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The Impact of the Absence of Business Strategy in Dealing with Crisis Effectively: Case of Lebanon

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This research examines the impact of weak business strategy, organizational structure, corporate governance, and sustainability practices on the ability of Lebanese small and medium-sized enterprises to manage crises effectively. The study is situated within the Lebanese business context, where companies faced compounded challenges caused by the 2019 economic crisis, currency devaluation, financial sector instability, and the coronavirus pandemic. The purpose is to identify how the absence of clear strategy formulation and structured governance affects business continuity, organizational resilience, and performance in times of uncertainty.

The study adopts a mixed-methods approach, supported mainly by quantitative analysis. Data were collected from 246 respondents who represent Lebanese small and medium-sized enterprises across different sectors, such as production, services, retail, and technology. Surveys and interviews were used to gather insights from owners, managers, and professionals with experience in crisis management. The quantitative data were analyzed through descriptive frequency analysis, Pearson correlation, significance tests, analysis of variance, and linear regression. The study tested three main hypotheses related to the effect of strategy formulation, corporate governance, and sustainability programs on business success and growth.

The results show that strategy formulation has a significant and positive relationship with business success and growth. Companies that adopted proactive strategy, risk assessment, improved decisions, and structured work methods were better able to maintain performance throughout crises. The results also indicate that corporate governance plays an important role in the support of business continuity through improvement of accountability, transparency, stakeholder alignment, and systematic decisions. In addition, the implementation of sustainability programs was found to contribute positively to long-term business performance, organizational resilience, stakeholder trust, and operational stability. Overall, all three hypotheses were accepted, which confirms that strategy formulation, corporate governance, and sustainability

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practices are closely connected and collectively strengthen the crisis response capacity of Lebanese small and medium-sized enterprises.

This study contributes to organizational and crisis management literature and demonstrates how internal organizational capabilities can create competitive advantages in unstable emergent markets. It also expands knowledge of how strategy formulation, governance, and sustainability interact under simultaneous crisis conditions. The results provide practical guidance for business owners, managers, consultants, and policymakers who seek to strengthen small and medium-sized enterprises in Lebanon and similar environments. The study recommends that managers invest in formal strategy processes, governance structures adapted to smaller firms, performance evaluation systems, and sustainability initiatives to improve resilience, support continuity, and enhance long-term growth in times of uncertainty.

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Conflict of Interest

The authors declare that there is no conflict of interest regarding the publication of this paper.

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