equilibrium between business risks and innovative ventures for sustainable educational business operations.

**Keywords:** Quality Education, Sustainability, Startup Strategy, Risk Management, Innovation, Entrepreneurial Leadership

### **Introduction**

The fundamental nature of strategic decision-making drives startup success when these businesses focus on quality education advancement and sustainability enhancement. New ventures need to weigh their chances of quick transformation against their commitment to innovation to keep their competitive edge. The research investigates strategies for maximizing the effectiveness of decision-making models to help educational startups succeed within rapidly changing markets. Entrepreneurs face a core business challenge which involves maintaining present financial health and developing future innovations through proper risk evaluation systems and framework structures.

Startups' need to respond fast and adaptably while simultaneously controlling the risks of innovation makes strategic decision-making more difficult. The difficulty is keeping a balance between avoiding mistakes that can compromise their financial viability and accepting measured risks that might result in development (Ries, 2011). A conflict that has been much discussed in entrepreneurial literature, founders sometimes struggle to decide whether to give short-term survival top priority or long-term innovation first importance.

One of the key aspects of successful decision-making in startups is risk management. In contrast to well-established firms, startups have less resources at their disposal and must exercise greater caution in the way they distribute these resources in order to avoid going bankrupt (Teece, 2010). However, aversion to risk may be a barrier to innovation, which is important for new businesses to differentiate themselves in industries that are already highly competitive. According to Schilling

(2013), the capacity to strike a balance between these competing forces—embracing risk to develop while simultaneously controlling the possible drawbacks—is what differentiates successful businesses from ineffective ones.

To get a competitive advantage, startups often focus their attention on disruptive technologies and business models (Chesbrough, 2003). This is done in order to innovate. The pursuit of innovation, on the other hand, necessitates substantial investments in areas such as research and development, marketing, and human resources investment. There is a possibility that startups with limited resources would find it challenging to strike a balance between these expenditures and their ambition for rapid expansion. As a result, founders are frequently required to make challenging strategic decisions about the distribution of their resources and the management of the risks that are associated with those resources (Kuratko, 2009).

This study aims to investigate how innovative ideas and risk management are handled by new companies during the strategic decision-making process thereby attaining sustainable growth. This research will look at how startup founders negotiate the volatility of the industry and get to decisions that help innovation and growth. The study will be carried out with a mixed-methods approach, thereby including both qualitative and quantitative evaluations. The findings of this research will clarify logical decision-making techniques other companies should apply to maximize creative possibilities and limit risk.

### **Problem Statement**

Business startups which operate within educational and sustainable industries need to navigate unique obstacles during their risk management processes and innovation development. Fuzzy unstructured decision processes decrease operational efficiency and create waste of resources as well as financial instability. This research objective creates a connection by revealing effective startup methods for risk control and educational maintenance together with sustainable expansion.

### **Research Question**

How can startups strike a balance between risk and creativity in strategic decisions to attain steady development?

### **Objectives**

- To identify the factors influencing strategic decision-making in startups.
- To analyze how startups balance risk management with innovation.
- To propose frameworks that startups can use to optimize their decision-making processes for sustainable growth.

One of the several benefits of this study is a greater knowledge of the decision-making strategies used by entrepreneurs. This is particularly relevant with relation to the need of balancing risk with innovation. These ideas could help anyone trying to manage the complexity of startup development and sustainability. Furthermore, useful may be useful for investors and business advisors working on startups.

## Literature Review

### Strategic Decision-Making in Startups

The strategic decision-making process in startup entities undergoes continuous transformation due to multiple internal and external influencing variables. Success in start-ups requires companies to base their decision-making on flexibility and data analysis (Blank, 2013). Startup leaders have embraced the Lean Startup methodology because it allows them to conduct continuous testing alongside market validation to decrease risks while promoting innovation (Ries, 2011).

Startups needing quality education and sustainability require leadership which promotes ongoing learning along with adaptation (Al-Adwan et al., 2024). Startups use transformational leadership to make better decisions and sustain their operations according to Ensley, Hmieleski, & Pearce (2006). Startup achievement relies on risk mitigation strategies which include scenario planning and financial forecasting according to Teece (2010).

The process of making strategic choices at startups is very different from that followed by established companies due to the more unpredictability and resource constraints they face. Startups run with little data, unclear market conditions, and a need for fast decision-making capabilities in order to fit surroundings that are often changing, claims Eisenmann (2013). This is not the case for larger companies with established systems. As a result, this creates a unique decision-making environment in which the effects of every strategic decision are magnified and the margin for error is somewhat limited.

A large corpus of research on the decision-making process of startups highlights the requirement of agility and flexibility in overcoming obstacles. Studies find that startups usually rely on a mix of intuition and real-time data to make strategic decisions (Blank, 2013). This is so because established businesses lack yet gained access to past data and market predictability, which established enterprises have. In this sense, corporate executives typically review and change their strategies in reaction to fresh data as it becomes available; decision-making is often iterative.

Moreover, the process of making decisions for a startup is not one-time but rather constant and usually marked by quick experimentation. Ries (2011) claims that the lean startup approach underlines the need of ongoing iteration inside a "build-measure-learn" loop. This loop gives businesses the chance to check their presumptions, change course as needed, and modify their plan depending on actual data. This approach lowers the possibility of failure by means of less resources allocated to ideas incompatible with the demands of the market environment.

However, the iterative nature of decision-making at startups presents challenges that must be overcome. It is necessary for founders to find a way to reconcile the conflicting aims of committing to long-term objectives and being nimble, or ready to make fast adjustments. It is becoming increasingly difficult for businesses to make strategic decisions as they develop since they must take into account organizational structure, growth, and sustainability (Teece, 2010). In order to successfully transition from early-stage agility to steady development, it is necessary to maintain a balance between consistency and flexibility.

The way strategic decisions are decided in newly established businesses mostly rely on leadership quality. Studies by Gans, Hsu, and Stern (2002) reveal that businesses run under founders with

prior entrepreneurial experience have better chance of making good strategic decisions that balance risk and opportunity. Experienced founders are more suited to monitor market trends, assess likely hazards, and spot creative ideas—which eventually yields more informed strategic decisions with more effect on the business.

### **Risk Management in Startups**

Regarding startups, strategic decision-making heavily relies on risk management. Teece (2010) claims that startups, with maybe more complicated risk management systems, might rely on more ad hoc strategies to lower risk than established companies. This is true because startups have less resources and more developed organizational structure. Newly founded companies run a lot of various kinds of risks, including market, operational, and financial ones, all of which greatly affect their potential to survive and expand.

Particularly in the early stages of their life, the possibility of financial danger might be the most urgent issue for recently founded companies. Ries (2011) claims that small firms have limited resources therefore they must make wise use of their assets and make decisions that lower their financial risk. Given the limited financial resources, every investment—in the development of talent, the marketing of goods, or the creation of new commodities—carries a great weight and requires appropriate justification.

Market risk is another crucial element guiding new company decisions. The erratic response of the market to new goods or services is one of the most major threats to the ongoing survival of a company. Startups frequently must create demand from scratch, which makes market risk especially challenging as compared to established companies, who could rely on their brand awareness or current customer bases, 1997 (Christensen).

Startups clearly also face operational difficulties like problems with talent management and operational scaling-up. Although restricted talent pools make it challenging to assemble teams capable of reaching the company's objectives, fast development of a startup may strain its infrastructure. Good management of these hazards calls not just strategic planning and foresight but also the ability to adapt to changing conditions.

Despite the inherent risks, successful startups often adopt risk mitigation strategies that enable them to balance risk and innovation. For example, many startups utilize a phased approach to product development, starting with a minimum viable product (MVP) to test the market before committing significant resources (Ries, 2011). This allows startups to gather feedback, reduce uncertainty, and make more informed decisions about whether to proceed with full-scale development.

### **Innovation in Startups**

Innovation is the cornerstone of startup success. Startups are often defined by their ability to disrupt existing markets or create entirely new ones through innovative products, services, or business models (Schilling, 2013). Innovation in startups is typically more agile and less constrained by bureaucracy than in established firms, enabling startups to move quickly and capitalize on emerging opportunities.

Nonetheless, innovation has major hazards, especially in terms of the market acceptance of recently created items and technological viability. Regarding technology or business models, startups lead the way in innovation, which might cause a lot of uncertainty. The product most certainly will fail, there will be unanticipated competition, or the market will reject it (Christensen, 1997). Startups often fast experiment to reduce these risks; this helps them to test ideas in real time and modify their plans depending on market comments.

Apart from the manufacturing of goods, startups provide original concepts including business structures, operational processes, and customer interaction strategies. The first person to propose open innovation—the process by which fledgling companies work with outside partners to create new goods or services—was Chesbrough (2003). Among these third parties may be suppliers, consumers, or even rivals. By means of this approach, entrepreneurs may share the hazards related with innovation and obtain outside expertise and resources simultaneously.

Moreover, the necessity of the circumstance drives a great degree of ingenuity in new companies. Startups are driven to provide original answers to challenges that might not be present in more traditional business organizations, claims Kuratko (2009). This is so as startups lack the resources of more established companies. This need drives a highly evolved culture of innovation that penetrates strategic decision-making to aid to stimulate creativity.

### **Balancing Risk and Innovation**

Making strategic decisions at startups comes with several difficulties, among which balancing innovation and risk is the most challenging. Though it is necessary for development and creativity, innovation is also linked with hazards that might endanger the life of a good company. Schilling, 2013 Good businesses must find this balance by deliberately embracing reasonable risks that inspire creativity without exposing the company to unjustifiable financial or operational defects. The only approach to get this balance is this one.

Research by Teece (2010) indicates that companies who are successful in maintaining a good balance between risk and innovation usually use strategic decision-making models that give great emphasis on flexibility and education. Many businesses utilize scenario planning to predict possible hazards related to innovation and create backup plans, therefore enabling the development of alternative actions. Companies may take use of their innovative capacity while also being ready for difficulties they never predicted.

Moreover, many times a quality of successful entrepreneurs who can make wise judgments for their firms is their capacity to pivot—that is, change business models, products, or tactics depending on real-time input. Through pivoting, companies may focus their energies on more probable successful prospects and minimize the influence of ideas that are ineffective (Ries, 2011). Turning around too quickly or without a strong strategic justification, however, can also lead to strategy misalignment and resource loss.

The dynamic process of balancing risk with innovation will fluctuate depending on the size of the organization. Later-stage companies should concentrate on improving their ideas and controlling risks in a more conservative way to reach sustainable development. Early-stage companies, on the other hand, could be more bold in trying to carve out a place on the market (Kuratko, 2009). The

realization of long-term success depends on this change in approach as it allows companies to pivot from fast invention to slow development without sacrificing their edge over their rivals.

### **The Role of Leadership in Startup Decision-Making**

Leadership plays a crucial role in guiding strategic decision-making in startups. Founder-led startups, in particular, are heavily influenced by the personal values, vision, and decision-making style of the founder(s). Research by Ensley, Hmieleski, and Pearce (2006) suggests that transformational leadership—where the founder inspires and motivates the team to pursue innovative approaches—leads to better strategic decision outcomes. Transformational leaders encourage creative problem-solving and are more likely to foster an organizational culture that balances risk and innovation effectively.

However, leadership in startups is also fraught with challenges. Founders often lack the managerial experience necessary to lead effectively as the business scales (Wasserman, 2012). Early-stage startups typically benefit from the founder's vision and charisma, but as the organization grows, founders may struggle to relinquish control or delegate decision-making authority. This can create bottlenecks in decision-making and stifle the startup's ability to innovate and take calculated risks. Effective leadership in this context requires the ability to balance hands-on involvement with the delegation of key strategic decisions to a growing team of experts (Wasserman, 2012).

Moreover, startup leaders must excel at managing risk, particularly in an environment where resources are scarce and mistakes can be costly. The ability to assess risks—financial, operational, or market-related—is critical for ensuring that the startup remains viable. Leaders must also be adept at crisis management, as startups often face sudden challenges that can threaten their survival. Studies show that successful startup leaders are not only risk-takers but also effective risk managers, using strategic foresight to avoid critical pitfalls while continuing to push the boundaries of innovation (Teece, 2010).

### **External Pressures on Startup Decision-Making**

The external environment significantly influences strategic decisions in startups. Competitive pressure, regulatory changes, and technological advancements all contribute to the uncertainty that startups must navigate. According to Mason and Brown (2014), high-growth startups, also known as scale-ups, often face competitive pressure from more established firms, which forces them to innovate at a faster pace. However, this urgency can lead to strategic errors if decisions are made hastily without proper risk assessment.

Market conditions also play a significant role in shaping startup strategies. According to Teece (2010), in highly unpredictable industries entrepreneurs often take a more conservative approach and concentrate more on small-scale innovation than on more major upheavals. According to Christensen (1997), entrepreneurs that operate in sectors with less rivalry and have the opportunity for growth are more inclined to look at disruptive concepts that challenge accepted corporate structures and industry norms. If startups are to survive, their founders have to be able to interpret market signals and change their strategy.

### **Decision-Making Frameworks in Startups**

Many alternative approaches have been suggested to let startups effectively negotiate the complexity of their surroundings. One such framework is the lean startup strategy Eric Ries (2011) created. Lean startups let companies pivot or keep relying on real-time data. It gives quick experimentation, client input priority, and a low resource investment. This approach lowers the risk as it motivates company owners to find fresh ideas before completely committing themselves to a given plan or product.

Another powerful perspective is the idea of effectuation, which emphasizes the way entrepreneurial agency shapes results (Sarasvathy, 2001). This approach suggests that instead of starting with a certain goal in mind, entrepreneurs build their strategy depending on the resources they have at hand and the chances that present themselves. This helps businesses to have more freedom in decision-making as they may modify their strategies in reaction to fresh data or changing circumstances.

Apart from these models, adaptive tactics have become very important in startup literature. An adaptive strategy is one whereby the company model develops constantly in response to changing market conditions (Teece, 2010). Startups applying this approach can test several company concepts, goods, and services until they suit market need. Startups using this trial-and-error approach to strategy may be open to innovation and adaptable while reducing the risks connected with set, long-term plans.

### **Methodology**

The study combines qualitative and quantitative research methods for data collection.

### **Data Collection**

**Quantitative-Data:** One hundred startup founders were surveyed from different industries through this quantitative approach to understand their decision-making aspects regarding innovation strategies as well as market conditions and risk assessment.

**Qualitative Data:** The research obtained detailed interview results from 15 startup entrepreneurs who shared their education sector risk and innovation approaches.

Statistical analysis included regression methods which helped study how risk management techniques related to innovation results.

### **Analysis**

- **Quantitative Analysis:**

Using statistical techniques including regression analysis, trends and relationships between risk management strategies and innovation results in companies were found.

- **Qualitative Analysis:**

Using a thematic analysis, recurrent themes from the interviews were uncovered with an eye on how founders evaluate risk and make decisions that support innovation while preserving company stability.

**Results**

The analysis revealed several key-findings:

- **Risk and Innovation Correlation:**  
Startups who effectively control risk showed a favorable link with regard to their capacity for successful innovation.  
Startups with comprehensive risk analyses prior to introducing new goods or services have more success.
- **Leadership and Decision-Making:**  
Those that embraced proactive leadership and included their staff in decision-making procedures claimed greater results in managing risk and creativity.
- **Market Conditions:**  
While still giving incremental innovations top priority to fit changes in the market, startups working in highly unpredictable marketplaces tended to employ more cautious risk management techniques.
- **Innovation Capacity:**  
Startups with committed R&D resources were more able to balance risk with innovation, which over time resulted in steady growth.

**Supplementary Materials (Figures and Tables)**

**Table 1: Factors Influencing Strategic Decision-Making in Startups**

Factor	Influence on Decision-Making
Risk Management Practices	High
Leadership Style	Medium
Market Conditions	High
Innovation Capacity	High

**Discussion**

The results imply that companies which can effectively control risk and promote innovation are more likely to show steady development. Risk management should be seen as a tool rather than a deterrent to innovation as it helps companies to test out new ideas without compromising their financial stability. Moreover, the balance is much influenced by the kind of leadership. Usually, the settings fit for innovation are those produced by leaders that support a culture of controlled risk-taking and team collaboration.

The present state of the market should also be considered as another influence. Although they nonetheless seek innovation using more conservative approaches, new companies that run in uncertain environments often have a more cautious attitude toward risk. This result is consistent with the results of other studies showing how the state of the market affects the degree of innovation a firm might achieve without exposing itself to a too high risk of failing.

**Conclusion & Recommendations**

Strategic frameworks for startups which focus on quality education and sustainability need to implement decision-making strategies that optimize risk versus innovation outcomes. The path to

sustainable success depends on adopting structured risk management systems and using iterative decision-making models and promoting transnormal leadership. Business owners must establish durability targets for the long run yet maintain their speed to react to market needs.

### **Conclusion**

The results of this study have underlined the requirement of emerging companies using a strategic decision-making style that balances risk with innovation. Startups that want to be successful usually must be able to control uncertainty and inspire creativity. This is so because they must negotiate changing surroundings where strategic choices have more weight. The results show that companies which follow coordinated risk management, keep strategy flexibility, and welcome innovation are more suited for long-term success. Determining the course these processes also heavily relies on leadership, especially in early-stage companies where strategy changes happen regularly.

### **Recommendations**

Startups should create disciplined risk management systems to evaluate and reduce risks, therefore guaranteeing that attempts at innovation do not overreach available resources. By means of iterative decision-making techniques, including the Lean Startup approach, founders may test hypotheses and modify plans depending on market input, hence lowering failure risks.

Development of leaders is crucial as it promotes transformational leadership that handles risks properly and stimulates creativity. Startups should concentrate on small-scale innovation and create solid strategic networks including funders and mentors in turbulent markets. Eventually, companies should turn gently depending on statistics to guarantee long-term congruence with their mission.

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