

Article

Strategic Entrepreneurship Mindset, Strategic Entrepreneurship Leadership, and Entrepreneurial Value Creation of SMEs in East Java, Indonesia: A Strategic Entrepreneurship Perspective

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Abstract: This study investigates theories from the strategic entrepreneurship literature related to strategic entrepreneurship mindset, strategic entrepreneurship leadership, and entrepreneurial value creation. A sample of 85 SMEs was taken from the SME sector in East Java, Indonesia, using a non-probability sampling method with a purposive sampling technique. The data collection process was a survey with questionnaires distributed directly to the SME owners. The data analysis was carried out using a structural equation measurement model (PLS-SEM) and included outer model analysis, inner model analysis, mediation testing, and hypothesis testing. This study contributes to the strategic entrepreneurship leadership variable, which is a mediating variable. The study confirms this theory for SMEs to provide broader scientific ideas related to strategic entrepreneurship theory. The small and medium-sized enterprises (SMEs) that were looked at can create entrepreneurial value through benefits and added value for individuals, organizations, and the social environment. This can contribute to progress and sustainability, which will help the economy in Indonesia and give decision-makers more information.

Keywords: strategic entrepreneurship mindset; strategic entrepreneurship leadership; entrepreneurial value creation; SME



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1. Introduction

SMEs in Indonesia have experienced ups and downs in their development, especially when the COVID-19 pandemic hit them. More studies are needed to create success for SMEs to continue developing and recovering from the crisis [1]. In addition, SMEs in Indonesia contribute to the development of the economy, so their growth is an important part that many parties must consider [2]. Strategic entrepreneurship appears to be especially beneficial for small enterprises, and due to their particularity and quantity these businesses have been the focus of several empirical studies. Small firms must overcome numerous challenges to thrive and expand in any event. As a result, managing small firms' long-term development in a quickly evolving environment is still a relevant challenge. Small businesses mostly struggle to control their long-term growth, and strategic entrepreneurship can be helpful in this situation. The novelty of this study is to make strategic entrepreneurship leadership a mediating variable, because there are still few studies on the role of this mediation in SMEs related to strategic entrepreneurship. The analysis provided by Aboudahr and Mohamad [3] regarding the mediating part of strategic leadership in educational organizations is different from this study, which fills the gap in the findings made by Ziyae and Sadeqhi [4] and Simić et al. [5] on the mediating role of strategic leadership in SMEs and other organizations. Hitt et al. [6] investigated the integration of Strategic Entrepreneurship into various crucial organizational sectors, including external networks and alliances, corporate resources and learning, innovation, and internationalization. Their

study focused on the classic theories (such as contingency theory and strategic fit) and innovative theories (such as cultural entrepreneurship and business model drivers). The study also integrates, expands, and tests theory and research from entrepreneurship and strategic management from resource-based perspectives, organizational learning, and institutional approaches.

Therefore, this study explores theories related to the strategic entrepreneurship mindset, strategic entrepreneurship leadership, and entrepreneurial value creation related to the strategic entrepreneurship literature developed by Ireland et al. [7] and Hitt et al. [6] to provide additional insight for SMEs to create value by increasing the growth of SMEs in Indonesia. In creating strategic entrepreneurship, the first thing we explore in this research is the strategic mindset because it is essential in determining organizational success [8]. Thinking strategically is more of a process of understanding two interrelated things: focus and awareness of time. In other words, the ability to think strategically also presupposes the growth of awareness of the basic principles and values being championed. The organization will be much more responsive to developments while remaining stable and coherent regarding its identity, goals, and vision [9]. The second thing is that integrating strategic entrepreneurship requires strategic leadership to create value for the company. Leadership in strategic entrepreneurship is the ability to anticipate changes that will give the company a competitive edge in the future; remain flexible, think strategically, and work with others to achieve those changes [10].

Several previous studies [11–13] examine strategic entrepreneurship that differs from this study. Previous research has an impact on company performance. In contrast, this research impacts entrepreneurial value creation through the influence of a strategic entrepreneurship mindset and strategic entrepreneurship leadership (as mediating variables). Strategic entrepreneurship through a relevant mindset and leadership can add new value to individual or group activities to produce faster, precise, efficient, higher quality, responsive, and more adaptable goods and services in SMEs [14]. This study contributes to the strategic entrepreneurship literature and confirms previous research on SMEs [15–17] which builds a strategic mindset and strategic leadership with value creation so SMEs can make decisions, manage resources, and strategically manage SME entrepreneurial culture.

This study was conducted in the SME sector of East Java, Indonesia, to add to the valuable strategic entrepreneurial model theory developed by Ireland et al. [7] and Hitt et al. [6]. Strategic entrepreneurship enables SMEs to retain creativity and flexibility. Instead, large corporations use their expertise to gain an advantage while simultaneously exploring new possibilities. Thus, we argue that SMEs should learn how to integrate strategic entrepreneurship to be well-positioned to create value through a strategic entrepreneurship mindset and strategic entrepreneurship leadership. This quantitative research paradigm uses a cross-sectional design with a survey method. This quantitative approach is conducted to evaluate the developed hypotheses and decide the direction of the influence of strategic entrepreneurship mindset and leadership on the creation of SME entrepreneurial value. The strategic entrepreneurship mindset of SMEs studied is creativity, innovation, and opportunity-taking that result in the design and success of corporate welfare. Meanwhile, as explored in SMEs, strategic entrepreneurial leadership is the capacity to persuade people to allocate resources wisely, emphasizing opportunity-seeking and profit-seeking behavior. Then, the entrepreneurial value in SMEs under study is the added value and benefits generated by SMEs to provide insight related to decision-making in policy-making for SMEs.

2. Literature Review and Hypothesis Development

2.1. Strategic Entrepreneurship Mindset and Strategic Entrepreneurship Leadership

Strategic entrepreneurship is strategic thinking and action to create a strategic entrepreneurship mindset and process that provides benefits and value for entrepreneurs and organizations to act quickly to anticipate future conditions [18]. The application of contingency theory is used in this study because it is founded on the assumption that no

single leadership style is appropriate in all situations. Leadership styles, according to this notion, are highly rigid. Thus, organizational efficiency depends on combining internal organizational traits with external environmental variables. A strategic entrepreneurship mindset contributes to the company's competitive advantage by creating profits through the uncertainty that arises through the contingency approach [19] to influence the long-term strategic direction to remain competitive. Research conducted by Djordjevic [20] in several countries such as Finland, Germany, Israel, Ireland, and France provides evidence that strategic thinking is closely related to strategic leadership in multinational companies operating in those countries.

Meanwhile, Simba and Thai [21] studied SMEs and explained that influential entrepreneurial leaders could provide the information companies need by sharing their knowledge and mindset. Additionally, a study by Subramaniam and Shankar [22] explains how the entrepreneurial mindset facilitates leadership development of entrepreneurial talents, including resource management strategy, innovation, and agility. This is because strategic leadership can create strategic entrepreneurial value, hence the entrepreneurial mindset of leaders in developing a culture where resources are managed strategically, for-profit and entrepreneurially seeking opportunities. Thus, the hypothesis proposed is:

Hypothesis 1 (H1). *Strategic entrepreneurship mindset positively and significantly affects strategic entrepreneurship leadership.*

2.2. Strategic Entrepreneurship Mindset and Entrepreneurial Value Creation

In the face of market uncertainty that is constantly changing, it takes a strategic mindset from entrepreneurs to create a good value and provide a competitive advantage for entrepreneurship. The resource-based view of theory was used in this study due to the relevance of strategy and entrepreneurial ability as a source of competitive advantage in a dynamic environment, so that it can produce value for organizations that competitors find difficult to mimic [23]. Research by Foss and Lyngsie [24] in Northern Ireland, Eastern and Central Europe, and several Asian countries shows the utility of knowledge in recognizing and seizing opportunities for value creation to establish and retain competitive advantage. Therefore, the company must have human resources with a strong entrepreneurial mindset and access to company resources to create value. Companies need to develop an entrepreneurial mindset among managers and employees in entrepreneurship to generate practical added value [10]. In addition, Dyduch [18] identified the dimensions of entrepreneurial strategy: a strategic mindset that supports entrepreneurial value creation. This research shows an influence between a strategic perspective and entrepreneurial value creation. Value creation that benefits individuals, organizations, and the social environment needs to be done continuously to get maximum results [25]. The results of research by AlQershi [26], in the context of SMEs in Yemen, explain that managers must prioritize improving their resources (especially human resources and social capital) when creating value through a strategic mindset. The influence of a strategic perspective can make a valuable contribution to the value of entrepreneurship. Thus, the hypothesis is:

Hypothesis 2 (H2). *Strategic entrepreneurship mindset positively and significantly impacts entrepreneurial value creation.*

2.3. Strategic Entrepreneurship Leadership and Entrepreneurial Value Creation

Responding to quick market changes necessitates deliberate action from a leader willing to take a risk. According to the contingency theory, the activities are based on an entrepreneurial mindset to take advantage of the market and respond promptly; the company's resources must be synchronized so that the actions taken produce the best results. In contingency theory, the activities taken must result in fundamental changes in entrepreneurship that lead to innovation and competition to create value [19]. Research by Ferreira et al. [14] in Mexico, Belgium, and the U.S. suggests that strategic leadership

can develop resources (human and social capital), take advantage of market opportunities, and use market resources and knowledge to gain a competitive advantage. According to the research by Simba and Thai [21] on SMEs, the idea of strategic leadership has profound effects on how new and large enterprises are developed and managed, enabling established companies to create sustainable value. Research by Purwati et al. [2] on SMEs in Indonesia explains that leadership plays an essential role in generating value that is useful for entrepreneurship. Besides that, Nor-Aishah et al. [27] studied SMEs in Malaysia and showed that effective leadership with shared values created within the company will integrate the vision and mission for commitment to value creation for companies in producing products and services that are empowered. In a study of SMEs in Vietnam, Nguyen et al. [28] discovered that strategic leadership and corporate growth are strongly related to value creation. Thus, companies can create value for customers and shareholders. Therefore, the following hypothesis is:

Hypothesis 3 (H3). *Strategic entrepreneurship leadership has a positive and significant effect on the entrepreneurial value creation.*

2.4. Strategic Entrepreneurship Mindset, Strategic Entrepreneurship Leadership, and Entrepreneurial Value Creation

Strategic entrepreneurship can integrate the development of shared values and the rule of strategic leadership within the company as the theory and research of entrepreneurship and strategic management in new methods such as resource-based views, organizational learning, and institutional theory. Hitt et al. [6] stated that an entrepreneurial mindset is needed to encourage management and staff to constantly look for business prospects that organizations may explore via the creation of novel products and services and markets by promoting new product design ideas and committing to implementing them. A good mindset will result in innovation and new ideas in designing a friendly organization. Strategic leadership can stimulate organizations to build networks by collaborating with resources from external organizations so that value creation and product innovation will occur [29]. Matarazzo et al. [30] found that influential entrepreneurial leaders in Italy believe that to create strategic entrepreneurial value, leaders need an entrepreneurial mindset to develop a culture where resources are strategically managed (profit-seeking behavior) but also entrepreneurially (i.e., opportunity-seeking behavior). In addition, according to Ireland et al. [7], through effective strategic leadership, value creation can be carried out within the organization [31] and is driven by knowledge resources and a strategic entrepreneurial mindset. As a result, the company can achieve its goal of developing and commercializing new products that add value for customers and shareholders. The proposed hypothesis is:

Hypothesis 4 (H4). *Strategic entrepreneurship leadership mediates the influence of a strategic entrepreneurship mindset on entrepreneurial value creation.*

3. Research Methodology

This study uses a survey method by taking locations in the small and medium business sector (SMEs) in the East Java region of Indonesia, based on criteria from the Ministry of Cooperatives and SMEs of the Republic of Indonesia. A sample of 85 SMEs was taken using a non-probability sampling method with a purposive sampling technique [32]. The level of analysis of this study was the SME sector in the East Java region of Indonesia, and the unit of analysis was the owner of the SME because the owner or leader is an individual who knows most of the business activities they run. The sample and the data collection process were questionnaires distributed directly to the owners of the SME under study (participant and SME data in Table 1).

Table 1. SME Age, Length of time in leadership and Type of SMEs Business Field.

Description		Participant	Percentage (%)
SME Age	Above > 3 Years	58	68.2
	Below < 3 Years	27	31.8
	Total	85	100
Length of time in leadership	1–3 Years	40	47.1
	Above > 3 Years	29	34.1
	Below < 1 Year	16	18.8
	Total	85	100
Type of SMEs Business Field	Culinary	29	34.1
	Service	20	23.5
	Fashion	14	16.5
	Modern Retail	10	11.8
	Conventional Retail	8	9.4
	Manufacturer	4	4.7
	Total	85	100

Source: Survey results, 2020.

The survey instrument development process is to adopt item indicators from variables conducted by previous researchers and adapt to the context of this research. This study adopted the strategic entrepreneurial mindset indicator item (5 items) from Anderson et al. [10], strategic leadership indicator item (5 items) from Van Rensburg [9], and entrepreneurial value creation indicator item (6 items) from Hitt et al. [6]. The questionnaire statement that is measured on a Likert scale of 1 to 5 (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree).

Data analysis was conducted using a structural equation measurement model (SEM) (Table 2) with a Partial Least Square (PLS) approach based on variance, so the sample used was not too large [33]. Structural equation modeling was carried out with the outer model analysis, inner model analysis [34], mediation testing [35,36], and research hypothesis testing [37].

Table 2. Measurement Items and Construct.

SEM 1	Eager to find new opportunities related to business	Strategic Entrepreneurship Mindset (SEM) [10]
SEM 2	Discipline when pursuing the opportunities that exist	
SEM 3	Prepare a strategy to seize project opportunities	
SEM 4	Focus on project execution	
SEM 5	Involve individuals in their respective domains	
SEL 1	Foster creativity and entrepreneurial skills	Strategic Entrepreneurship Leadership (SEL) [9]
SEL 2	Be open and share information	
SEL 3	Seek and pursue opportunities that are relevant to the business	
SEL 4	Strategically develop an entrepreneurial culture	
SEL 5	Identify and exploit opportunities by maximizing existing resources	Entrepreneurship Value Creation (EVC) [6]
EVC 1	Create value for customers	
EVC 2	Create new markets	
EVC 3	Develop products that are different from existing products on the market	
EVC 4	Build knowledge stock through existing information	
EVC 5	Focus on the future	
EVC 6	Build relationships with partners	

In Figure 1, the structural model of the outer model analysis (there are no convergent validity, discriminant validity, and cross-loading problems because the valid value is above 0.5) meets the criteria of Leguina [35]. A convergent validity screening procedure is used to assess the strength of the relationship between constructs and latent variables. The standardized value of the loading factor, which explains the correlation value between each indicator and construct measuring item, is used in this study to assess the convergent validity of evaluating individual item reliability. The discriminant validity test is next

performed to check that each notion in each latent model is distinct from other variables. The root of the average variance extracted (AVE) (Table 3) on the construct is regarded as good if it is greater than the correlation of the construct with other latent variables. Meanwhile, the cross-loading test demonstrates that each construct has a more excellent indicator value than the other.

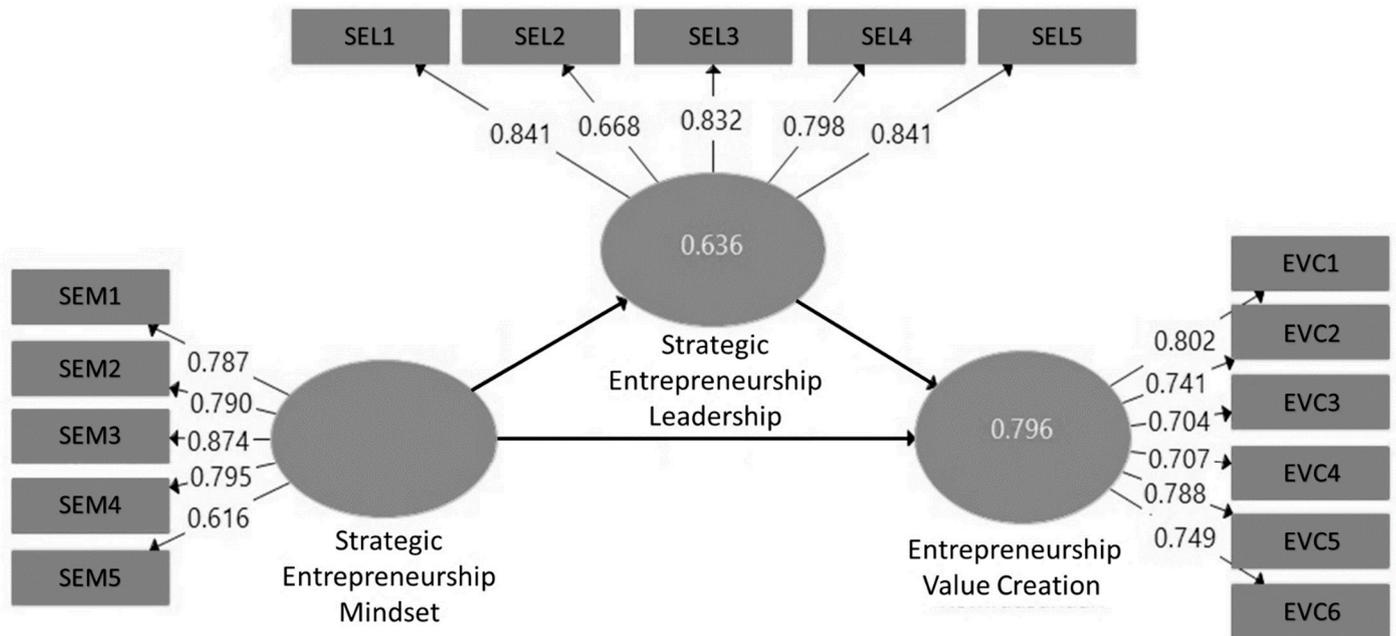


Figure 1. Structural Model (Outer Model Analysis).

Table 3. Average Variance Extracted (AVE), Composite Reliability and Cronbach’s Alpha.

Construct	Average Variance Extracted (AVE)	Composite Reliability	Cronbachs Alpha	Information
Strategic Entrepreneurship Mindset	0.604	0.883	0.883	Reliable
Strategic Entrepreneurship Leadership	0.562	0.898	0.857	Reliable
Entrepreneurship Value Creation	0.638	0.854	0.844	Reliable

Source: Processed data.

The final stage in assessing the outer model is to check the model’s unidimensionality to make sure there are no measurement-related issues. Indicators of average variance extracted (AVE), composite reliability, and Cronbach’s alpha were used to conduct the unidimensionality test. The cut-off value for these two indicators is 0.5 to ensure the reliability of all statement items in these variables.

Table 3 shows that all constructs have composite reliability and Cronbach’s alpha values above 0.6. Therefore, the former model has no problem with reliability over unidimensionality [38].

4. Results and Findings

From the estimation results in Table 4, there is an influence of a strategic entrepreneurship mindset on strategic entrepreneurship leadership with a path coefficient of 17,471, where the effect is positive and significant (p -value = 0.000 < 0.05 or sig. 5%). The strategic entrepreneurship mindset variable then has a positive and significant impact on the entrepreneurial value creation based on the estimation results of the regression coefficient with a path coefficient of 2.646 (significant: p -value = 0.008 < 0.05 or 5%). The strategic entrepreneurship leadership variable also has a positive and significant effect on the entrepreneurial value creation based on the estimation results of the regression coefficient

with a path coefficient of 5.065 (significant: p -value = 0.000 < 0.05 or 5%). This test's results can answer Hypotheses 1, 2, and 3, while testing the effect of mediation (Hypothesis 4) can be done using the theory [36].

Table 4. Path coefficient.

	T Statistics	p Value	Information
Strategic Entrepreneurship Mindset → Strategic Entrepreneurship Leadership	17.471	0.000 *	Accepted
Strategic Entrepreneurship Mindset → Entrepreneurship Value Creating	2.646	0.008 *	Accepted
Strategic Entrepreneurship Leadership → Entrepreneurship Value Creating	5.065	0.000 *	Accepted

* Significant level at 95% (< p value 0.005). R Square: Strategic Entrepreneurship Leadership = 0.636 (63.6%); Entrepreneurship Value Creating = 0.796 (79.6%). Significant: $t = 17.571$ (sig. 5% *): 2.646 (sig. 5% *): 5.065 (sig. 5% *).

The first stage examines the effect of the predictor variable on the criterion variable. In the first step, it is seen that the strategic mindset (predictor) has an effect on entrepreneurial value creation (criterion) (p -value = 0.000 < 0.05 or sig. 5%). Following this, proceed to the second stage to see whether the predictor influences the mediator. In the second step, it is seen that the predictor (strategic entrepreneurship mindset) has an influence on the mediator (strategic leadership) (p -value = 0.000 < 0.05 or sig. 5%), followed by the third stage, the influence of the mediator on the criterion. In the third step, the mediator (strategic entrepreneurship leadership) also has an influence on the criterion (entrepreneurial value creation) (p -value = 0.008 < 0.05 or 5%). It can be continued to stage four to see whether strategic entrepreneurship leadership has a mediating effect (full, partial, or not).

The fourth step is to look at the influence of the predictor (strategic entrepreneurship mindset) on the criterion (entrepreneurial value creation) while still including the influence of the mediator (strategic entrepreneurship leadership). From the test, it appears that when the mediator's influence is included in the model, it can be seen that the mediator variable, namely strategic leadership, has a significant impact on entrepreneurial value creation (in Figure 2). Thus, strategic entrepreneurship leadership mediates the influence of strategic entrepreneurship mindset on entrepreneurial value creation to some extent; in other words, strategic entrepreneurship mindset has both direct and indirect impact on entrepreneurial value creation. In this study, the R Square value is used to determine how much of the endogenous construct can be described by the exogenous construct (Figure 1 and Table 3), which is a goodness-fit PLS-SEM model. The test on the R Square value model demonstrates that the model is robust, with 0.636 (63.6%) on the strategic entrepreneurship leadership variable and 0.796 (79.6%) on the entrepreneurship value creating a variable [34].

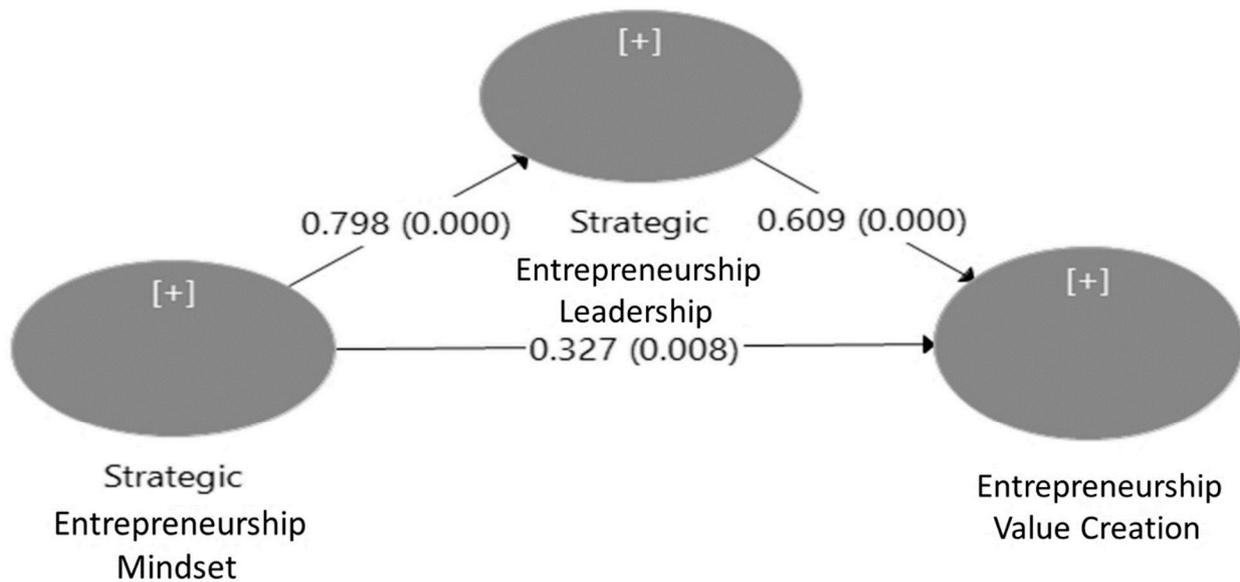


Figure 2. Inner Model Analysis.

5. Discussion

Based on the data that have been analyzed, the strategic entrepreneurship mindset has a positive and significant impact on the strategic entrepreneurship leadership of the SME entrepreneurship studied. This suggests that entrepreneurial strategic leadership can influence others by strategically managing existing resources and emphasizing opportunity-seeking and profit-seeking behavior. As with the results of AlQershi [26], when a strategic entrepreneurship mindset appears in a leader, the organizational conditions related to individual and collective mindsets can focus on capturing the benefits and opportunities of uncertainties that occur in the future. This is reinforced by the research of Purwati et al. [2], which shows that leaders who act in a strategic entrepreneurial manner view the entrepreneurial mindset as a way of thinking about business that is better able to handle uncertainty successfully and try to outperform competitors.

Thus, we believe that an entrepreneurial mindset can contribute to the competitive advantage needed to create wealth through uncertainty and foster strategic entrepreneurial leadership skills. The results of this study support research by Djordjevic [20] and Dyduch [18] in several European countries; Simba and Thai [21]; and Subramaniam and Shankar [22] in the context of SMEs in Asia, which shows that a strategic entrepreneurship mindset is closely related to strategic leadership in entrepreneurship. Accordingly, the results of the strategic entrepreneurship mindset have a positive and significant impact on the creation of SME entrepreneurial value examined in this study. An entrepreneurial mindset linked to creativity, innovation, and opportunity-taking that results in the design and success of organizational wealth enables entrepreneurs to make confident decisions in the face of uncertainty [25].

Thus, we argue that entrepreneurial value creation occurs when SMEs are always eager to find new opportunities, pursue them with enormous discipline, link selected strategies and projects, focus on execution, and involve everyone's energy in their domain (internally and externally). This study's results align with research by Foss and Lyngsie [24], which shows the importance of a strategic entrepreneurship mindset so that knowledge can identify and take advantage of opportunities to create value and maintain competitive advantage. Companies must have human resources with a strong entrepreneurial mindset to create value, as per research conducted by Daspit et al. [25] and AlQershi [26] in the context of SMEs in Asia. Strategic entrepreneurship leadership is always associated with nourishing an entrepreneurial capability, making sense of opportunities, and questioning the dominant logic.

This study supports the research results of Ferreira et al. [14] that shows strategic leadership can develop resources (human and social capital), take advantage of opportunities in the market, and use the resources and knowledge gained in the market for companies to achieve competitive advantage. This is because the SME leaders studied openly sharing information with organizational members (employees) to illustrate the potential benefits of innovation to create entrepreneurial value. In line with the research of Nguyen et al. [28] on SMEs, it is explained that leaders need to communicate the value of opportunities that arise so that each individual contributes so that company goals and individual goals are achieved. The SME leaders studied also applied the dominant logic by creating a business concept, evaluating the idea, and making decisions on allocating existing resources. Several studies of SMEs in Southeast Asian countries (e.g., in Thailand [21]; Indonesia [2]; Malaysia [27] are in line with the results of our study.

The results of our study provide findings that strategic entrepreneurship leadership is a mediating variable but partially mediates because the strategic entrepreneurship mindset of the SME entrepreneurship studied can have a direct effect on the value creation of SME entrepreneurship. This is because the SMEs surveyed, in building entrepreneurial value, have implemented a strategic entrepreneurship mindset. The action process also provides benefits and value for organizations to act quickly in anticipating future conditions. In addition, the SME leaders studied were also effective in providing the information needed by company members by sharing information, knowledge, and mindsets they had. Our opinion is supported by the results of Kahle et al. [29]. In creating strategic entrepreneurial value, the entrepreneurial mindset of leaders can develop a culture by managing resources strategically to gain profits in seeking opportunities. Thus, value creation that benefits individuals, organizations, and the social environment need to be carried out continuously to get maximum results, according to the effects of research by Rashidirad and Salimian [31].

Likewise, the research results by Matarazzo et al. [30] on SMEs in Italy align with our study's results. The influence of a strategic entrepreneurship mindset can make a valuable contribution to entrepreneurship's value, providing benefits and added value for individuals. Organizations benefit and add value to the social environment. According to the theories of Ireland et al. [7] and Hitt et al. [6], we believe that the SME leaders we studied are also effective at creating the desired strategic entrepreneurial value by managing resources strategically (profit-seeking behavior) as well as entrepreneurially (opportunity-seeking behavior).

In theory, entrepreneurial strategy synthesizes the domains of strategy and entrepreneurship. Companies that implement entrepreneurial strategies are involved in both the opportunity-seeking activities required by entrepreneurship and the profit-seeking activities needed for the system. In practice, strategic entrepreneurship entails entrepreneurial efforts with a strategic focus. To create a profit, the company will concentrate on the action by implementing the chosen strategy and developing new niches and ways to serve the market. SMEs must integrate strategy and entrepreneurship in managerial decision-making to form the fundamental notion of strategic entrepreneurship. The success of the opportunity-seeking and profit-making efforts is determined by the company's ability to absorb and integrate new and existing knowledge. SMEs that can adequately manage uncertainty outperform competition. Managers must maximize the exploration of new business prospects while maximizing yields and using the competitive advantage to achieve long-term organizational value.

6. Conclusions and Recommendations

Through the results of this research, we highlight a recommendation that SME leaders need to focus on executing the chosen strategy by involving the energy of everyone in their respective domains or task positions within the company. The SME leadership study has given significant results in terms of constructs and variables [6,9,10] which influence entrepreneurial value creation. The SME leaders studied have developed entrepreneurial skills and can look for opportunities that follow the dominant logic (core) of their current

business activity or business. The SMEs studied can create entrepreneurial value through benefits and added value for individuals, organizations, and the social environment to contribute to the progress and sustainability of the SMEs studied to boost the economy in Indonesia and provide insight for decision making.

This study also contributes to the literature related to testing the mediating variable, namely strategic entrepreneurship leadership, which does not fully mediate the influence of strategic entrepreneurship mindset on entrepreneurial value creation, but partially mediates. This is because the strategic entrepreneurship mindset of the SMEs we examined directly affects value creation. The application of a strategic entrepreneurship mindset, strategic entrepreneurship leadership, and SME value creation follows the theory of strategic entrepreneurship developed by previous experts Ireland et al. [7]; Hitt et al. [6]; Sriboonlue [11]; Agha Muhanad and Gafforova, [12]; Lombardi et al. [15] and others that we adopted in this study. This study confirms this theory for small and medium-sized enterprises to provide a broader range of scientific ideas related to entrepreneurship.

The strategic entrepreneurship theory developed by Hitt et al. [6] is the foundation for this research. In the same way that the model suggested in this theory adapts to the circumstances of the SMEs that are the subject of this investigation, this study also provides meaning to the mediating variables included in the research model. Strategic entrepreneurship is a novel term in studying entrepreneurship (opportunity-seeking behavior) and strategic management (advantage-seeking behavior). Strategic management research is gradually elucidating the relationship between strategic management and entrepreneurship; developing entrepreneurial strategies; intrapreneurship; the strategic posture of entrepreneurship in the organization; entrepreneurial orientation; the integration of strategic management as a context for entrepreneurial action; and the integration of entrepreneurial theory with strategic direction and resource-based views.

Therefore, we suggest that future research focus on the conditions and environment of SMEs in developing countries in the VUCA (volatility, uncertainty, complexity, and ambiguity) era [39]. This is because the development of the SME sector is very dynamic, and it requires more research in the field of strategic entrepreneurship in SMEs in developing countries to provide input for policymakers. In addition, it is necessary to increase research related to mediating variables that can enrich and strengthen theories and measurements under the conditions of SMEs regarding the role of strategic entrepreneurial leaders, as we have done in SMEs for the success of SMEs in creating value that can impact the development and growth of the SME sector.

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