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Karakteristik Pemilik/Manajemen, Karakteristik Usaha, dan Pengambilan Keputusan Bisnis
OWNER/MANAGEMENT CHARACTERISTICS, BUSINESS CHARACTERISTICS, AND BUSINESS DECISION-MAKING

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ABSTRAK

Pengambilan keputusan bisnis merupakan titik krusial dalam kegiatan bisnis. Untuk itu, penelitian ini bertujuan untuk menguji apakah karakteristik manajemen, kemampuan melihat peluang, dan kemampuan improvisasi berpengaruh positif terhadap pengambilan keputusan bisnis. Penelitian ini menggunakan sampel sebanyak 118 (78,7%) responden pengusaha di kota Palembang. Hipotesis penelitian diuji menggunakan analisis Structural Equation Modeling (SEM) Partial Least Squares (PLS) dengan perangkat lunak Warp PLS versi 5.0. Hasil penelitian ini menunjukkan bahwa karakteristik manajemen, kemampuan melihat peluang, dan kemampuan improvisasi berpengaruh positif pada pengambilan keputusan bisnis perusahaan di Kota Palembang.

Kata kunci: Pengambilan Keputusan Bisnis; Karakteristik Manajemen; Kemampuan Melihat Peluang; Kemampuan Improvisasi

ABSTRACT

Business decision-making is a crucial point in business activities. Therefore, this study aims to examine whether management characteristics, the ability to see opportunities, and the ability to improvise positively impact business decision-making. This study used a sample of 118 (78.7%) businessmen respondents in Palembang City. The research hypothesis was tested using Structural Equation Modeling (SEM) Partial Least Squares (PLS) analysis with Warp PLS software version 5.0. The results of this study show that management characteristics, the ability to see opportunities, and the ability to improvise positively affect firms' business decision-making in Palembang City.

Keywords: Business Decision-Making; Owner/Management Characteristics; Ability to See Opportunities; Ability to Improvise

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INTRODUCTION

The crucial point in managing business operations is the process of making business decisions. This is because the business decision-making process is the main factor that can influence the success or failure of a company in carrying out its business activities. Therefore, the business decision-making process is one of the most important elements that must be considered by management in a business organization (Kallmuenzer et al., 2018; Koziół-Nadolna & Beyer, 2021).

On the other hand, nowadays, the need for rational decisions is getting bigger because mistakes in the decision-making process can lead to serious results, such as waste of resources, financial crises, and other chaos (Kang & Park, 2019). However, decision-making in business has the possibility of bias or errors caused by factors of uncertainty, complexity, ambiguity of policy objectives, and information fallibility (Pousa et al., 2017). This is explained by Ahmad et al. (2021) that there are indications of psychological bias carried out by company management that can affect the strategic decisions of entrepreneurs.

The importance of the effectiveness of making business decisions is explained by Acciarini et al. (2021) that effective decision-makers can help detect and understand trend signals, adapt visions, business models, and business strategies, and are good at supporting efforts to achieve business goals. The strategic decision-making process can also be influenced by factors of rationality and intuition (Calabretta et al., 2017). Therefore, the choice of strategy and strategy formulation are important factors that need to be considered by company management (Setiawan et al., 2019; Setiawan et al., 2020; Setiawan et al., 2021; Setiawan et al., 2021; Setiawan et al., 2022).

However, the decision-making process will often be influenced by stakeholders in the organization (Acciarini et al., 2021). The interests of related parties are often also influenced by the power factor to regulate as well as the habits of the ethnicity and culture concerned (Setiawan et al., 2019a; Setiawan et al., 2020; Hadid & Al-Sayed, 2021). Therefore, the decision-making process can be influenced by interpersonal dynamics and demographic or diversity factors, including the characteristics of business organizations.

Decision-making is an action taken by a person or group of people related to the process of selecting the right action (Koziół-Nadolna & Beyer, 2021). The decision-making process is an activity that requires defining a policy agenda, exploring alternative policies, prioritizing alternatives, implementing the selected alternatives, and evaluating results based on a certain set of criteria (Bruch & Feinberg, 2017). To obtain efficient and optimal decision results, decision-making must be based on rational considerations combined with a structured or logical thought process (Kumar & Goyal, 2016).

Based on traditional decision theory, the decisions that humans make are an attempt to pursue and maximize utility (Kang & Park, 2019). On the other hand, Acciarini et al. (2021) explain that decision-making usually depends on identifying initiatives to be achieved, gathering relevant information, selecting strategies from several alternatives, implementing certain actions, and controlling results. However, Kumar & Goyal (2016) state that there are two basic models of decision-making, namely the rational model and the model of limited rationality. According to rational decision theory, decisions are made in a logical order or path. On the other hand, limited rationality theory proposes that people should take into account several

satisfaction levels instead of maximizing a utility function (Kumar & Goyal, 2016).

Interpersonal dynamics are evident in the traits of the company's owner-management group. It is indisputable that a business owner's or manager's personality frequently plays a significant role in the decisions they make about strategy (Rasheed & Siddiqui, 2018). This is also supported by Ogubazghi and Muturi (2014), who see the characteristics of owners and management as important factors in making company business decisions. This is reasonable because the owner-management characteristics are individual characteristics that can affect the orientation of the decision, whether to tend to be conservative or to be more open and innovative-oriented. Another reason is that the attitude of owner-managers reflects their intention toward business expansion, profit, risk, control, and relationships with their other business partners (Rasheed & Siddiqui, 2018).

On the other hand, business characteristics are also predicted to be an important factor in making decisions. Acciarini et al. (2021) stated that environmental events can affect how decision-makers implement certain strategies related to strategic decisions and environmental transformation. In general, environmental transformation is a possible driver of socio-economic changes such as population changes, urbanization, digitalization, and the evolution of the workforce that trigger potential impacts on business models, decision-making processes, and business procedures of organizations (Acciarini et al., 2021).

Several previous studies have identified business characteristics in terms of company size, business age, business turnover, and type of industry (Rasheed & Siddiqui, 2018). However, several studies identify business

characteristics as company characteristics in terms of demographic attributes, qualities related to structure, monitoring, and performance (Al-Dmour et al., 2018; Olowokure et al., 2016). Some of these indicators are believed to show differences and similarities between one company and another.

In many studies, business characteristics are often described as company characteristics as measured by financial performance measures, market capitalization, stock prices, volatility, and company visibility. Obrenovic et al. (2020) and Khan et al. (2016) show that business characteristics in terms of executive compensation, company performance, and company leverage. Olowokure et al. (2016) describe business characteristics as structural characteristics, which are unique features of the company, such as the company's capital structure.

The characteristics of the business can also be seen from the length of time the company has been established. As explained by Al-Dmour et al. (2018), company age is another indicator that can explain business characteristics because it can affect the quality of financial reporting. Another reason is that company age is synonymous with company experience, which will relate to having better systems that can improve their business performance (Hasnan et al., 2020).

Nevertheless, Conti et al. (2020) describe the characteristics of business in different contexts. Conti et al. (2020) show the characteristics of business in conjunction with entrepreneurial and improvisational characteristics that allow companies to adapt to environmental uncertainties which consist of two important things, namely the ability to see opportunities and the ability to improvise for

quick and creative actions. Companies that can see are companies that can develop new products and services and take advantage of changing consumer preferences. The ability to improvise is the ability to produce success by responding quickly to unexpected events (Conti et al., 2020). However, entrepreneurial cultures are typically defined by an organic structure and an external orientation, which can impact the firm's decision-making on organizational strategies and procedures (Yun et al., 2020). According to Rasheed & Siddiqui (2018), as business attributes are essential to the company's existence and expansion, they might influence the kind of decisions the organization makes. Rasheed & Siddiqui (2018) explain that business characteristics can have an impact on business decision-making, including developing a company innovation culture.

On the other hand, environmental, social, and psychological factors frequently have an impact on the attitude of business owners or managers toward making financial decisions. It is indisputable that the managers' or owners' personal traits also have a significant impact when it comes to making strategic business decisions (Rasheed & Siddiqui, 2018; Setiawan & Iskak, 2023). Pavlatos & Kostakis (2018) determined the attributes of a company's senior leadership based on factors such as age, duration of employment, educational background, and degree of inventiveness. Previously, Ogubazghi & Muturi (2014) found that the characteristics of owners and management in the categories of age and level of education as important factors in making corporate financial decisions.

On the other hand, leadership characteristics and styles are one of the most important organizational elements for a

company to be able to compete and succeed in obtaining sustainable profits (Lam et al., 2021). According to Del Giudice et al., (2019), an entrepreneur is a creative person who uses innovation to establish a profitable firm and develop ground-breaking concepts for products and services that aim to enhance current offerings. According to Bell (2019), the traits of an entrepreneur are centered around their self-efficacy, proactive approach to solving challenges that emerge, willingness to take calculated risks, and perspective on the value of innovation for the business. According to the above justification, an individual's entrepreneurial personality character plays a role in shaping their entrepreneurial spirit and behavior, which is pertinent to the activities they engage in as an entrepreneur (Obschonka et al., 2018).

Blackburn et al., (2016) examined the traits of management and owners using the typology of entrepreneurial types. The entrepreneurial typology can be used to illustrate the traits of managers and owners to better understand how their companies are growing. Furthermore, Blackburn et al. (2016) developed a typology of entrepreneurial types based on risk-takers, innovators, technological planners, and entrepreneurial traits. The literature on the traits of owners and management indicates that these traits represent their goals for the growth of their company, earnings, risks, controls, and their interactions with other business partners (Rasheed & Siddiqui, 2018).

Based on the previous studies, it is interesting and reasonable if this study examines interpersonal dynamics and organizational characteristics as factors that are predicted to have an impact on the

effectiveness of business decision-making. Decision-making is a crucial factor in business management, but many factors can influence the effectiveness of business decision-making. Thus, the purpose of this study is to examine whether or not business and owner-management traits are important considerations when making a business decision.

A person's unique qualities have a major role in making critical judgments. Business operations are not exempt from this. It is indisputable that a manager's or owner's personal traits have a significant impact on the strategic choices made for the company (Rasheed & Siddiqui, 2018). Pavlatos & Kostakis, (2018) additionally demonstrate in their research that top management traits are expected to be important variables that can affect how their organizations utilize strategic management accounting. This demonstrates the possibility of using different strategic management accounting decisions depending on the nature and background of the owner or management.

The contingency theory of leadership states that the leader's effectiveness in leading the organization will depend on the control of the situation and the leadership style that own (Shala et al., 2021). Owners or management who have the characteristics of leaders who have an open and visionary leadership style can control situations effectively, thus they are better at making effective business decisions. Therefore, this study expects that management characteristics positively affect business decision-making.

Environmental transformation is a driving factor for socio-economic change that triggers potential impacts on business models,

decision-making processes, and organizational business procedures (Acciarini et al., 2021). Rasheed & Siddiqui (2018) explain that business characteristics that are proxied by age, size, and type of business can have an impact on making company financial decisions because they will support the survival and growth of the company. Khan et al., (2016) stated that company characteristics play a role in influencing investors' decisions to invest.

Business characteristics can be seen in the ability to see opportunities and the ability to improvise (Conti et al., 2020). Conti et al., (2020) find that the ability to see opportunities and the ability to improvise have a positive impact on adapting to a recessionary environment. Adaptability shows that the company can make the right decisions. Acciarini et al. (2021) stated that effective decision-makers can help detect and understand trend signals and adapt visions, business models, and business strategies to support efforts to achieve business goals. Some of these findings are relevant to the contingency theory which explains that organizational capabilities inform how best to organize the application of knowledge into organizational business decision models (Victor, 2020). Based on this description, this study expects that business characteristics positively affect business decision-making. Specifically, this study expects that the ability to see opportunities positively affects business decision-making. Furthermore, the improvisation ability positively affects business decision-making.

RESEARCH METHODS

The sample of this study consists of small and medium-sized business group owners and managers in the Palembang city region. The basic reasons for selecting this sample are

relevant to Sani et al. (2022) which explains that to date, there are no less than 30 thousand small and medium entrepreneurs running businesses in Palembang City. The basic problem faced by small and medium-sized businesses in Palembang is the difficulty in developing their business due to the low quality of human resources and low ability to master technology (Miranti et al., 2021). On the other hand, the main factor in being able to develop a business lies in the ability and accuracy of small and medium-sized business owners or managers in making their business decisions (Kallmuenzer et al., 2018). Therefore, it is very reasonable if this study focuses on the owners and management of small and medium companies in Palembang City.

In this study, convenience nonprobability sampling was the method of sampling employed. This study involved a total of 118 respondents (a response rate of 78.7%). This study consists of one dependent variable and two independent variables. The dependent variable in this study is business decision-making. Meanwhile, the two independent variables consist of owner/management characteristics and business characteristics.

Business decision-making is defined as decision-making based on rational considerations combined with a structured or logical thought process (Kumar & Goyal, 2016). The instrument for making business decisions is referred to as Mintzberg et al. (1976) decision-making rationality theory, which revealed three stages of the strategic decision process model: problem identification, development of alternative solutions to problems, and selection of alternative optimal solutions. Respondents were asked to indicate their level of agreement on six Likert scales with the following indicators:

(1) Every time they make a business decision, the company always first identifies the problem; (2) to make a business decision, the company always develops alternative solutions to the problem; (3) business decisions are always made based on the selection of the most optimal alternative solutions.

One of the independent variables in this study is the owner/management characteristics. The traits possessed by the proprietor or management are their traits. The owner/management attributes are measured based on Blackburn et al., (2016). Using a 6-point Likert scale, respondents were asked to indicate whether they tended to have one of the following characteristics: entrepreneur type, technology planner type, risk taker type, anxious or bored type, or sharing type.

Business characteristics are characteristics owned by companies that reflect entrepreneurial and improvisational characteristics that allow companies to adapt to environmental uncertainties (Conti et al., 2020). Business characteristics are seen in two dimensions, namely the ability to see opportunities and the improvisational ability. According to Conti et al. (2020), the ability to see opportunities is defined as a company's tendency to recognize opportunities in conditions of uncertainty that occur in the business environment. Respondents were asked to give their level of agreement on a 6-point Likert scale for the following 3 indicators: (1) our company always sees uncertainty as an opportunity rather than a threat; (2) companies always make plans to get out of conditions of declining business performance caused by uncertainty; (3) our company always sees the condition of declining business performance in

the regional environment as an opportunity to win the competition over our competitors.

Improvisational ability, according to Conti et al. (2020), is defined as the ability to generate creativity to respond quickly to unexpected events without planning or spontaneity through creative adaptation of existing resources. Respondents were asked to rate their level of agreement on a 6-point Likert scale on the following 5 indicators: (1) our staff members are highly skilled at improvising when needed; (2) our organization excels at adapting to new circumstances by coming up with innovative ideas and utilizing its resources; (3) our people are encouraged to think creatively when solving problems; (4) our actions are meticulously planned before being carried out; and (5) in order to deal with unforeseen circumstances, our organization promotes a balance between defined plans and flexibility.

Partial Least Square (PLS) Structural Equation Modeling (SEM) analysis is used in hypotheses testing. Specifically, this study used SEM-PLS analysis with version 5.0 of the Warp PLS program. The hypotheses testing is based on the significance of the p-value and the path coefficient β value. The hypothesis is supported if the p-values $< \alpha$ 0.05 and the path coefficient β must be positive. If the p-values $< \alpha$ 0.05 and the path coefficient β is negative or if the p-values $> \alpha$ 0.05, thus the hypothesis is not supported.

RESULTS AND DISCUSSION

Results

This study examines the effect of owner/management characteristics and business characteristics on business decision-making. The respondents that took part in this study consisted of 118 respondents which had

an average age of 33.75 years, with a range between 18 and 54. According to this data, the bulk of Palembang City's commercial decision-makers are youthful, successful entrepreneurs. Based on gender, there were 43 female respondents (36.4%) and 75 male respondents (63.6%). The demographic data of respondents based on gender still shows the high role of men in business management in Palembang City.

According to the kind of business they operated, most respondents owned and operated trading or retail enterprises, namely 70 respondents, or 59.3%. There are 32 respondents (27.1%) in the food and restaurant business. Processing industry (manufacturing) as many as 8 respondents (6.8%). The construction/developer business and the hotel/lodging business each account for 4 respondents (3.4%). Table 1 shows the descriptive statistics of this study.

Table 1. Descriptive Statistics

Variables	Min	Max	Mean	Std. Dev.
BDM	9	18	15.54	2.33
OMC	18	36	30.94	4.10
ASO	9	18	15.54	2.33
IA	9	18	15.42	2.30

Notes: BDM = Business decision-making; OMC = Owner/management characteristics; ASO = Ability to see opportunities; IA = Improvisational ability

Business decision-making shows an average value of 15.54 with a theoretical range of 6–18 and an actual range of 9–18 (minimum value is 9 with a maximum value of 18). This shows that the average entrepreneur in Palembang has relatively good business decision-making skills. It means that the majority of entrepreneurs have made decisions

based on rational considerations combined with a highly structured or logical thinking process.

The owner management characteristic has an average value of 30.94. This variable has a theoretical range value of 6 – 36 but has an actual range value of 18 – 36 (minimum value of 18 with a maximum value of 36). This shows that most of the owners/management in Palembang have characteristics of entrepreneurs who have the character of having an entrepreneurial spirit, are technology planners, are risk takers, are not easily anxious/bored, and have a relatively high character of wanting to share.

The ability to see opportunities has an average value of 15.54. This variable has an actual range of 9 – 18 with a theoretical range value of 6 – 18. It shows that businesses in the city of Palembang are built with a relatively high level of ability to see opportunities. It can also be seen that there is a commitment between company leaders and their employees to have a shared awareness of creating a business unit that is oriented towards the ability to see opportunities.

Improvisational ability has an average value of 15.42 with an actual range value of 9 – 18. This shows that the improvisational ability of businesses running business in Palembang is relatively high. The ability to improvise that is owned by a business unit will be formed and developed because of the role of the leaders and employees in that business unit. When this ability is formed and developed, the ability to improvise and the ability to see opportunities will become the characteristic features of a company as a business organization.

This study employed validity and reliability testing before doing hypotheses testing. The validity and reliability are done for

the variables used such as business decision-making, owner/management characteristics, ability to see opportunities, and improvisational ability. The findings of the validity and reliability of the study are presented in Table 2.

Table 2. The Result of Validity and Reliability Test

Variables	Loading	Composite Reliability	AVE
BDM		0.925	0.806
BDM1	0.838		
BDM2	0.940		
BDM3	0.911		
OMC		0.947	0.750
OMC1	0.814		
OMC2	0.893		
OMC3	0.824		
OMC4	0.909		
OMC5	0.843		
OMC6	0.909		
ASO		0.920	0.793
ASO1	0.842		
ASO2	0.932		
ASO3	0.895		
IA		0.836	0.962
IA1	0.872		
IA2	0.927		
IA3	0.886		
IA4	0.944		
IA5	0.940		

Notes: BDM = Business decision-making; OMC = Owner/management characteristics; ASO = Ability to see opportunities; IA = Improvisational ability

Source: Primary data processed

Based on Table 2, it can be seen that the construct of all variables has a loading value > 0.7. Furthermore, the composite reliability of the four variables is > 0.7 with an average

variance extracted (AVE) is > 0.5. Therefore, all indicators of the research construct can be used. The results that satisfy the requirements for discriminant validity approval are presented in Table 3.

Table 3. The Result of Discriminant Validity

	BDM	OMC	ASO	IA
BDM	0.898			
OMC	0.940***	0.866***		
ASO	0.961***	0.914***	0.890***	
IA	0.738***	0.884***	0.789***	0.914***

Notes: BDM = Business decision-making; OMC = Owner/management characteristics; ASO = Ability to see opportunities; IA = Improvisational ability

Diagonal elements: square root of AVE, off-diagonal elements: correlation between constructs

*** significant on p-value < 0.010

Source: Primary data processed

Based on Table 3, all the variables have an AVE > 0.7. Thus, it means that all the data is trustworthy and legitimate. Furthermore, the model fit and the quality indices of the research model are presented in Table 4.

Table 4. The Result of Model Fit and Quality Indices

Fit Model Items	Value	Standard	Conclusion
APC	0.313 P < 0.007	P < 0.050	Fit
ARS	0.497 P < 0.001	P < 0.050	fit
AVIF	1.389	< 5	fit

Notes: APC = Average path coefficient; ARS = Average R-squared; AVIF = Average block VIF

Source: Primary data processed

Based on Table 4, the APC values, ARS values, and the AVIF values met the standard requirements. According to Kock (2011), the significance values of APC 0.001 and ARS 0.007 are both less than the 0.05 limit. The AVIF values are < 5. Therefore, the further testing of this study is appropriate. Thus, this study continues the data analysis with hypotheses

testing. The result of the hypotheses testing is presented in Figure 1.

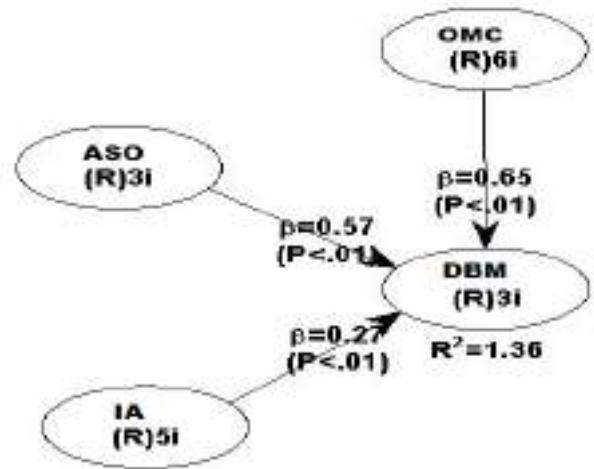


Figure 1. The Result of Hypotheses Testing

Based on Figure 1, it can be seen that the owner/management characteristic (OMC) has a coefficient of 0.65 with a p-value < 0.01. It means that owner/management characteristics have a positive influence on business decision-making (DBM). Therefore, the hypothesis which stated that management characteristics positively affect business decision-making is supported (**H1 is supported**).

The ability to see opportunities (ASO) has a coefficient value of 0.57 with a p-value < 0.01. It means that the ability to see opportunities has a positive impact on business decision-making. Therefore, the hypothesis states that the ability to see opportunities positively affects business decision-making is supported (**H2a is supported**).

The improvisation ability has a coefficient value of 0.27 with a p-value < 0.01. It means that the improvisation ability has a positive effect on business decision-making. Thus, the hypothesis states that the improvisation ability positively affects business decision-making is supported (**H2b is supported**).

Discussion

The result of this study shows that management characteristics positively affect business decision-making is supported. This finding explains that the stronger the owner/management in the aspect of entrepreneurial spirit, ability to plan technology, risk taker, not easily agitated/bored, and willingness to share, the stronger they will be in making business decisions in their company. The findings of this study successfully support the results of Rasheed & Siddiqui, (2018) which demonstrates that a manager's or owner's personal traits have a significant impact on how they decide to proceed strategically in the business. This possibility also supports Pavlatos & Kostakis (2018) who clarify that one of the main factors that can affect a company's strategic decisions is its management style.

As described by Kallmuenzer et al. (2018), the business decision-making process is one of the most important elements that must be considered by management in a business organization, which is why the characteristics of owners and management are important factors in making strategic company decisions (Ogubazghi & Muturi, 2014).

Empirical evidence corroborates this conclusion, demonstrating that most study participants possessed favorable attributes as business owners or managers. The data shows that the entrepreneurial characteristics of the respondents are relatively strong, which are supported by the ability of technological planners and very good risk-takers. Among them, they are not easily anxious/bored and tend to have a strong character willing to share.

On the other hand, research data shows that the effectiveness of the business decision-making that is done by the owner/management

is relatively good. Thus, it is quite likely that the typology of entrepreneurial types might provide insight into the traits of owners and management in order to comprehend the company's progress (Blackburn et al., 2016). It may ultimately represent owner/management goals for decisions about corporate growth, earnings, risks, controls, and their interactions with other partners, as well as various other relevant business decisions (Rasheed & Siddiqui, 2018).

This study finds that the ability to see opportunities positively affects business decision-making. This confirms that the ability to see opportunities is an important key to achieving accuracy and quality in making business decisions. The ability to see opportunities owned by the company illustrates how the company has management and staff who are capable of organizationally demonstrating the company's vision. When the company's vision is strong and there is a culture of the ability to see opportunities, this will encourage every managerial component in the company to be able to make relevant business decisions for business development.

The ability to see opportunities is shown in a company as a good business indicators (Conti et al., 2020). An indicator which the companies can see uncertainty as an opportunity to make relevant business decisions. It is also an indicator that the companies always try to make plans to get out of the bad conditions such as declining business performance caused by uncertainty. Furthermore, it is also an indicator that companies always see conditions of decreased business performance in the regional environment as an opportunity to win the competition over their competitors.

This study finding is relevant to Khan et al. (2016a) which stated that a company's characteristics play a role in influencing investors' decisions to invest. The result of this study also supports Conti et al. (2020) which states that the ability to see opportunities has a positive impact on the ability to adapt to a recessionary environment. Adaptability shows that a company can make effective and correct decisions. Rasheed & Siddiqui (2018) explain that business characteristics can have an impact on effective corporate decision-making because they will support the survival and growth of the company. Efforts to achieve business continuity will depend heavily on the company's ability to see business opportunities that will provide financial benefits.

The result of this study shows a relatively high level of ability to see opportunities among respondents. This shows that there is a collective awareness among business managers and their staff to cultivate a vision of the ability to see high opportunities as a characteristic feature of the companies. In turn, it can ultimately have a positive impact on the effectiveness of the business decision-making. An effective decisions can help detect and understand trend signals and adapt visions, business models, and business strategies to support efforts to achieve the company's business goals (Acciarini et al., 2021).

Further analysis shows that improvisation ability positively affects business decision-making. These findings also reinforce that the company's vision encourages every component of management and staff to have good improvisational skills, so the company can be managed with a cultural vision that is flexible in facing challenges and changes in a dynamic business environment. This situation will

provide impetus for policymakers to be able to make more effective business decisions in dealing with the dynamics of problems in their business environment.

The result of this study supports Conti et al. (2020) which stated that the ability to improvise has a positive impact on adaptation to making the right decisions during the recession conditions. This finding also supports Acciarini et al. (2021) which find that environmental events can affect the way decision-makers implement certain strategies related to strategic decisions and environmental transformation. Uncertain environmental events will require company owners and managers to have the ability to improvise. The demand for improvisation to adapt is a form of environmental transformation that encourages changes in socio-economic conditions that trigger potential impacts on business models, decision-making processes, and organizational business procedures (Acciarini et al., 2021). It is therefore very reasonable that the ability to improvise can have a positive impact on the ability to make effective business decisions.

This study indicates that most of the companies involved in this study demonstrated a high level of improvisational ability. According to Conti et al. (2020), a company's ability to improvise can be seen from the characteristics of how well the company's employees know how to improvise when needed and how the company can deal with new situations and solve problems creatively and carefully which encourages balance between defined plans and flexibility. Therefore, measurable improvisation and flexibility can cope with dynamic environmental changes and encourage the formation of adaptive corporate behavior. Acciarini et al. (2021) state that events that

occur in the company's business environment can influence the way companies make decisions to implement certain strategies related to strategic decisions and environmental transformation that are relevant to efforts to achieve the company's business goals.

CONCLUSION

This study aims to examine the effect of owner/management characteristics and business characteristics on business decision-making. The results of this study indicated that management characteristics positively affect business decision-making. The ability to see opportunities also found to positively affect business decision-making is supported. Furthermore, the improvisation ability was found to positively affect business decision-making.

The results of this study provide several important implications for entrepreneurs, especially entrepreneurs in Palembang City. Making effective business decisions is an important key to maintaining the survival of the business they own or manage. Therefore, every business owner and manager must have strong characteristics as an entrepreneur. The characteristics of entrepreneurs will be shown through a strong entrepreneurial spirit, ability to take advantage of technology, courage to take risks, adaptability, and willingness to share with anyone. Besides that, the companies must have the ability to see opportunities and the ability to improvise. Some of these things are important keys to producing effective business decisions for the company.

This study has several limitations that have to be improved in future studies. In this study, the characteristics of the owner/management are seen in the personal

entrepreneurial context. Meanwhile, personal characteristics can be seen in terms of motivation, culture, and family. Therefore, future studies might determine the traits of the owner or management concerning the aspects of family, culture, and motivation. This is interesting because a person's motivation will show how they are trying to determine the strategy to reach their business decisions. Culture is believed to also show the level of persistence in designing strategies, and families will show how entrepreneurial talent is built by someone, whether due to inheritance or because of personal business factors, from scratch.

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