IJBMC International Journal of Body, Mind and Culture

Volume 12, Issue 9, pp 43-53
DOI: 10.61838/ijbmc.v12i9.1016

Article type:
Qualitative Research

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Article history:

Received 21 Feb 2025
Revised 14 May 2025
Accepted 24 June 2025
Published online 01 Dec 2025

How to cite this article:
Yuliati, Pratikto, H., Handayati, P., & Winarno, A. (2025). Cultural-Psychological Dynamics of Financial Decision-Making among Madurese Culinary MSME Entrepreneurs: An Ethnographic Study in Malang, Indonesia. International Journal of Body, Mind and Culture, 12(9), 43-53.



# Cultural-Psychological Dynamics of Financial Decision-Making among Madurese Culinary MSME Entrepreneurs: An Ethnographic Study in Malang, Indonesia

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## ABSTRACT

**Objective:** This study examines how cultural and psychological dynamics shape financial decision-making among Madurese micro-, small-, and medium-sized enterprise (MSME) owners operating ethnic culinary businesses in Malang, Indonesia.

**Methods and Materials:** An ethnographic qualitative design was adopted. Twelve Madurese culinary entrepreneurs (8 men, four women; ages 30–55; 2–15 years in business) were purposively selected. Data were generated over three months through participant observation, semi-structured interviews, and field documentation. Transcripts and notes were thematically analyzed using iterative coding and constant comparison, supported by NVivo software. Credibility was enhanced through data triangulation, member checking, and peer debriefing.

**Findings:** Three interrelated domains were identified. Cultural values, especially family solidarity (katemmu) and community ties (taretan), encouraged conservative borrowing, reliance on informal mutual-help networks, and a preference for stability over expansion. Emotional dynamics, including fear of debt, worry about failure, and the pursuit of calm, motivated small-scale, low-risk strategies and deliberate self-regulation of emotions. Cognitive biases such as status quo bias, loss aversion, and availability heuristics further reinforced cautious behavior, as vivid stories of loan failures and social shame more strongly shaped risk perception than formal financial information.

**Conclusion:** Financial decision-making among Madurese culinary MSMEs reflects a culturally grounded search for psychological security and social harmony rather than purely profit-maximizing logic. Efforts to expand financial inclusion and support MSMEs should integrate cultural context, emotion regulation, and local narratives into the design of financial education, advisory services, and credit schemes.

**Keywords:** Cultural psychology, financial decision-making, ethnography, cognitive bias, culinary MSMEs, Madurese entrepreneurs.

## Introduction

Financial decision-making in the Micro, Small, and Medium Enterprises (MSMEs) sector has traditionally been analyzed through a rational economic lens, emphasizing quantitative aspects such as profit, efficiency, and data-driven risk management (Firnando & RSA). However, this approach often overlooks the psychological and cultural complexities that shape financial behavior, especially among micro-entrepreneurs embedded in strong social value systems. In practice, financial decisions made by MSME actors are not solely based on economic logic but are also influenced by subjective experiences, emotions, cultural values, and social perceptions within their communities (Astuty et al., 2025). Malang City, one of the economic hubs in East Java, hosts numerous culinary MSMEs run by the Madurese ethnic community, which is characterized by strong family values, trust-based social networks, and an orientation toward family economic stability (Berisha et al., 2024).

This phenomenon illustrates the need to understand financial decision-making not only through economic calculation but also through the lens of cultural psychology (Girsang & Amaniyah, 2023). The concept of *bounded rationality* (DiMaggio, 1997) is particularly relevant, as it suggests that individuals make "good enough" decisions within the constraints of limited information, time, and prevailing social norms. In addition, cultural schema theory, as articulated by Hamdana et al. (2021), explains how shared mental frameworks, such as honor-based family ethics, economic caution, and social harmony, guide individuals' interpretations of financial risks and opportunities. This study aims to trace the psychological dynamics involved, including subjective experiences, emotional regulation, and cognitive biases, all of which are shaped by socialization within the community and reinforced by religious values and traditional business practices (Hardana et al., 2024).

Although studies like Jayanti & Karnowati (2023) have shown that financial literacy and self-confidence significantly influence financial decision-making, their research is grounded in individualistic, developed-country contexts (Komara & Da'i, 2024). In contrast, studies conducted in Indonesia, such as Yusrianthe & Asmarawati (2023), have examined the influence of social and cultural norms on MSME financial behavior but rely on quantitative approaches that do not explore the underlying psychological dynamics (Kurniawan & Nisa, 2024). This study seeks to fill that gap by integrating ethnographic and cultural psychology approaches to examine how family values, social beliefs, and risk perceptions rooted in Madurese culture shape grassroots financial decision-making (Kurniawan & Nisa, 2024). Specifically, the objectives of this study are: to identify the psychological and cultural constructs that influence financial decision-making among Madurese culinary MSME actors in Malang; to analyze how *bounded rationality* and *cultural schemas* manifest in their everyday financial practices; and to develop a conceptual model of culturally grounded financial behavior. The main research question is: *How do psychological and cultural dynamics—including bounded rationality and cultural schemas—influence the financial decision-making of Madurese MSME entrepreneurs in Malang City?*

To address this question, the study examines three main constructs: cognitive factors (e.g., risk perception and decision heuristics), emotional dynamics (e.g., pride, fear, and trust), and cultural values (e.g., family responsibility and communal expectations). These interrelated elements form the foundation of a conceptual framework, which will be elaborated in the following section.

## Methods and Materials

This research employed a qualitative approach. It used ethnographic methods to explore the psychological dynamics and cultural values that influence financial decision-making among ethnic Madurese culinary MSME actors in Malang City. The research site was purposively selected for its dense concentration of Madurese-run MSMEs operating in the informal culinary sector. A total of 12 participants were recruited using purposive sampling with maximum variation, ensuring diversity in gender (8 males, four females), age range (30–55 years), business types (traditional food stalls, catering, and home-based food production), and length of business operation (2 to 15 years). Informants were selected for their active involvement in daily financial decision-making and their embeddedness in the Madurese socio-cultural milieu. Sampling was guided by the principle of theoretical saturation, whereby data collection ceased once no new themes emerged. Ethical clearance for the study was obtained from the Research Ethics Committee of, and all participants provided written informed consent before participation. Identities were anonymized to protect confidentiality, and participants were informed of their right to withdraw at any point without consequence.

Data were collected over three months through participant observation, semi-structured in-depth interviews (60–90 minutes), and field documentation (e.g., photographs, business ledgers, and cultural artifacts). Helaluddin & Wijaya (2019) conducted observations in both business settings and within family or community contexts to understand the sociocultural environment influencing financial decisions. Data analysis followed the thematic approach outlined by Simon (1955), comprising six phases: (1) transcription, (2) familiarization, (3) initial coding, (4) theme development, (5) theme refinement, and (6) interpretation. An initial codebook was developed by combining deductive codes (e.g., "risk aversion," "short-termism," "family obligations") based on prior theory with inductive codes derived from the data. Sample codes and thematic memos were documented and iteratively refined. Analysis was supported by NVivo 12, which was used to manage and organize qualitative data systematically. To ensure rigor and credibility, data sources (interviews, observations, documentation) and data collection techniques were triangulated. Member checking was conducted by presenting thematic summaries to five key informants for verification. Additionally, peer debriefing sessions with two qualitative researchers were held to review coding logic and challenge interpretive bias.

A summary of participant demographics is presented in Table 1 below.

**Table 1**

*Participant Demographics*

| Code | Gender | Age | Type of Business | Years in Business | Role in Financial Decision |
|---|---|---|---|---|---|
| P1 | Male | 45 | Traditional food stall | 10 | Sole decision-maker |
| P2 | Female | 38 | Catering service | 7 | Joint decision-maker |
| P3 | Male | 50 | Soto stall | 15 | Sole decision-maker |
| P4 | Female | 35 | Snack home industry | 5 | Sole decision-maker |
| P5 | Male | 42 | Pecel shop | 9 | Shared with spouse |
| P6 | Female | 40 | Rice box catering | 6 | Sole decision-maker |
| P7 | Male | 55 | Grilled satay seller | 12 | Sole decision-maker |
| P8 | Male | 33 | Home-based food sales | 4 | Sole decision-maker |
| P9 | Female | 30 | Cake business | 2 | Joint with mother-in-law |
| P10 | Male | 48 | Seafood stall | 10 | Sole decision-maker |
| P11 | Male | 52 | Tumpeng and catering | 14 | Sole decision-maker |
| P12 | Female | 41 | Snack reseller | 5 | Joint decision-maker |

## Findings and Results

### *The Role of Cultural Values in Financial Decision-Making*

This study finds that cultural values deeply embedded within the Madurese ethnic community, particularly katemmu (kinship) and taretan (community solidarity), serve as foundational principles in financial decision-making among culinary MSME actors in Malang City. These findings align with anthropological concepts such as *collectivism* and *norms of family obligation*, which emphasize group harmony and interdependence as key drivers of economic behavior. During an interview, one informant stated: “I don’t want to take a bank loan, even if it means bigger profit. If I fail to repay, it would bring shame to my family and ruin our relationships” (P1). This reflects the predominance of collective considerations in financial decisions. In Madurese culture, familial relationships extend beyond blood ties, encompassing broader social obligations in which every major life decision, including economic matters, is evaluated in terms of its impact on the extended family.

The value of *katemmu* is evident in many entrepreneurs' preference to prioritize family financial stability over aggressive business growth. Although opportunities for expansion or profit through credit exist, many resist such risks due to fears of disrupting familial balance. Decisions such as rejecting bank loans or choosing not to expand a business to remain close to illustrate home how cultural norms shape economic actions in tangible ways.

On the other hand, community solidarity (*taretan*) has fostered a robust informal financial ecosystem among Madurese MSMEs. When facing financial needs or business setbacks, entrepreneurs often rely on community members, family, neighbors, or peer entrepreneurs for support. These transactions occur without collateral or formal agreements, relying instead on mutual trust and a shared sense of responsibility. Field notes from a community gathering describe: "One member handed over cash to help another open a food stall—no receipt, no deadline, just trust. They called it *sharing blessings*" (Field observation, February 21, 2024). This illustrates that, although informal, this trust-based financial system is effective in ensuring business continuity.

This informal system is more than just a financial mechanism—it is also a medium for value exchange and social solidarity. In activities such as savings groups (*arisan*) or rotating credit schemes, participation is not only a means to access funds but also a way to reinforce social ties and one's moral reputation within the community. A female informant explained: "If I attend the *arisan* regularly and stay active, people trust me more. That helps when I need a loan later" (P2). This highlights how financial reputation is not based on formal credit scores but on collective perceptions and participation within the community.

Cultural values also shape perceptions of financial success. For many Madurese MSME actors, success is not defined solely by asset accumulation or business expansion, but by maintaining harmony, stability, and social continuity. As a result, many entrepreneurs adopt conservative financial strategies such as physical savings, restricting expenditures for family priorities, and avoiding speculative risks. One food stall owner shared: "I feel safer keeping cash at home. If the family needs something urgent, it's ready. It's not about big profits, it's about peace of mind" (P3).

These findings demonstrate that among Madurese MSMEs, financial decision-making is inextricably linked to the underlying structure of cultural values. Family and community solidarity provide the cognitive and emotional framework through which economic dilemmas are interpreted and resolved (Rahadjeng et al., 2023). Therefore, universal financial approaches rooted solely in rational-objective assumptions may be insufficient in this cultural context. Financial institutions and policymakers must understand that the financial decisions of MSME actors often represent negotiated outcomes between economic logic and the cultural imperatives of their communities. Integrating these cultural dimensions into financial program design will enhance both relevance and impact at the grassroots level.

This informal financial system is not merely an economic mechanism; it also serves as a medium for value exchange and social solidarity (Saputra et al., 2022). For example, in social gatherings or group savings and loans, participation is not only about accessing funds, but also strengthening social networks and one's position in the community. Attendance and involvement in such activities demonstrate that a person is an active member of the community, which suggests greater moral and financial trustworthiness. This becomes an essential dimension in forming a financial reputation, which is not measured by formal credit scores but by collective perceptions within the community (Saputra et al., 2022).

Cultural values also shape MSME actors' perspectives on financial success. Sahni et al. (2018) Success is not solely measured by asset growth or business expansion but by the ability to maintain stability, family harmony, and the sustainability of social relations. Thus, many business actors adopt conservative strategies in financial management, such as maintaining cash reserves, limiting family spending, and avoiding speculation. This attitude shows that their financial goal is not the accumulation of capital but the maintenance of the overall life balance (Winarno & Wijijayanti, 2018). These findings show that in the context of ethnic Madura MSMEs, financial decision-making cannot be separated from the cultural value structure that underlies it. The value of family and community solidarity underpins the thinking and actions of business actors when facing daily economic dilemmas. Therefore, a financial approach that is universal or based on rational-objective assumptions alone is not sufficiently effective in this context. Financial institutions and policymakers need to recognize that the financial decisions of MSME actors often reflect negotiations between economic logic and the cultural values upheld by their communities.

*Emotions and Self-Regulation in Financial Situations*

Emotions significantly influence the financial decision-making of Madurese culinary MSME actors, not only as reactive experiences but as internal regulators that shape strategic behavior. As noted by Girsang & Amaniyah, entrepreneurs constantly face emotional stressors, including fear of debt, anxiety over market instability, and social expectations of success. These affective pressures are not peripheral but central to how risk is perceived and acted upon (Yusrianthe & Asmarawati, 2023). To explain how MSME actors manage these emotions, this study draws on Gross's (2002) Process Model of Emotion Regulation, which outlines five stages: situation selection, situation modification, attention deployment, cognitive change, and response modulation. Among Madurese entrepreneurs, these stages are reflected in everyday strategies that function as emotional coping mechanisms. For instance, in the 'situation selection' stage, several informants deliberately avoid applying for formal loans to prevent exposure to debt-related stress. One male entrepreneur shared: "I could apply for a bank loan, but then I wouldn't sleep well at night. I prefer to wait, even if it takes longer" (P6).

In daily business life, actors face various pressures that are not only economic but also emotional. Fear of failure, fear of inability to pay debts, and anxiety in the face of market uncertainty are psychological dynamics that are always present. These emotions influence how businesses assess opportunities and risks and how they respond adaptively to financial pressures. Most business actors exhibit a relatively mature form of emotional regulation, particularly under financially challenging conditions. (P5). Instead of making impulsive or extreme decisions, they tend to manage anxiety through a conservative approach (Suriyanti et al., 2024). For example, instead of taking out bank credit for expansion, many prefer to save slowly from the proceeds of their efforts, even if it takes longer. This strategy reflects financial prudence and serves as a psychological buffer against the pressures posed by debt obligations and growth expectations.

The decision to maintain a small-scale business also reflects a preference for emotional stability (Kurniawati et al., 2021). The informant stated that the greater the effort, the more complex the challenges posed by management, competition, and social pressure (Febri Sonni, 2025). Therefore, small scales are considered more emotionally "safe" because they are easy to control, do not require large capital, and provide more space to maintain a life balance. This is where it is seen that financial decisions are not only the result of rational calculations but are also influenced by the need to manage stress and maintain inner peace.

These findings align with the theory of self-regulation in psychology, which states that individuals can regulate their emotional reactions to risky or uncertain situations. Madura MSME actors tend to develop adaptive self-regulation strategies, such as postponing important decisions, discussing with family members, or temporarily withdrawing from financial activities to calm their minds. This practice demonstrates an intuitive understanding that decisions made under unstable emotional conditions can harm organizational sustainability.

In addition, Madurese cultural norms that emphasize resilience (*tèmbheng*) and self-esteem (*ajhâbhâ*) also shape how business actors manage emotional pressure. They try not to show emotional weakness in front of others, especially during business failures or financial downturns (Zulistiawan, 2014). This creates an internal urge to remain calm and rational during a crisis, which, while it can be a psychological burden, also serves as a social defense mechanism and a cultural identity marker. (P7) Thus, the understanding of emotion regulation and affective dynamics in financial decision-making opens up new perspectives in the study of microfinance. The emotional dimension is often marginalized in conventional economic analysis, whereas for small business actors, emotions are a key determinant of survival strategies (Rodhiyah & Djuwita, 2023). Therefore, any approach to MSME empowerment must consider this psychological aspect so that the designed intervention aligns with the mental and emotional reality of business actors at the grassroots level (Octavianti et al., 2023).

These cultural codes operate as emotional display rules, reinforcing emotional self-control as both a psychological necessity and a social expectation. While this may increase internal psychological strain, it also sustains community respect and reinforces identity (Nurmawati & Safitri, 2023). Therefore, this study highlights that financial decision-making among Madurese MSMEs is not only shaped by economic calculations but also by emotional regulation strategies rooted in cultural norms and psychological models. Ignoring these dimensions leads to an incomplete understanding of microeconomic behavior (Nurlita, 2019). Thus, any policy or program aimed at empowering MSMEs should account for these emotional processes to ensure alignment with the psychological realities and affective landscapes experienced by grassroots entrepreneurs (Lestari, 2020).

*Risk Perception and Cognitive Bias*

To deepen the analysis of risk-related behavior among Madurese MSME actors, this study incorporates insights from behavioral economics, particularly *Prospect Theory* developed by Goyal & Bengio (2022). According to Prospect Theory, individuals evaluate potential gains and losses relative to a reference point and exhibit loss aversion, whereby the pain of losing is psychologically more salient than the pleasure of an equivalent gain. This helps explain why many MSME actors avoid formal financial mechanisms: the perceived loss outweighs the potential financial benefits in their subjective assessment. Even if the objective probability of success is high, the psychological salience of past or observed failures disproportionately shapes decision-making. Thus, what may appear as conservative financial behavior is, in fact, a manifestation of *risk-averse heuristics* characterized by disproportionate weighting of potential negative outcomes (Nur et al., 2021).

Several cognitive biases identified in the cognitive psychology literature help explain the persistence of suboptimal financial habits (Taherdangkoo et al., 2019). For instance, *confirmation bias*, the tendency to favor information that confirms existing beliefs, leads business actors to seek or recall only stories that support their skepticism toward formal financial systems (Bruce et al., 2023). This is compounded by the *affect heuristic*, where emotional responses influence perceived risk more than factual analysis. These psychological mechanisms are not merely colloquial “feelings” or general attitudes but are embedded in measurable cognitive patterns (Phelps et al., 2004). Without integrating this understanding into MSME development programs, financial literacy efforts risk failing to address the deeper, emotionally charged biases that influence decision-making at the grassroots level. Therefore, a behaviorally informed approach that acknowledges the interplay between cognitive and emotional factors is essential for fostering sustainable financial practices among Madurese entrepreneurs (Chatterjee et al., 2021).

Risk perception among ethnic Madura culinary MSME actors is shaped not only by rational calculations of potential losses and benefits but also by personal experiences, cultural values, and collective narratives within the community (Syaifullah et al., 2021). In many cases, the decision to refuse a formal loan from a financial institution is not due to a lack of understanding of the benefits, but rather to memories of past defaults that have caused embarrassment or social conflict. Even stories from community members who have experienced hardship due to bank credit can be powerful enough to form a negative perception of formal financial risk (Abdulloh et al., 2024). This psychological factor leads to *status quo bias*, the tendency to maintain existing financial arrangements or strategies, even when they are not always economically profitable (Fourqoniah et al., 2025). Business actors are more comfortable maintaining familiar, traditional financial practices, such as keeping cash on hand, avoiding complex record-keeping, or relying on loans from relatives. This reluctance to change stems from ignorance and a need to maintain the psychological and social stability established over the years (Stenross, 2007).

In addition, *availability heuristics*, the tendency to make decisions based on information that is easy to remember or most prominent, is also evident in their financial practices. For example, if one community member experiences a business failure due to taking a loan, the case will become the dominant reference in risk assessments by other actors, even if it is statistically rare. Financial decisions are ultimately determined more by emotional memory and anecdotal evidence than empirical data or rational analysis. This reliance on local narratives results in collective bias, in which communities converge to develop a conservative financial mindset, even to the point of avoiding innovation (Maharani & Adriansyah, 2021). While this approach can protect against certain external risks, it can also hinder business growth and the more efficient adoption of financial technology. When this bias is unrecognized, MSME actors can be trapped in a cycle of financial stagnation, as they repeatedly avoid risk without objectively evaluating the potential benefits of new strategies (Hamim et al., 2023).

In the context of Madurese culture, which emphasizes honor (*ajhâbhâ*) and shame (*malô*), financial risk-taking that results in failure has economic, social, and psychological consequences. (P10) Default or business losses can lower a person's position in the community, so the risk is perceived not only as a potential material loss but also as a threat to the reputation and dignity of the family. This reinforces cognitive biases in decision-making because social logic is often more dominant than economic logic (Kircova et al., 2020). Understanding how risk perceptions and cognitive biases operate in these communities is critical to designing more contextually appropriate financial interventions (Kaur & Kaur, 2025). Financial institutions and economic empowerment programs must recognize that resistance to formal financial products does not necessarily reflect a rational rejection; it may stem from collective trauma or unconscious psychological biases. By understanding how communities construct risk, more empathetic and educational approaches can be developed to facilitate a transition to healthier, more adaptive financial decision-making (Morgan & Hunt, 1994).

*Social Mechanisms in Financial Decisions*

Risk perception among ethnic Madurese culinary MSME actors is shaped not merely by rational cost-benefit analyses but also by personal experiences, cultural values, and collective community narratives (Trusov et al., 2009). Refusals of formal loans often stem from traumatic memories of past defaults or stories of others' failures, which evoke shame and social tension. This fosters a *status quo bias*, in which actors prefer familiar practices, such as cash savings and informal borrowing, despite their limited economic efficiency, because they seek to maintain emotional and social equilibrium (Maria et al., 2019).

Cognitive biases like the *availability heuristic* further reinforce this behavior: vivid cases of failed loans become dominant mental references, skewing risk assessment and discouraging innovation (De Matos & Rossi, 2008). Over time, this produces a *collective financial conservatism*, which, while psychologically protective, can hinder growth and financial inclusion. Within Madurese cultural norms that prioritize honor (*ajhâbhâ*) and avoid shame (*malô*), financial risk is perceived not only as a material threat but also as a reputational threat (Hidayati & Muslikh, 2023). As a result, social logic often outweighs economic logic. Recognizing these biases is essential for crafting financial interventions that are psychologically informed, culturally sensitive, and more likely to foster adaptive financial behaviors (Hardana et al., 2024).

Even stories from community members who have experienced hardship due to bank credit can be powerful enough to form a negative perception of formal financial risk. (P12) This psychological factor leads to *status quo bias*, the tendency to maintain existing financial arrangements or strategies, even when they are not always economically profitable (Morgan & Hunt, 1994). Business actors are more comfortable maintaining familiar, traditional financial practices, such as keeping cash on hand, avoiding complex record-keeping, or relying on loans from relatives. This reluctance to change stems from ignorance and a need to maintain the psychological and social stability established over the years (Rizkita et al., 2025).

In addition, *availability heuristics*, the tendency to make decisions based on information that is easy to remember or most prominent, is also evident in their financial practices (Jung & Shegai, 2023). For example, if a community member experiences a business failure following a loan, the case will become the dominant reference in risk assessments by other actors, even if it is statistically rare (MEIFANG, 2025). Financial decisions are ultimately determined more by emotional memory and anecdotal evidence than empirical data or rational analysis. This reliance on local narratives results in collective bias, in which communities converge to develop a conservative financial mindset, even to the point of avoiding innovation (Ernantyo & Febry, 2022). While this approach can protect against certain external risks, it can also hinder business growth and the more efficient adoption of financial technology. According to Hamim et al. (2023), when this bias is unrecognized, MSME actors can be trapped in a cycle of financial stagnation, as they repeatedly avoid risk without objectively evaluating the potential benefits of new strategies.

In the context of Madurese culture, which emphasizes honor (*ajhâbhâ*) and shame (*malô*), financial risk-taking that results in failure has economic, social, and psychological consequences. Default or business losses can lower a person's standing in the community, so that the risk is perceived not only as a potential material loss but also as a threat to the family's reputation and dignity.

(P11) This reinforces cognitive biases in decision-making because social logic is often more dominant than economic logic. Understanding how risk perceptions and cognitive biases operate in these communities is critical to designing more contextually appropriate financial interventions (Sahni et al., 2018). Financial institutions and economic empowerment programs must recognize that resistance to formal financial products does not necessarily reflect a rational rejection; it may stem from collective trauma or unconscious psychological biases. By understanding how communities construct risk, more empathetic and educational approaches can be developed to facilitate a transition to healthier, more adaptive financial decision-making (Kumar et al., 2019).

## Discussion and Conclusion

This study reveals that financial decision-making among ethnic Madurese culinary MSME actors in Malang City is shaped not merely by economic rationality but also by psychological processes and local cultural values. Through an ethnographic approach, we find that familial bonds (*katemmu*) and community solidarity (*taretan*) are central to how risk is perceived, priorities are set, and everyday economic interactions unfold. Psychological mechanisms such as emotion regulation, subjective risk assessment, and cognitive biases, particularly status quo bias and availability heuristics, significantly influence financial behaviors, often prioritizing emotional and social equilibrium over profit-maximizing strategies. This highlights a financial orientation that prioritizes psychological comfort and social acceptance over purely market-driven logic. These findings contribute to a more nuanced, contextualized understanding of MSME behavior in culturally embedded environments. Informal financial practices and resistance to formal financial institutions should not be seen solely as consequences of limited access or literacy, but rather as rational responses embedded in collective memory, cultural norms, and adaptive survival strategies. Academically, this study enriches the interdisciplinary nexus of cultural psychology, economic anthropology, and microfinance studies, particularly within the Indonesian context, which has been underrepresented in such integrative work. From a policy and practical perspective, the research underscores the need for empowerment programs that are not only inclusive in rhetoric but adaptive in method, grounded in the socio-cultural realities of the communities they target. Financial institutions, MSME enablers, and policymakers should co-develop interventions that are both technically sound and culturally resonant. This involves rethinking financial outreach not only through economic incentives but also through trust-building, narrative sensitivity, and psychosocial alignment.

*Limitations and Future Directions*

This study has several limitations. First, its findings are based on a single ethnic group within a specific urban context, which may limit broader generalizability. The deeply local nature of the cultural and psychological dynamics observed may not be directly transferable to other ethnic or regional settings in Indonesia. Additionally, although gender dynamics were present in the narratives, they were not the primary focus of this analysis and warrant further exploration. Future research should consider comparative ethnographies across multiple ethnic groups to better understand how different cultural logics shape financial decision-making. Investigating gendered experiences within these financial behaviors would also be valuable, particularly in how roles, expectations, and access intersect in both formal and informal financial spaces. Expanding the scope to include rural and urban contexts could further enrich the understanding of how structural and cultural variables interact to shape MSME financial practices.

## Acknowledgments

The authors express their gratitude and appreciation to all participants.

## Declaration of Interest

The authors of this article declared no conflict of interest.

## Ethical Considerations

The study protocol adhered to the principles outlined in the Declaration of Helsinki, which provides guidelines for ethical research involving human participants. Ethical considerations in this study included the fact that participation was entirely optional.

## Transparency of Data

In accordance with the principles of transparency and open research, we declare that all data and materials used in this study are available upon request.

## Funding

This research was conducted independently, with personal funding and without financial support from any governmental or private institution or organization.

## Authors' Contributions

All authors equally contribute to this study.

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