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Research Article

Managerial Decision-Making in Sustainable Fashion Startups: A Phenomenological Study

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ABSTRACT

The growing urgency of environmental and social challenges has accelerated the emergence of sustainable fashion startups as key drivers of industry transformation. This study explores managerial decision-making in sustainable fashion startups through a phenomenological lens, emphasising the lived experiences, values, and cognitive processes that shape strategic and operational choices. Drawing on secondary qualitative data from peer-reviewed literature, case studies, and industry reports, the study employs thematic analysis to identify key patterns in decision-making practices. The findings reveal that managerial decision-making is predominantly value-driven, iterative, and context-dependent, influenced by ethical commitments, resource constraints, market uncertainty, and stakeholder pressures. Managers frequently navigate tensions between sustainability goals and economic viability, adopting adaptive and reflective approaches rather than purely rational models. By integrating Sustainable Business Model theory, values-based decision-making, and the Theory of Planned Behaviour, the study develops a comprehensive conceptual framework that captures the interplay between values, cognition, and external influences. The research contributes to the literature by highlighting the importance of experiential and ethical dimensions in decision-making and offers practical insights for sustainable entrepreneurs and policymakers.

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1. Introduction

The global fashion industry, long associated with rapid production cycles and high consumption rates, is increasingly being scrutinised for its environmental and social impacts. As one of the most resource-intensive industries, fashion contributes significantly to carbon emissions, water pollution, and textile waste, while also raising concerns about labour exploitation and unethical sourcing practices (Niinimäki et al., 2020). In response to these challenges, the concept of sustainable fashion has gained prominence, emphasising environmentally responsible production, ethical labour practices, and circular economic models.

Within this transformative landscape, sustainable fashion startups have emerged as critical drivers of innovation and change. Unlike established corporations, these startups often embed sustainability at the core of their business models, adopting practices such as upcycling, eco-friendly materials, and transparent supply chains (Bocken et al., 2014). However, operating within a sustainability-oriented framework introduces unique complexities, particularly in managerial decision-making processes. Managers in these startups must navigate competing priorities, including profitability, environmental responsibility, and social accountability.

Managerial decision-making in sustainable fashion startups is inherently complex due to the interplay of multiple factors. Traditional decision-making models in business studies have largely emphasised rationality,

assuming that managers operate with complete information and aim to maximise economic outcomes (Simon, 1977). However, in the context of sustainability-oriented startups, decisions are often influenced by ethical values, personal beliefs, and stakeholder expectations, which challenge the assumptions of purely rational decision-making frameworks. This shift necessitates a deeper exploration of how managers interpret and experience decision-making in real-world contexts.

Furthermore, sustainable fashion startups operate under conditions of high uncertainty and resource constraints. Limited financial capital, evolving consumer demand, and regulatory pressures create an environment where decision-making is both risky and dynamic (McNeill & Moore, 2015). Managers must frequently make trade-offs between cost efficiency and sustainability goals, such as choosing between affordable materials and environmentally friendly alternatives. These trade-offs highlight the importance of understanding decision-making as a situated and experiential process rather than a purely analytical one.

In addition, the increasing role of stakeholders, including consumers, investors, regulators, and advocacy groups, adds another layer of complexity to managerial decision-making. Consumers are becoming more conscious of sustainability issues, demanding transparency and ethical practices from fashion brands (Joy et al., 2012). At the same time, investors are increasingly prioritising environmental, social, and governance (ESG) criteria, influencing strategic decisions within startups. This

multi-stakeholder environment requires managers to balance diverse and sometimes conflicting expectations, further complicating decision-making processes.

Despite the growing body of literature on sustainable fashion and entrepreneurship, there remains a significant gap in understanding the lived experiences of managers in this sector. Much of the existing research focuses on business models, consumer behaviour, or supply chain dynamics, with limited attention to the cognitive and experiential dimensions of managerial decision-making (Vehmas et al., 2018). As a result, there is a need for research that captures how managers perceive, interpret, and navigate decision-making challenges in sustainable fashion startups.

To address this gap, this study adopts a phenomenological approach, which emphasises the exploration of lived experiences and subjective meanings. Phenomenology provides a valuable lens for understanding how managers construct meaning in complex decision-making contexts, allowing for a deeper examination of the interplay between values, experiences, and actions (Creswell & Poth, 2018). By focusing on the subjective experiences of decision-makers, this approach moves beyond traditional models to capture the nuanced realities of managerial practice.

Moreover, this study employs a qualitative research design based on secondary data, synthesising insights from existing literature, case studies, and documented managerial narratives. This approach allows for the identification of recurring themes and patterns across multiple contexts, providing a

comprehensive understanding of decision-making processes in sustainable fashion startups.

The objectives of this study are threefold. First, it seeks to explore the key factors influencing managerial decision-making in sustainable fashion startups. Second, it aims to understand how managers experience and interpret decision-making processes within sustainability-oriented contexts. Third, it endeavours to develop a conceptual framework that integrates values, cognition, and contextual influences in shaping managerial decisions.

By addressing these objectives, the study contributes to the literature in several ways. It expands existing knowledge on sustainable entrepreneurship by incorporating a phenomenological perspective, highlighting the importance of values and experiences in decision-making, and provides practical insights for managers operating in sustainability-driven industries. Ultimately, the study underscores the need for more holistic and context-sensitive approaches to understanding managerial decision-making in the evolving landscape of sustainable fashion.

2. Literature Review

Sustainable fashion has emerged as a response to the environmental and social challenges associated with the conventional fashion industry. It encompasses a wide range of practices aimed at minimising environmental impact, promoting ethical labour conditions, and fostering long-term sustainability across the value chain

(Niinimäki et al., 2020). Key concepts within sustainable fashion include slow fashion, circular economy, ethical sourcing, and eco-design.

The transition toward sustainability in fashion has been driven by increasing awareness of environmental issues, such as climate change and resource depletion, as well as growing concerns about labour rights and social justice (Joy et al., 2012). As a result, both consumers and businesses are re-evaluating traditional models of production and consumption. Sustainable fashion startups, in particular, have played a pivotal role in introducing innovative practices, such as the use of biodegradable materials, recycling technologies, and digital transparency tools.

However, the adoption of sustainable practices is not without challenges. High production costs, limited access to sustainable materials, and a lack of consumer awareness can hinder the growth of sustainable fashion businesses (McNeill & Moore, 2015). These challenges necessitate strategic decision-making that balances sustainability goals with economic viability.

2.1 Sustainable Business Models and Startups

Sustainable business models (SBMs) are designed to create value while simultaneously addressing environmental and social concerns. According to Bocken et al. (2014), SBMs incorporate mechanisms that reduce negative environmental impacts and enhance positive social outcomes. These models often involve innovations in product

design, supply chain management, and customer engagement.

In the context of startups, SBMs are particularly important as they provide a foundation for integrating sustainability into core business operations. Startups have the advantage of flexibility and innovation, allowing them to experiment with new approaches and adapt quickly to changing market conditions. However, they also face significant constraints, including limited resources, lack of established networks, and high levels of uncertainty (Schaltegger et al., 2016).

Research has shown that sustainable startups often rely on hybrid business models that combine profit-oriented and mission-driven objectives (Stubbs & Cocklin, 2008). This dual focus can create tensions in decision-making, as managers must navigate trade-offs between financial performance and sustainability outcomes.

2.2 Managerial Decision-Making in Uncertain Contexts

Managerial decision-making has traditionally been conceptualised as a rational process involving the identification of alternatives, evaluation of outcomes, and selection of optimal solutions (Simon, 1977). However, this perspective has been increasingly challenged by research highlighting the role of bounded rationality, cognitive biases, and contextual factors.

In startup environments, decision-making is often characterised by uncertainty, ambiguity, and rapid change. Managers must make decisions with incomplete information and limited time, relying on intuition and

experience (Mintzberg et al., 1976). This is particularly relevant in sustainable fashion startups, where market dynamics and consumer preferences are constantly evolving.

Moreover, decision-making in sustainability contexts involves ethical considerations that extend beyond economic rationality. Managers must consider the long-term environmental and social impacts of their decisions, which may not be immediately quantifiable. This adds complexity to the decision-making process, requiring a more holistic and integrative approach.

2.3 Values-Based Decision-Making and Ethical Considerations

Values play a central role in shaping managerial decision-making, particularly in sustainability-oriented organisations. Values-based decision-making emphasises the alignment of business practices with ethical principles, such as environmental stewardship, social responsibility, and fairness (Faccin et al., 2017).

In sustainable fashion startups, managers often operate with a strong sense of purpose, which influences their strategic choices and organisational behaviour. For example, decisions related to sourcing materials, pricing, and production methods are often guided by ethical considerations rather than purely financial criteria.

However, values-based decision-making can also lead to conflicts and dilemmas. Managers may face situations where ethical principles conflict with economic realities, such as when sustainable materials are significantly more expensive than

conventional alternatives. These dilemmas require careful negotiation and compromise, highlighting the importance of understanding decision-making as a dynamic and context-dependent process.

2.4 Stakeholder Theory and External Influences

Stakeholder theory provides a useful framework for understanding the external influences on managerial decision-making. According to Freeman (1984), organisations must consider the interests of various stakeholders, including customers, employees, suppliers, and communities.

In the context of sustainable fashion, stakeholders play a critical role in shaping business practices and decisions. Consumers increasingly demand transparency and sustainability, while investors prioritise ESG criteria. Regulatory bodies also impose standards and guidelines that influence organisational behaviour.

These external pressures can both enable and constrain decision-making. On the one hand, they create incentives for adopting sustainable practices. On the other hand, they can increase complexity and uncertainty, requiring managers to balance competing interests.

2.5 Phenomenology in Management Research

Phenomenology offers a unique perspective for studying managerial decision-making by focusing on lived experiences and subjective interpretations. Unlike positivist approaches that seek objective truths, phenomenology emphasises understanding how individuals

perceive and make sense of their experiences (Creswell & Poth, 2018).

In management research, phenomenology has been used to explore various phenomena, including leadership, entrepreneurship, and organisational behaviour. It provides insights into the cognitive and emotional dimensions of decision-making, which are often overlooked in traditional models.

Applying a phenomenological approach to sustainable fashion startups allows researchers to capture the complexities and nuances of managerial decision-making. It enables the exploration of how managers interpret sustainability challenges, navigate uncertainties, and reconcile competing priorities.

2.6 Research Gap

Despite the growing interest in sustainable fashion and entrepreneurship, there remains a lack of research on managerial decision-making from a phenomenological perspective. Existing studies have largely focused on structural and strategic aspects, with limited attention to the lived experiences of managers.

Furthermore, there is a need for research that synthesises insights from multiple sources using secondary qualitative data. Such an approach can provide a broader understanding of decision-making processes across different contexts and cases.

3. Theoretical Framework

Understanding managerial decision-making in sustainable fashion startups requires a multidimensional theoretical lens that

captures the interplay between values, cognition, and contextual influences. This study integrates three complementary theoretical perspectives, Sustainable Business Model (SBM) theory, Values-Based Decision-Making, and the Theory of Planned Behaviour (TPB), to develop a holistic framework for analysing decision-making processes in sustainability-oriented entrepreneurial contexts. Together, these perspectives provide a nuanced understanding of how managers interpret, evaluate, and act upon complex and often conflicting demands.

3.1 Sustainable Business Model Theory

Sustainable Business Model (SBM) theory provides the foundational lens for understanding how organisations create, deliver, and capture value while simultaneously addressing environmental and social challenges. Unlike conventional business models, which prioritise economic returns, SBMs integrate sustainability into core organisational activities and strategic decision-making (Bocken et al., 2014). This integration is particularly relevant in sustainable fashion startups, where sustainability is not an add-on but a defining feature of the business.

Bocken et al. (2014) identify several archetypes of sustainable business models, including resource efficiency, circularity, and social mission-driven innovation. These archetypes illustrate how firms can align economic objectives with environmental and social goals. In the context of fashion startups, examples include the use of recycled

materials, zero-waste production processes, and fair-trade sourcing practices.

However, implementing SBMs involves navigating inherent tensions between competing objectives. Managers must balance cost considerations with environmental impact, scale production without compromising ethical standards, and respond to market demands while maintaining sustainability commitments (Schaltegger et al., 2016). These tensions create complex decision-making environments where traditional optimisation models are insufficient.

From a theoretical standpoint, SBM theory emphasises the systemic and integrative nature of decision-making. Managers are required to consider the broader implications of their choices across the value chain, including upstream suppliers and downstream consumers. This systems perspective highlights the interconnectedness of decisions and underscores the importance of long-term thinking in sustainability-oriented organisations.

3.2 Values-Based Decision-Making

Values-based decision-making offers a critical lens for understanding how ethical principles and personal beliefs shape managerial actions. In sustainability-oriented enterprises, values such as environmental stewardship, social justice, and transparency often serve as guiding principles for organisational behaviour (Faccin et al., 2017). These values influence not only strategic decisions but also day-to-day operational choices.

In sustainable fashion startups, founders and managers frequently exhibit strong intrinsic motivations to create positive social and environmental impact. This value orientation differentiates them from traditional profit-driven entrepreneurs and influences how they evaluate alternatives and prioritise outcomes. For instance, a manager may choose a more expensive but eco-friendly material over a cheaper conventional option, reflecting a commitment to sustainability values.

However, values-based decision-making is not without challenges. Managers often encounter ethical dilemmas where values conflict with practical constraints. For example, maintaining fair wages for workers may increase production costs, potentially affecting competitiveness. Similarly, sourcing sustainable materials may limit scalability due to supply constraints. These situations require managers to engage in reflective and iterative decision-making processes, balancing competing priorities.

The role of values also extends to organisational culture and stakeholder relationships. Values-based organisations tend to foster trust, transparency, and long-term engagement with stakeholders, which can enhance brand reputation and customer loyalty (Stubbs & Cocklin, 2008). At the same time, the emphasis on values can create pressure to maintain consistency and authenticity, further complicating decision-making processes.

3.3 Theory of Planned Behaviour (TPB)

The Theory of Planned Behaviour (TPB), developed by Ajzen (1991), provides a

psychological framework for understanding how individual attitudes, social norms, and perceived behavioural control influence decision-making. According to TPB, behavioural intentions are shaped by three key factors: attitudes toward the behaviour, subjective norms, and perceived behavioural control.

In the context of sustainable fashion startups, TPB helps explain how managers' intentions to make sustainable decisions are influenced by both internal and external factors. Attitudes toward sustainability, for instance, reflect managers' beliefs about the importance and benefits of environmentally and socially responsible practices. Managers with strong pro-sustainability attitudes are more likely to prioritise sustainable options in their decision-making.

Subjective norms refer to perceived social pressures from stakeholders, including customers, investors, and regulatory bodies. In the fashion industry, increasing consumer demand for ethical and sustainable products creates normative pressures that influence managerial decisions (Joy et al., 2012). Similarly, investors' focus on ESG criteria can shape strategic priorities within startups.

Perceived behavioural control relates to managers' perceptions of their ability to implement sustainable practices. This includes access to resources, knowledge, and technological capabilities. In startup contexts, limited resources and operational constraints can reduce perceived control, affecting the feasibility of sustainability-oriented decisions (Schaltegger et al., 2016).

By integrating TPB into the theoretical framework, this study acknowledges the role of individual cognition and social context in shaping decision-making. It highlights that decisions are not only influenced by organisational goals and values but also by managers' perceptions of what is possible and acceptable within their environment.

3.4 Integrated Conceptual Framework

Drawing on the three theoretical perspectives discussed above, this study proposes an integrated conceptual framework for understanding managerial decision-making in sustainable fashion startups. The framework conceptualises decision-making as a dynamic process influenced by the interaction of values, cognition, and contextual factors.

At the core of the framework are managerial values, which shape attitudes toward sustainability and influence decision intentions. These values interact with external pressures, such as stakeholder expectations and market dynamics, which create opportunities and constraints. Cognitive processes, including perception, interpretation, and judgment, mediate the relationship between values and decisions, reflecting the phenomenological emphasis on lived experience.

Finally, decision outcomes are guided by sustainability goals, which encompass environmental, social, and economic dimensions. The framework recognises that decision-making is iterative and adaptive, involving continuous learning and

adjustment in response to feedback and changing conditions.

This integrated approach contributes to the literature by bridging macro-level theories of sustainable business models with micro-level insights into managerial cognition and behaviour. It provides a comprehensive lens for analysing decision-making processes in complex and uncertain environments, particularly within sustainability-oriented startups.

4. Research Methodology

This study adopts a qualitative research design grounded in a phenomenological philosophical orientation. Phenomenology seeks to explore and understand individuals' lived experiences and the meanings they attach to those experiences (Creswell & Poth, 2018). In the context of this research, phenomenology is particularly appropriate for examining managerial decision-making, as it allows for the exploration of subjective perceptions, interpretations, and sense-making processes.

The study is positioned within an interpretivist paradigm, which assumes that reality is socially constructed and context-dependent. Unlike positivist approaches that emphasise objectivity and generalizability, interpretivism focuses on understanding the complexity and richness of human experiences (Saunders et al., 2019). This paradigm aligns with the research objectives, which aim to uncover how managers in sustainable fashion startups experience and interpret decision-making processes.

4.1 Research Approach: Secondary Qualitative Data Analysis

Given the exploratory nature of the study and the focus on synthesising existing knowledge, a secondary qualitative data analysis approach is employed. Secondary data refers to data that has been previously collected and analysed by other researchers but is reinterpreted for new research purposes (Johnston, 2017).

The use of secondary qualitative data offers several advantages. First, it allows for the integration of insights from multiple studies, providing a broader understanding of the phenomenon. Second, it enables access to diverse contexts and perspectives, enhancing the richness of the analysis. Third, it is a cost-effective and time-efficient method for conducting research.

The data sources for this study include:

- Peer-reviewed journal articles on sustainable fashion and entrepreneurship
- Case studies of sustainable fashion startups
- Industry and sustainability reports
- Existing qualitative research findings, including interviews and narratives

These sources were selected based on their relevance, credibility, and contribution to understanding managerial decision-making in sustainability contexts.

4.2 Data Collection and Selection Criteria

A systematic approach was used to identify and select relevant data sources. Academic

databases such as Scopus, Web of Science, and Google Scholar were searched using keywords including “sustainable fashion,” “managerial decision-making,” “sustainable startups,” and “entrepreneurial cognition.”

The inclusion criteria were as follows:

- Studies focusing on sustainable fashion or related industries
- Research addressing managerial decision-making or entrepreneurial processes
- Peer-reviewed articles, books, and reputable reports
- Publications in English within the last 15 years (with some seminal works included)

Exclusion criteria included studies lacking methodological rigour, non-scholarly sources, and those not directly relevant to the research objectives.

4.3 Data Analysis: Thematic Analysis

The study employs thematic analysis as the primary method for analysing qualitative data. Thematic analysis is a flexible and widely used method for identifying, analysing, and interpreting patterns (themes) within qualitative data (Braun & Clarke, 2006).

The analysis followed a six-phase process:

- **Familiarisation with the data** through repeated reading
- **Generating initial codes** to identify relevant concepts
- **Searching for themes** by grouping related codes

- **Reviewing themes** to ensure coherence and consistency
- **Defining and naming themes**
- **Producing the final analysis**

An inductive approach was adopted, allowing themes to emerge from the data rather than being imposed a priori. This approach is consistent with phenomenological research, which emphasises openness to participants’ experiences and meanings.

4.4 Ensuring Research Quality and Rigour

To enhance the credibility and trustworthiness of the study, several strategies were employed:

Credibility: Triangulation of multiple data sources was used to validate findings and ensure consistency across different contexts.

Transferability: Thick descriptions of themes and contexts were provided to enable readers to assess the applicability of findings to other settings.

Dependability: A transparent and systematic research process was documented, allowing for replication and verification.

Confirmability: Reflexivity was maintained throughout the research process, with the researcher critically reflecting on potential biases and assumptions.

4.5 Ethical Considerations

As the study relies on secondary data, it does not involve direct interaction with human participants. However, ethical considerations were still observed, including proper citation of sources, respect for intellectual property,

and accurate representation of original findings (Mannan & Farhana, 2026).

4.6 Limitations of the Methodology

While secondary qualitative analysis offers several advantages, it also has limitations. The researcher is constrained by the scope and quality of existing data, which may not fully capture all aspects of the phenomenon. Additionally, the lack of direct engagement with participants limits the ability to probe deeper into specific experiences.

Despite these limitations, the methodology provides a robust and comprehensive approach for exploring managerial decision-making in sustainable fashion startups, particularly given the exploratory nature of the study.

5. Findings and Analysis

This section presents the findings derived from the thematic analysis of secondary qualitative data on managerial decision-making in sustainable fashion startups. Drawing on a phenomenological perspective, the analysis focuses on how managers experience, interpret, and navigate decision-making processes in sustainability-oriented contexts. Five interrelated themes emerged: value-driven decision-making, negotiating resource constraints, navigating market uncertainty, stakeholder influence and legitimacy, and iterative and reflective decision processes. These themes collectively illustrate that managerial decision-making in sustainable fashion startups is complex, context-dependent, and deeply embedded in both cognitive and ethical dimensions.

5.1 Value-Driven Decision-Making

A central finding of this study is that managerial decision-making in sustainable fashion startups is fundamentally guided by values. Unlike conventional firms, where profit maximisation often dominates, sustainable startups prioritise environmental and social objectives alongside financial performance. Managers frequently interpret their roles not only as business leaders but also as agents of change, committed to promoting sustainability and ethical practices.

This value orientation significantly influences decision-making processes. For example, decisions related to material sourcing, production methods, and pricing are often evaluated through the lens of environmental impact and social responsibility. Managers demonstrate a strong commitment to principles such as transparency, fairness, and ecological stewardship, even when these principles conflict with short-term financial gains (Stubbs & Cocklin, 2008).

From a phenomenological perspective, these values are not abstract constructs but lived experiences that shape how managers perceive and respond to decision-making situations. Managers often describe a sense of moral obligation and personal responsibility, which guides their actions and influences their interpretations of success and failure. This aligns with values-based innovation literature, which emphasises the role of ethical principles in shaping organisational behaviour (Faccin et al., 2017).

However, value-driven decision-making also introduces tensions and dilemmas. Managers frequently face situations where sustainability goals conflict with economic constraints. For instance, choosing eco-friendly materials may increase production costs, affecting competitiveness in price-sensitive markets. In such cases, managers must negotiate trade-offs and make compromises, highlighting the dynamic and context-dependent nature of decision-making.

5.2 Negotiating Resource Constraints

Another prominent theme is the challenge of resource constraints. Sustainable fashion startups typically operate with limited financial, human, and technological resources, which significantly impacts managerial decision-making. These constraints shape not only what decisions can be made but also how they are made.

Managers often describe decision-making as a process of “making do” with available resources, requiring creativity and adaptability. For example, limited access to sustainable materials may force managers to seek alternative suppliers or redesign products to align with available resources. Similarly, financial constraints may restrict the ability to invest in advanced technologies or scale production.

This finding is consistent with research on startup environments, which highlights the role of resource scarcity in shaping entrepreneurial behaviour (Schaltegger et al., 2016). In sustainable fashion startups, resource constraints are further compounded

by the higher costs associated with sustainable practices, such as ethical sourcing and environmentally friendly production methods.

From a cognitive perspective, resource constraints influence how managers evaluate options and prioritise decisions. Managers often adopt a pragmatic approach, balancing ideal sustainability goals with practical considerations. This involves continuous negotiation and adjustment, reflecting an iterative decision-making process.

Importantly, resource constraints also foster innovation. Managers are often compelled to develop creative solutions, such as adopting circular business models, collaborating with other organisations, or leveraging digital platforms to reduce costs. These adaptive strategies demonstrate the resilience and ingenuity of sustainable fashion entrepreneurs.

5.3 Navigating Market Uncertainty and Risk

Market uncertainty emerges as a critical factor influencing managerial decision-making. The sustainable fashion market is still evolving, with fluctuating consumer demand, changing trends, and varying levels of awareness. This uncertainty creates a challenging environment where managers must make decisions without complete or reliable information.

Managers often describe their decision-making experiences as involving risk and experimentation. For example, launching a new sustainable product line may involve uncertainty regarding consumer acceptance and willingness to pay premium prices.

Similarly, entering new markets may require assumptions about cultural preferences and regulatory environments.

This finding aligns with the concept of bounded rationality, which suggests that decision-makers operate under conditions of limited information and uncertainty (Simon, 1977). In sustainable fashion startups, managers rely on intuition, experience, and iterative learning to navigate these uncertainties.

From a phenomenological perspective, uncertainty is experienced as both a challenge and an opportunity. While it creates anxiety and risk, it also provides space for innovation and experimentation. Managers often adopt a trial-and-error approach, testing new ideas and adapting strategies based on feedback.

Furthermore, the uncertainty of consumer behaviour plays a significant role. Although awareness of sustainability is increasing, there remains a gap between consumers' stated preferences and actual purchasing behaviour (McNeill & Moore, 2015). This "attitude-behaviour gap" complicates decision-making, as managers must anticipate market responses that are not always predictable.

5.4 Stakeholder Influence and the Quest for Legitimacy

Stakeholder influence is another key theme shaping managerial decision-making. Sustainable fashion startups operate within a complex network of stakeholders, including customers, investors, suppliers, regulators, and advocacy groups. Each stakeholder group exerts different expectations and

pressures, influencing how decisions are made.

Consumers, for instance, increasingly demand transparency and ethical practices, encouraging managers to adopt sustainable strategies. Investors, particularly those focused on ESG criteria, influence decisions related to growth and resource allocation. Regulatory bodies impose standards that shape compliance and operational practices (Freeman, 1984).

Managers often experience decision-making as a process of balancing these diverse and sometimes conflicting stakeholder demands. For example, investors may prioritise financial returns, while consumers emphasise sustainability and ethics. Navigating these competing expectations requires careful negotiation and strategic alignment.

A significant aspect of stakeholder influence is the pursuit of legitimacy. Sustainable fashion startups must establish credibility and trust in a market where claims of sustainability are often scrutinised. Managers are therefore concerned with maintaining authenticity and avoiding accusations of "greenwashing."

This emphasis on legitimacy influences decision-making processes, leading managers to prioritise transparency, certification, and communication. For instance, decisions related to supply chain disclosure or sustainability reporting are often driven by the need to build trust and credibility (Vehmas et al., 2018).

5.5 Iterative and Reflective Decision-Making Processes

The final theme highlights the iterative and reflective nature of managerial decision-making in sustainable fashion startups. Unlike linear decision-making models, the processes observed in this study are dynamic, cyclical, and continuously evolving.

Managers frequently engage in reflection, learning from past experiences and adapting their strategies accordingly. Decision-making is not viewed as a one-time event but as an ongoing process that involves monitoring outcomes, gathering feedback, and making adjustments. This aligns with Mintzberg et al.'s (1976) conceptualisation of decision-making as an unstructured and iterative process.

From a phenomenological perspective, reflection plays a crucial role in shaping how managers interpret their experiences. Managers often revisit previous decisions, reassessing their assumptions and learning from successes and failures. This reflective practice enhances their ability to navigate complex and uncertain environments.

Moreover, iterative decision-making is closely linked to innovation. Managers experiment with new ideas, test different approaches, and refine their strategies over time. This process is particularly important in sustainability contexts, where solutions are often novel and evolving.

The integration of reflection and iteration also contributes to organisational learning. Sustainable fashion startups develop knowledge and capabilities through experience, enabling them to improve their

decision-making processes and adapt to changing conditions.

The five themes identified in this study are deeply interconnected, collectively shaping managerial decision-making in sustainable fashion startups. Value-driven orientations influence how managers approach resource constraints and market uncertainties. Stakeholder pressures further complicate decision-making, while iterative and reflective processes enable managers to adapt and learn.

Overall, the findings suggest that managerial decision-making in this context is not purely rational but is instead characterised by a combination of ethical considerations, cognitive processes, and contextual influences. This supports the theoretical framework proposed in this study, which integrates sustainable business models, values-based decision-making, and the theory of planned behaviour.

The phenomenological perspective provides valuable insights into the lived experiences of managers, highlighting the importance of subjective interpretation and meaning-making in decision-making processes. By focusing on these experiential dimensions, the study contributes to a deeper understanding of how decisions are made in sustainability-oriented entrepreneurial contexts.

6. Discussion

This study set out to explore managerial decision-making in sustainable fashion startups through a phenomenological lens, with particular emphasis on how values,

cognition, and contextual pressures shape decision processes. The findings reveal that decision-making in this domain diverges significantly from traditional rational models, instead reflecting a complex interplay of ethical commitments, resource constraints, stakeholder expectations, and iterative learning. This section discusses these findings in relation to the existing literature and theoretical framework, highlighting key contributions and implications.

6.1 Reframing Managerial Decision-Making: Beyond Rationality

One of the most significant insights from this study is the limitation of traditional rational decision-making models in explaining managerial behaviour in sustainable fashion startups. Classical theories assume that decision-makers operate with complete information and aim to maximise economic outcomes (Simon, 1977). However, the findings demonstrate that managers in sustainability-oriented contexts rarely conform to these assumptions.

Instead, decision-making is characterised by bounded rationality, where managers rely on heuristics, intuition, and experiential knowledge to navigate uncertainty and complexity. This aligns with earlier research suggesting that entrepreneurial decision-making is often non-linear and adaptive (Mintzberg et al., 1976). In sustainable fashion startups, this adaptive approach is further intensified by the need to integrate ethical considerations into decision-making processes.

From a phenomenological perspective, this shift reflects the importance of lived experience and subjective interpretation. Managers do not simply evaluate objective data; they interpret situations through the lens of their values, beliefs, and prior experiences. This interpretive process shapes how problems are defined, alternatives are considered, and decisions are ultimately made (Creswell & Poth, 2018).

6.2 The Centrality of Values in Decision-Making

The findings strongly support the argument that values play a central role in shaping managerial decision-making in sustainable fashion startups. Managers are guided by deeply held ethical principles, such as environmental sustainability, social justice, and transparency, which influence both strategic and operational decisions.

This observation is consistent with the literature on values-based innovation, which emphasises the integration of ethical values into business practices (Faccin et al., 2017). In the context of sustainable fashion, values are not peripheral but foundational, serving as a guiding framework for decision-making.

However, the study also highlights the tensions inherent in values-based decision-making. Managers frequently encounter situations where ethical principles conflict with economic realities. For example, maintaining sustainable sourcing practices may increase production costs, challenging the financial viability of the business. These tensions require managers to engage in complex trade-offs, balancing competing priorities.

This finding extends existing research by illustrating how values are enacted in practice, rather than merely articulated as organisational goals. It underscores the need for theoretical models that account for the dynamic and often contradictory nature of values in decision-making processes.

6.3 Resource Constraints and Entrepreneurial Adaptation

Resource constraints emerge as a critical factor shaping managerial decision-making in sustainable fashion startups. Limited financial, human, and technological resources restrict the range of available options and necessitate creative problem-solving.

This finding aligns with research on sustainable entrepreneurship, which highlights the challenges faced by startups in implementing sustainability-oriented business models (Schaltegger et al., 2016). However, the study also reveals that resource constraints can act as a catalyst for innovation, encouraging managers to develop novel solutions and alternative strategies.

From a theoretical perspective, this dynamic can be understood through the lens of effectuation theory, which emphasises the role of available resources in shaping entrepreneurial action. Managers in sustainable fashion startups often adopt a “means-driven” approach, leveraging existing resources to create new opportunities.

Phenomenologically, resource constraints are experienced as both limitations and opportunities. Managers describe a sense of constraint that requires them to make difficult

decisions, but also a sense of empowerment derived from their ability to innovate and adapt. This dual experience highlights the complexity of decision-making in resource-constrained environments.

6.4 Navigating Market Uncertainty and Consumer Behaviour

Market uncertainty is another key factor influencing managerial decision-making. The sustainable fashion market is characterised by evolving consumer preferences, fluctuating demand, and a persistent gap between attitudes and behaviour (McNeill & Moore, 2015). This uncertainty complicates decision-making, as managers must anticipate market responses that are not always predictable.

The findings suggest that managers adopt an experimental and iterative approach to decision-making, testing new ideas and adjusting strategies based on feedback. This approach is consistent with the concept of learning by doing, which emphasises the importance of experience and adaptation in uncertain environments.

Moreover, the study highlights the role of consumer behaviour in shaping managerial decisions. While there is growing awareness of sustainability issues, consumers often prioritise price, convenience, and style over ethical considerations. This creates a paradox for managers, who must balance sustainability goals with market realities.

The integration of the Theory of Planned Behaviour (Ajzen, 1991) into the theoretical framework provides a useful lens for understanding this dynamic. Managers' decisions are influenced not only by their

own attitudes but also by perceived social norms and the anticipated behaviour of consumers. This underscores the importance of considering both internal and external factors in decision-making processes.

6.5 Stakeholder Pressures and the Pursuit of Legitimacy

The influence of stakeholders is a prominent theme in the findings, reflecting the importance of external pressures in shaping managerial decision-making. Sustainable fashion startups operate within a complex ecosystem of stakeholders, each with distinct expectations and demands.

Stakeholder theory (Freeman, 1984) provides a valuable framework for understanding these dynamics. Managers must balance the interests of multiple stakeholders, including customers, investors, suppliers, and regulators. This balancing act often involves navigating conflicting priorities, such as the tension between financial performance and sustainability commitments.

A key aspect of stakeholder influence is the pursuit of legitimacy. In an industry where sustainability claims are frequently scrutinised, managers are concerned with building trust and credibility. This leads to a focus on transparency, certification, and ethical communication.

The findings suggest that legitimacy is not merely a strategic objective but a lived experience that shapes decision-making processes. Managers are acutely aware of the need to align their actions with their values and communicate this alignment to stakeholders. This emphasis on authenticity distinguishes sustainable fashion startups

from traditional firms and highlights the importance of ethical consistency.

6.6 Iterative and Reflective Decision-Making as a Core Process

The study reveals that managerial decision-making in sustainable fashion startups is inherently iterative and reflective. Unlike linear models, decision-making is characterised by continuous cycles of action, feedback, and adaptation.

This finding supports Mintzberg et al.'s (1976) conceptualisation of decision-making as an unstructured process and aligns with phenomenological perspectives that emphasise reflection and meaning-making. Managers engage in ongoing reflection, revisiting past decisions and learning from their experiences.

This reflective practice enhances organisational learning and contributes to the development of dynamic capabilities. By continuously adapting their strategies, managers are better able to respond to changing conditions and navigate complex environments.

Furthermore, iterative decision-making facilitates innovation. Managers experiment with new approaches, refine their strategies, and develop solutions that align with sustainability goals. This process is particularly important in the context of sustainable fashion, where challenges are often novel and require creative responses.

6.7 Theoretical Contributions

This study makes several important contributions to the literature. First, it extends existing research on managerial decision-

making by incorporating a phenomenological perspective, highlighting the role of lived experience and subjective interpretation. Second, it integrates multiple theoretical frameworks, SBM theory, values-based decision-making, and TPB, to provide a comprehensive understanding of decision-making processes.

Third, the study contributes to the literature on sustainable entrepreneurship by illustrating how values, resource constraints, and stakeholder pressures interact to shape managerial decisions. It challenges traditional models that prioritise rationality and economic outcomes, advocating for a more holistic and context-sensitive approach.

6.8 Practical Implications

The findings have important implications for practitioners. Managers in sustainable fashion startups should recognise the importance of aligning values with strategic decisions and embrace reflective and adaptive approaches to decision-making. Policymakers and support organisations can also play a role by providing resources and frameworks that facilitate sustainable entrepreneurship.

In summary, the discussion highlights that managerial decision-making in sustainable fashion startups is a multifaceted and dynamic process shaped by values, cognition, and contextual factors. By adopting a phenomenological perspective, this study provides a deeper understanding of the lived experiences of managers, offering valuable insights for both theory and practice.

7. Conclusion

This study set out to examine managerial decision-making in sustainable fashion startups through a phenomenological perspective, with a focus on understanding how managers experience and interpret decision-making processes within sustainability-oriented contexts. The findings demonstrate that decision-making in these startups is not adequately explained by traditional rational models. Instead, it is a complex, dynamic, and contextually embedded process shaped by the interaction of ethical values, cognitive interpretations, resource constraints, and stakeholder influences.

A key conclusion of the study is that values play a central role in guiding managerial decisions. Sustainability-oriented managers prioritise environmental and social considerations alongside economic objectives, often engaging in difficult trade-offs to maintain alignment with their ethical commitments. Furthermore, decision-making is inherently iterative and reflective, characterised by continuous learning, adaptation, and experimentation in response to uncertain and evolving market conditions.

From a theoretical standpoint, the study contributes by integrating Sustainable Business Model theory, values-based decision-making, and the Theory of Planned Behaviour into a unified framework. This integration provides a more holistic understanding of managerial decision-making, bridging macro-level sustainability concepts with micro-level cognitive and experiential processes. The phenomenological approach further enriches

the literature by emphasising the lived experiences and subjective meanings that underpin managerial actions.

In terms of practical implications, the findings suggest that managers in sustainable fashion startups should adopt flexible and reflective decision-making approaches that allow for adaptation to changing circumstances. Emphasising alignment between organisational values and strategic decisions can enhance authenticity and stakeholder trust. Policymakers and support organisations can also play a crucial role by providing financial incentives, infrastructure, and regulatory frameworks that facilitate sustainable entrepreneurship.

Despite its contributions, the study has certain limitations. The reliance on secondary qualitative data restricts the ability to capture real-time experiences and deeper individual insights. Future research should consider primary data collection methods, such as in-depth interviews or ethnographic studies, to explore managerial experiences more comprehensively. Additionally, comparative studies across different cultural or geographical contexts could provide further insights into how contextual factors influence decision-making in sustainable fashion startups.

In conclusion, this study underscores the importance of moving beyond traditional decision-making models to embrace more nuanced, value-driven, and experiential perspectives. As the fashion industry continues to evolve toward sustainability, understanding the human dimensions of managerial decision-making will be essential

for fostering innovation and achieving long-term impact.

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