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A STUDY OF RELATIONSHIP BETWEEN STRATEGIC ENTREPRENEURSHIP AND COMPETITIVE ADVANTAGE

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ABSTRACT

Purpose- This firm-level study is based on a primary survey of 235 key informants from the manufacturing and service organizations of small and medium enterprises (SMEs) in the State of Punjab, India. It empirically tests the relationship between strategic entrepreneurship and competitive advantage.
Design/methodology/approach- The study adopted a cross-sectional research design, using a purposive sampling technique to gather data from firms. We utilized a self-designed, undisguised questionnaire for data collection.
Findings- The study reveals a strong relationship between strategic entrepreneurship and competitive advantage. It suggests that practicing managers should simultaneously adopt opportunity-seeking and advantage-seeking behaviors for gaining a competitive advantage.
Originality- The study contributes to strategic management literature by developing and validating a scale for strategic entrepreneurship and establishing its positive relationship with competitive advantage.
Research limitations/implications- The findings of the study can guide researchers and practitioners in strategic entrepreneurship to understand its role in gaining sustainable competitive advantage. Future researchers can build on the findings of this study for a richer understanding of strategic entrepreneurship and its role in competitive advantage.

Keywords: Competitive Advantage, Entrepreneurial Mindset, Entrepreneurial Culture, Innovation, Strategic Entrepreneurship, Strategic Resource Management

1. INTRODUCTION

The field of entrepreneurship has witnessed various transformative theories and paradigms since its inception. Recently, 'Strategic Entrepreneurship' (SE) has emerged as a noteworthy construct that interlinks the traditionally separate fields of strategic management and entrepreneurship. The fundamental idea of SE involves integrating entrepreneurial (opportunity-seeking) and strategic (advantage-seeking) actions to create superior firm performance.

For decades, strategic management and entrepreneurship have evolved in parallel, with very little intersection. The former mainly focused on firms' efforts to identify and capitalize on competitive advantages, while the latter was predominantly concerned with the exploration and exploitation of opportunities. The concept of SE arose from the realization that entrepreneurial ventures require strategic considerations, and established firms require entrepreneurial dynamism for sustained success.

Both entrepreneurship and strategy are critical in an organization's pursuit of customer value creation and wealth generation for owners. Entrepreneurship contributes by identifying exploitable opportunities, while strategic

management augments value and wealth creation by attaining a sustainable competitive advantage (Baert et al., 2016; Yin et al., 2021; Hughes et al., 2021). Current research suggests that strategic management and entrepreneurship are inherently intertwined, and a thorough understanding of one discipline necessitates the examination of the other. Consequently, both fields should be studied simultaneously to gain insights into their integration (Meyer and Heppard, 2000; Anderson et al., 2019; Estrada-Cruz et al., 2020; Ireland et al., 2023).

Empirical studies on strategic entrepreneurship are limited, and there is no consensus on the dimensions and measurement of SE (e.g., Audretsch et al., 2009; Luke et al., 2011; Estrada-Cruz et al., 2020). Assessing strategic entrepreneurship through an empirical lens serves to evaluate its practicality and expose conceptual questions that may not become clear until the theory is tested (Siddiqui and Jan, 2019; McKelvie et al., 2019; Hughes et al., 2021; Yu et al., 2022). Measuring SE in an empirical setting offers opportunities for improvement and contributes to the theoretical and empirical development of strategic entrepreneurship (Frese et al., 2019; Hoglund and Martensson, 2019; Estrada-Cruz et al., 2020).

While the conceptual link between strategic entrepreneurship and competitive advantage has been well-established, there remains a significant gap in the empirical examination of this relationship. Only a limited number of studies have ventured into empirically exploring the role of strategic entrepreneurship in relation to competitive advantage like (Paek and Lee, 2018), creating sustainable ecosystems through strategic entrepreneurship (Moşteanu and Mesue, 2023), and the performance outcomes associated with strategic entrepreneurship through competitive advantage (Zhao et al., 2020). Considering this gap, our study seeks to address this deficiency by conducting empirical research that specifically investigates the relationships among the components of strategic entrepreneurship, that leads to competitive advantage. This research aims to provide concrete and data-driven insights into the strategic entrepreneurship-competitive advantage dynamics within the SME context.

The remainder of the paper is structured as follows. The next section presents a review of the literature on the strategic entrepreneurship construct. The subsequent section describes the methodology for the study. The results and findings are presented and discussed after these sections, leading to a conclusion. Finally, the implications of this study are examined and suggestions for future researchers are provided.

2. REVIEW OF LITERATURE

Strategic entrepreneurship (SE) has emerged as a crucial nexus between entrepreneurship and strategic management, emphasizing the need for managers to adopt entrepreneurial thinking and entrepreneurs to establish strategic goals (Paek and Lee, 2018; Ireland et al., 2023). The construct of SE draws from several seminal theories, notably the resource-based view (Barney, 1991), dynamic capabilities (Teece et al., 1997), and the opportunity-based view of entrepreneurship (McMullen and Shepherd, 2006). The RBV highlights the strategic value of unique resources and capabilities, while the dynamic capabilities theory extends this to focus on how firms renew and reconfigure their resource base.

Strategic management involves defining goals and objectives while managing the interplay between the organization and its environment (Estrada-Cruz et al., 2020; Yu et al., 2022). On the other hand, entrepreneurship entails the detection and exploitation of previously unseized opportunities (Hitt et al., 2001), as well as the initiation and administration of new ventures (Campbell et al., 2017). Strategic management serves as a catalyst for driving socio-economic development by fostering employment, encouraging innovation While as, entrepreneurship plays a crucial role in augmenting the resources and capabilities of businesses (Baert et al., 2016; Paek and Lee, 2018).

SE is defined by entrepreneurial actions that adopt a strategic outlook, incorporating both opportunity-seeking and advantage-seeking behaviors, ultimately aimed at wealth generation (Hitt et al., 2001; Hitt et al., 2011; Anderson et al., 2019). The importance of SE was underscored by the 2001 special issue of the 'Strategic Management Journal', which centered on strategic entrepreneurship (Yu et al., 2022).

The first conceptual model of SE, developed and proposed by Ireland et al. (2001), combined exploration and exploitation perspectives. SE's evolution is based on the fusion of entrepreneurial activities that identify novel opportunities and achieve a competitive edge through strategic actions (Hitt et al., 2007; Paek and Lee, 2018; Ireland et al., 2023). Additionally, strategic entrepreneurship encompasses concurrent opportunity-seeking and advantage-seeking actions that contribute to wealth generation (Ireland et al., 2003; Schneider and Spieth, 2013; Yin et al., 2021; Hughes et al., 2021). Both exploration and exploitation have shown positive correlations with superior performance in

small and medium-sized enterprises (SMEs), contingent on the integration of firm resources (Hoglund and Martensson, 2019; Zhao et al., 2020).

Both strategic management and entrepreneurship share a primary focus on wealth creation (Hitt and Ireland, 2000; Ireland et al., 2001; Hitt et al., 2002; Ireland et al., 2023). Effective growth typically results in wealth creation, achieved by establishing market power and economies of scale, ultimately leading to a competitive advantage. Additional wealth allows firms to allocate resources more effectively and expedite growth (Ireland et al., 2003). Investigating the integration and complementarities between strategic management and entrepreneurship offers researchers a promising field for understanding how firms create wealth (Anderson et al., 2019; Zhao et al., 2020; Yu et al., 2022).

Strategic entrepreneurship helps firms attain their objectives and develop processes that leverage capabilities by combining resources and managerial skills to gain a competitive advantage (Baert et al., 2016; Hoglund and Martensson, 2019; Estrada-Cruz et al., 2020). SE leads to a sustainable competitive advantage by strategically exploiting and utilizing opportunities (Yin et al., 2021). However, Barney (1991) distinguishes between sustainable and sustained advantages, with sustainable competitive advantage protecting advantages from duplication. Firms use resources and capabilities to outperform competitors through value-adding transactional activities, resulting in a sustainable competitive advantage (Ireland et al., 2001; Ireland et al., 2003; Yin et al., 2021; Hughes et al., 2021).

Ireland et al. (2003) proposed a model of strategic entrepreneurship comprising four critical components: entrepreneurial mindset, entrepreneurial culture and leadership, strategic management of resources, and fostering creativity and innovation. Ireland and Webb (2007) discussed SE through the exploration and exploitation lens, examining the relationship between competitive advantage and streams of innovation. Their model combines various aspects of strategic management and entrepreneurship to achieve a balance between exploration and exploitation. An entrepreneurial mindset embodies a distinct way of approaching business that capitalizes on the benefits and essence of uncertainty (McGrath and MacMillan, 2000; Ireland et al., 2003). Culture and leadership collaboratively shape the organizational environment, with both playing crucial roles in upholding the overall atmosphere. Culture disseminates values within the environment, while leadership fosters the capacity to implement that environment organization-wide (Ireland et al., 2003; Hoglund and Martensson, 2019). A firm's performance is influenced by the resources it owns, controls, and manages (Barney, 1991; Ireland et al., 2003). Creativity is essential for differentiating products and services by capitalizing on various opportunities, especially in market-driven organizations (Ireland et al., 2003). Companies engage in disruptive and sustaining innovations (Christensen, 1997), with disruptive innovation prompting transformative market shifts and sustaining innovations resulting in incremental changes (Ireland et al., 2003).

Hitt et al. (2011) conceptualized a new SE model based on input-process-output, describing the process of transforming organizational inputs into outcomes that benefit the organization. This model suggests that SE enables the effective and efficient utilization of organizational resources, leading to wealth and value creation and inspiring entrepreneurs. Luke et al. (2011) developed another conceptual framework for SE centered on potential entrepreneurial and strategic activities undertaken by state-owned enterprises in New Zealand. Shirokova et al. (2013) conducted an empirical study to develop an SE model based on two essential components: exploration and exploitation.

2.1. BASED ON ABOVE DISCUSSION, THE PRESENT STUDY PROPOSES THE FOLLOWING HYPOTHESES

Hypothesis 1 (H1): Entrepreneurial Mindset (EM) is significantly correlated with Entrepreneurial Culture and Leadership (ECL).

An entrepreneurial mindset is fundamentally centered on the capacity to identify, assess, and capitalize on opportunities. It equips individuals with the ability to promptly perceive, act, and mobilize resources and opportunities, even within highly uncertain contexts (Ireland et al., 2003; Shepherd et al., 2010). Consequently, these characteristics underscore the pivotal role of an entrepreneurial mindset in strategic resource management. Therefore, the following hypothesis is proposed.

Hypothesis 2 (H2): Entrepreneurial Mindset (EM) has a significant positive impact on Managing Resources Strategically (MRS).

Entrepreneurial culture and leadership (ECL) stand as pivotal drivers impacting firm performance, especially within the dynamic and competitive business landscape. In small and medium enterprises, embracing entrepreneurial leadership and fostering an entrepreneurial culture becomes indispensable for bolstering competitive advantage

through the effective utilization of firm-specific resources and, in turn, elevating business performance (Strobl et al., 2022). The dynamic interplay between entrepreneurial culture and leadership produces a synergistic effect, enhancing the firm's capacity to proficiently identify and leverage opportunities, all while strategically managing resources (Noke and Mosey, 2017; Ireland et al., 2023). This synergy underscores the critical link between ECL and the strategic resource management that influences overall firm success.

Hypothesis 3 (H3): Entrepreneurial Culture and Leadership (ECL) has a significant positive impact on Managing Resources Strategically (MRS).

Managing resources strategically is important for innovation within a firm. Firms that effectively allocate, diversify, reallocate, and cultivate a culture of innovation through their resource management practices are better positioned to develop and implement innovative ideas (Barney, 1991, Hitt et al., 2011). By understanding the interplay between strategic resource management and innovation, organizations can enhance their competitive edge in an ever-evolving business landscape (Crossan & Apaydin, 2010). Focusing on resource allocation, organizations should also establish clear mechanisms for prioritizing and monitoring resource usage. Strategic management practices provide the structure needed to ensure that resources are channeled effectively to innovative projects. Strategic resource management may involve cross-functional collaboration, which can bring diverse perspectives and expertise together. This collaborative approach is often associated with higher levels of innovation (Crossan & Apaydin, 2010). Therefore, the following hypothesis is proposed:

Hypothesis 4 (H4): Managing Resources Strategically (MRS) has a significant and positive impact on Developing Innovation (DI).

The increasingly globalized and competitive business landscape, coupled with changing consumer needs and rapid technological advancements, has made it challenging for firms to establish and sustain a competitive advantage (Scholes et al., 2021). To survive in such dynamic environments, businesses need to continuously adapt, develop, and innovate (Chen et al., 2010; Turulja and Bajgoric, 2019). It encompasses a firm’s commitment to technological advancements, the creation of new products and services, and the improvement of business processes to gain a competitive edge and enhance business performance (Dibrell et al., 2014). Thus, in today's dynamic business environment, firms must foster a culture of innovation to stay competitive and meet evolving customer demands (Tsai and Yang, 2014; Scholes et al., 2021). Therefore, the following hypothesis is proposed:

Hypothesis 5 (H5): Developing Innovation (DI) has a significant and positive impact on Competitive Advantage (CA).

These hypotheses test the Strategic Entrepreneurship (SE) model (see Figure I) conceptualized by Ireland et al. (2003). Researchers have theoretically extended this conceptual model (Hitt et al., 2011; Luke et al., 2011) but the model has not been operationalized so far.

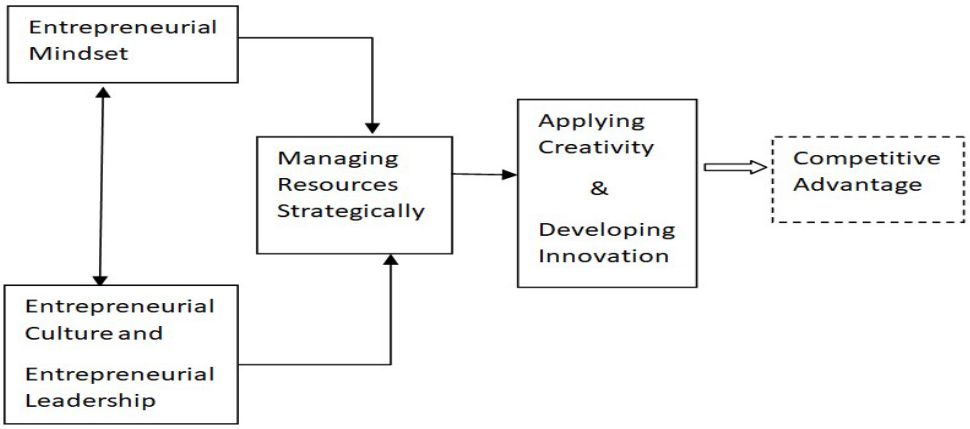
3. METHODOLOGY

This study adopted a cross-sectional research design, employing a purposive sampling technique to gather data from firms. We utilized a self-designed, undisguised questionnaire for data collection. The questionnaire comprised five sub-scales to assess strategic entrepreneurship and competitive advantage, namely entrepreneurial mindset (EM), entrepreneurial culture and leadership (ECL), managing resources strategically (MRS), developing innovation (DI), and competitive advantage (CA).

We used the conceptual model introduced by Ireland et al. (2003) for evaluating the strategic entrepreneurship construct using survey data acquired from SMEs in Punjab, a state in India. This conceptual model delineates the relationships between entrepreneurial mindset, entrepreneurial culture and leadership, managing resources strategically, developing innovation, and gaining competitive advantage. Entrepreneurial mindset (EM) is a business perspective that leverages and capitalizes on uncertainty, thereby providing a competitive advantage (McGrath and MacMillan, 2000; Ireland et al, 2003). Entrepreneurial Culture and Leadership (ECL) can be defined as a fostering environment that encourages the continuous exploration of entrepreneurial opportunities with sustainable competitive advantages, coupled with the capacity to guide others in strategically managing resources to promote both opportunity-seeking and advantage-seeking behaviors (McGrath and MacMillan, 2000; Covin and Slevin, 2002). Managing Resources Strategically (MRS) is about using the unique resources of a firm smartly which not only gives it a sustainable competitive advantage but also helps it to spot and take advantage of new opportunities (Ireland et al, 2003). Strategic resource management involves fostering both opportunity and advantage-seeking behaviors and continuous evaluation of

resource synergies within the firm's portfolio, ultimately leading to creativity and innovation. Developing Innovation (DI) is the outcome of strategic resource management. It leads to the generation of competitive advantage (CA) for the firm. The model (see Figure 1) emphasizes the integration of these components to create a framework that supports competitive advantage and wealth creation. Its primary objective is to explain how these key elements contribute to wealth creation by coordinating opportunity-seeking and advantage-seeking behaviors.

Figure 1: A Model of Strategic Entrepreneurship: The Construct and its Dimensions



Source: Ireland et al., 2003

We developed a scale for measuring the strategic entrepreneurship construct, using the scale development procedure proposed by Churchill (1979). Items for the survey were identified from existing literature. Selected items underwent a content validity check, with some undergoing modification or removal, based on expert feedback. Consequently, the research instrument's content validity was established. 46 items were selected for this study (see Annexure-I).

The pilot study, conducted in Punjab's Jalandhar district using 50 self-administered questionnaires, yielded satisfactory results. We distributed a total of 400 questionnaires to key informants, such as CEOs and high-level managers with decision-making authority. Out of these, 270 were returned, and after discarding incomplete and insincere responses, 235 were ultimately used for analysis. This provided a response rate of 58%, deemed sufficient for further analysis (Hughes et al., 2021; Farooq et al., 2021).

We tested the psychometric properties of the scales and tested the measurement model using confirmatory factor analysis (CFA). The proposed causal relationships were tested through Structural Equation Modeling using IBM-AMOS (Byrne, 2016; Wang et al., 2019; Estrada-Cruz et al., 2020).

4. ANALYSIS AND RESULTS

We adopted a three-step approach for analysis. In the first step, the scales for the constructs in the conceptual model were tested for internal consistency. Entrepreneurial Mindset (0.754) retained with final 3-items (EM1, EM3, EM5), Entrepreneurial Culture and Leadership (0.818) retained with 6-items (EL5, EL7, EL8, EL10, EL11, EL12), Managing Resources Strategically (0.959) retained with 5-items (MRS2, MRS3, MRS4, MRS7, MRS8), Developing Innovation (0.737) retained with 3-items, Competitive Advantage (0.806) retained with 4-items.

4.1. MEASUREMENT MODEL

In the second step, the measurement model was tested to evaluate the strength of the relationship between the latent variables. CFA was used to confirm and validate different constructs. Maximum likelihood (ML) extraction was used to estimate the CFA model with an assumption of multivariate normality of data (Byrne, 2016; Vij and Bedi, 2016; Farooq et al., 2021). Various goodness-of-fit measures produced by CFA were assessed to evaluate the model. Psychometric assessment of the scales was conducted through model fit indices viz. Root Mean Square Error of Approximation (RMSEA), Comparative Fit Index (CFI), Adjusted Goodness of Fit Index (AGFI), Goodness of Fit Index

(GFI), Normed Chi-Square (χ2/df), and Root Mean Residual (RMR) (Bentler and Bonett, 1980, Hair et al., 2014; Wang et al., 2019; Estrada-Cruz et al., 2020; Hughes et al., 2021). The acceptable cut-off values for evaluating model fit are GFI > 0.9, AGFI > 0.9, RMR< 0.08, CFI > 0.9, RMSEA < 0.08 based on Bentler and Bonett, 1980; Bollen, 1989; Hsu et al., 2008; Byrne, 2016; Vij and Bedi, 2016; Wang et al., 2019.

Table 1 shows the results of the testing of measurement models. The Model I was not a good fit as model fit indices could not meet the required threshold levels. Hence it required modification of the measurement model (Byrne, 2016; Anderson et al., 2019; Wang et al., 2019). The modified measurement Model II indicates that all the benchmark indices are within the acceptable ranges and it is a good model fit.

Table 1: Model Fit Indices for Measurement Model

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Model	**RMR**	**GFI**	**AGFI**	**CFI**	**RMSEA**	**χ^2**	**Df**	**p-value**	**NCS (χ^2/df)**
I	0.070	0.870	0.799	0.912	0.074	543.657	239	0.000	2.275
II	0.078	0.905	0.901	0.935	0.071	387.967	177	0.000	2.192

Convergent validity of the model was established as all the AVE values are more than 0.5 and CR is more than 0.7 for all the constructs (refer Table 2). To test the extent to which measures of different constructs are unrelated, discriminant validity was measured as suggested by Fornell and Larcker (1981). The comparison of the amount of variance explained by the construct and the shared variance with other constructs indicated good discriminant validity

Table 2: Factor Loadings, Average Variance Extracted and Reliability Estimates

	EM	ECL	MRS	DI	CA
EM1	0.746				
EM3	0.814				
EM5	0.585				
EL5		0.726			
EL7		0.70			
EL8		0.714			
EL10		0.708			
EL11		0.667			
EL12		0.751			
MRS2			0.934		
MRS3			0.881		
MRS4			0.904		
MRS7			0.904		
MRS8			0.901		
DI1				0.710	
DI3				0.756	
DI5				0.726	
CA4					0.833
CA5					0.765
CA6					0.519
CA8					0.781
AVE**	**0.520**	**0.506**	**0.819**	**0.534**	**0.540**
CR*	**0.762**	**0.860**	**0.958**	**0.775**	**0.820**
***Average Variance Extracted, *Construct Reliability*					

Structural Equation Modeling

In the third step, to test the hypotheses, the relationships between the latent constructs were studied using structural equation modeling. The structural theory explains the transition from the measurement model to the structural model in terms of the relationships among the constructs. The structural model examines the specifying relationship of the constructs and the nature of each relationship (Dickover, 2009; Hair et al., 2014; Vij and Bedi, 2016; Wang et al., 2019; Byrne, 2016; Farooq et al., 2021; Hughes et al., 2021). Structural equation modeling (SEM) was applied to confirm the relationships among the dimensions of strategic entrepreneurship and their relationship with the dependent variable competitive advantage. It can be interpreted from Table 3 that all the model fit indices are up to the mark and represent a good model fit (Byrne, 2016; Wang et al., 2019).

Table 3: Model Fit Indices for Structural Model

RMR	GFI	AGFI	CFI	RMSEA	χ^2	Df	p-value	(χ^2/df)
0.098	0.918	0.90	0.912	0.098	596.69	180	0.000	3.261

Table 4: Results of Hypotheses Testing

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Hypothesis	Relationship	Estimate	P-value	Results
H_1	EM ←→ECL	0.60	0.000*	Accepted
H_2	EM →MRS	0.47	0.000*	Accepted
H_3	ECL→MRS	0.24	0.015*	Accepted
H_4	MRS→DI	0.31	0.000*	Accepted
H_5	DI→CA	0.81	0.000*	Accepted
*Significant at 0.05% level				

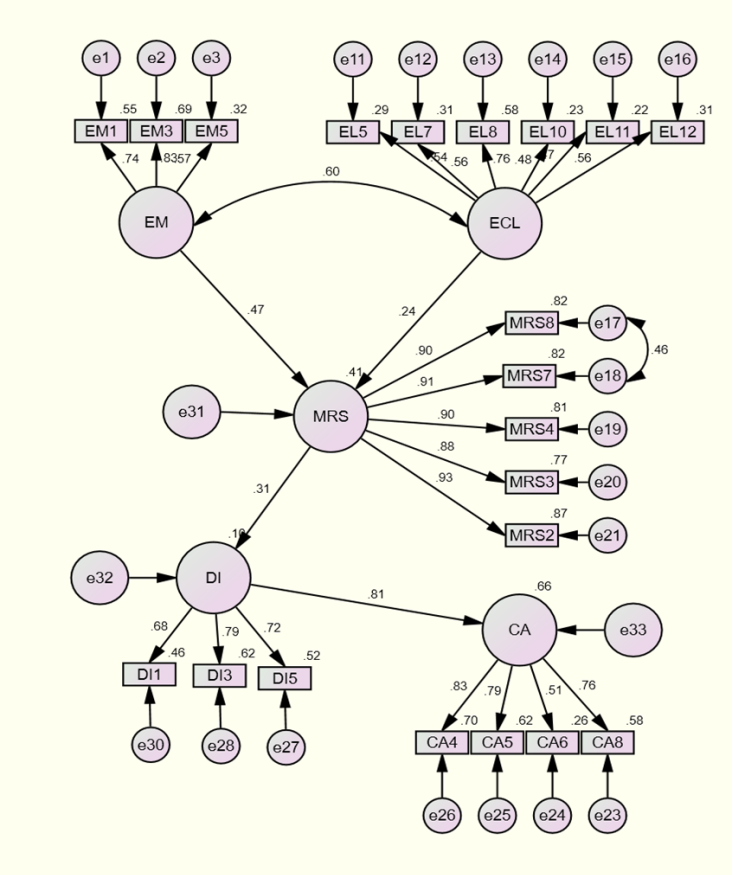

Figure 2 Structural Model for Hypotheses Testing

The structural model (Figure 2) and the results in Table 4 show that entrepreneurial mindset (EM) has a significant positive correlation of 0.60 with entrepreneurial culture and leadership (ECL). Therefore, H1 is accepted. The significant beta coefficient of 0.47 indicates the direct positive impact of an entrepreneurial mindset (EM) on managing resources strategically (MRS). Therefore, H2 is accepted. Entrepreneurial culture and leadership (ECL) has a significant positive impact (Standardized beta value 0.24) on Managing Resources Strategically (MRS). Therefore, H3 is accepted. Managing resources strategically (MRS) impacts innovation development (DI) positively with a significant standardized beta of 0.31. Therefore, H4 is accepted. Development of Innovation (DI) leads to a very high and significant impact on gaining competitive advantage (CA) with a beta coefficient of 0.81. Therefore, H5 is accepted. Thus, empirical results from our study validate the relationships proposed in the conceptual model (refer Figure 1).

5. DISCUSSION

This research aimed to empirically test the relationship between strategic entrepreneurship and competitive advantage. Strategic entrepreneurship, as demonstrated by the study, significantly contributes to competitive advantage and wealth creation, with several factors driving this growth (Zhao et al., 2020; Yu et al., 2022). Our findings support the notion that organizations utilize the entrepreneurial framework to achieve their goals, indicating the importance of an entrepreneurial approach in strategy and goal-setting (Ireland et al., 2003; Estrada-Cruz et al., 2020; Zhao et al., 2020; Ireland et al., 2023).

The study highlights the role of an entrepreneurial culture and leadership in gaining a competitive edge and wealth creation, especially when opportunity-seeking and advantage-seeking behaviors are practiced together (Ireland et al., 2003; McGrath and MacMillan, 2000). Leaders, in their capacity, must communicate the organizational vision effectively and assemble the right teams for projects, demonstrating agility and flexibility in seizing opportunities and overcoming hurdles (Ireland et al., 2003; Hoglund and Martensson, 2019).

We found that strategic resource management is vital. Both tangible and intangible resources, including available borrowed resources and flexible resource management ideas, are integral for implementing strategies. Valuable and rare resources can create a competitive advantage (Barney, 1991; Hitt and Ireland, 1986; Barney, 2001; Estrada-Cruz et al., 2020). Effective management aids in organizing resources, bundling them, and leveraging firm capabilities for superior performance (Sirmon and Hitt, 2003).

Moreover, nurturing creativity and innovation within the organization is crucial. Companies that foster human and social capital can gather resources more effectively, thereby enhancing competitive advantage (Ireland et al., 2003; Barney, 1991). Encouraging knowledge-based innovations and creating an innovative environment within the organization are essential for the strategic management of business ideas and sustaining innovation (Ireland et al., 2003; Hughes et al., 2021).

In gist, developing an entrepreneurial mindset, fostering an entrepreneurial culture and leadership, and strategically managing resources all lead to competitive advantage. The interconnectedness of an entrepreneurial mindset and culture, and their subsequent influence on strategic resource management, are evident in the structural model. The model indicates that cultivating innovation correlates strongly with competitive advantage, suggesting the importance of creating an innovative environment within firms (Hughes et al., 2021). Thus, our study endorses and provides evidence for strategic entrepreneurship as a pathway to competitive advantage and wealth creation.

5.1. IMPLICATIONS AND SUGGESTIONS

This study highlights important implications for managers and researchers. Managers should foster risk-taking and tolerate failures that arise, focusing on nurturing innovation as a critical driver of competitive advantage (Ireland et al., 2023). The findings provide valuable insights for understanding the role of strategic entrepreneurship in achieving sustainable competitive advantage, contributing to the strategic management literature by developing and validating a scale for strategic entrepreneurship and confirming its positive relationship with competitive advantage (Zhao et al., 2020).

Future research could expand the study's scope to larger organizations or diverse geographic and industrial contexts for a broader understanding of strategic entrepreneurship. A longitudinal approach could track organizations over time

to explore its evolution and impact. Additionally, refining and validating the developed scale in varied settings would enhance its applicability. These avenues can deepen insights into the interplay between strategic entrepreneurship and competitive advantage.

6. CONCLUSION

In this firm-level study, we systematically examined the various components of strategic entrepreneurship, particularly focusing on the interplay between entrepreneurial mindset (EM) and entrepreneurial culture & leadership (ECL). Our findings clearly demonstrate that both EM and ECL play pivotal roles in the strategic management of resources (MRS) within SMEs. This strategic resource management, in turn, emerges as a driving force for innovation, ultimately paving the way for the SMEs to gain a sustainable competitive advantage in their respective markets. These results shed valuable light on the critical factors at play in the realm of strategic entrepreneurship within small and medium-sized enterprises, offering insights with practical implications for future business strategies.

CONFLICT OF INTERESTS

None.

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