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The Mediating Role of Absorptive Capacity in the Relationship between Strategic Entrepreneurship and Business Performance

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ABSTRACT

This study examined the mediating role of absorptive capacity in the relationship between strategic entrepreneurship and business performance in Jordanian pharmaceutical companies. The research population consisted of employees from 19 of these companies. A sample of 300 participants was chosen from the employees of these companies. Utilizing a descriptive analytical approach, a 33-item questionnaire was administered to collect data. Relevant statistical methods were employed for data analysis.

The results of the study revealed that the dimensions of strategic entrepreneurship have a significant influence on business performance in the context of Jordanian pharmaceutical firms. Moreover, strategic entrepreneurship, through its various dimensions, significantly impacts absorptive capacity, which in turn has a major effect on business performance. Consequently, absorptive capacity serves as a mediating variable in the strategic entrepreneurship-business performance relationship.

Based on these findings, the study recommends that Jordanian pharmaceutical companies embrace the dimensions of entrepreneurial strategy, particularly entrepreneurial leadership and culture, by providing the necessary resources to foster these dimensions. This entails the adoption of an entrepreneurial vision that stimulates innovation while establishing a supportive organizational culture, and encouraging the innovative process. Furthermore, Jordanian pharmaceutical firms are advised to integrate absorptive capacity in their operations, given its crucial role in enhancing their ability to execute entrepreneurial strategy dimensions which will ultimately elevate the overall business performance.

Keywords: Strategic entrepreneurship, Absorptive capacity, Business performance, Innovation process, Entrepreneurial leadership, Entrepreneurial culture, Jordanian pharmaceutical companies.

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الدور الوسيط للقدرة الاستيعابية في العلاقة بين ريادة الأعمال الاستراتيجية وأداء الأعمال

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ملخص

تبحث هذه الدراسة في الدور الوسيط للقدرة الاستيعابيّة في العلاقة بين ريادة الأعمال الاستراتيجيّة وأداء الأعمال لدى شركات الأدوية الأردنيّة. تكوّن مجتمع البحث من عينة ممثلة مكونة من (300) موظف مشارك، يمثلون (19) شركة من شركات قطاع الأدوية في الأردن، وباستخدام المنهج الوصفي التحليليّ، تم استخدام استبانة مكونة من (33) فقرة لجمع البيانات، واستخدمت الأساليب الإحصائيّة ذات الصلة لتحليل البيانات. وأظهرت النتائج أنّ أبعاد ريادة الأعمال الاستراتيجيّة كان لها تأثير كبير على أداء الأعمال في قطاع شركات الأدوية الأردنيّة. علاوة على ذلك، فإن ريادة الأعمال الاستراتيجيّة، من خلال أبعادها المختلفة، تؤثر بشكل كبير على القدرة الاستيعابيّة، التي لها تأثير كبير على أداء الأعمال. وعليه، فإنّ القدرة الاستيعابيّة تعمل كمتغيّر وسيط في العلاقة بين ريادة الأعمال الاستراتيجيّة وأداء الأعمال. وبناءً على هذه النتائج، توصي الدراسة شركات الأدوية الأردنية بتبني أبعاد ريادة الأعمال الاستراتيجيّة، خاصة القيادة والثقافة الريادية، من خلال توفير الموارد اللازمة لتعزيز هذه الأبعاد. ويتطلب ذلك تبني رؤية ريادية محفّزة للابتكار، وترسيخ ثقافة تنظيميّة داعمة، وتشجيع عملية الابتكار. إضافة إلى ذلك، يحثّ الباحثون شركات الأدوية الأردنيّة على تطوير القدرة الاستيعابيّة، نظراً لدورها الحاسم في تعزيز قدرتها على تنفيذ أبعاد ريادة الأعمال الاستراتيجيّة، مما يؤدي في نهاية المطاف إلى رفع الأداء العام للأعمال.

الكلمات الدالة: ريادة الأعمال الاستراتيجيّة، القدرة الاستيعابيّة، أداء الأعمال، عملية الابتكار، القيادة الريادية، الثقافة الريادية، شركات الأدوية الأردنيّة.

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Introduction

The modern business environment is characterized by its complexity, fierce competitiveness and uncertainty in its external environment. This multi-faceted environment has a significant effect on the internal structure of modern enterprises. Modern enterprises are distinguished by their culturally, scientifically, and demographically heterogeneous makeup. Moreover, the assortment of products and services offered by these organizations is reflective of the diverse demands and preferences of their clientele. These customer requirements force companies to strive, excel and outperform their competitors by creating new ideas and opportunities (Job & Bhattacharyya, 2007; Kopecka, 2015; Abdelaziz, 2023; Holbeche, 2023). The generation of innovative concepts and prospects equips companies with the capacity to establish a competitive edge by means of superior performance. This superior performance will subsequently differentiate organizations from their market rivals. Business performance represents a crucial and central component in the assessment of any entity engaged in diverse activities. Organizational performance conveys the degree to which an organization attains success in realizing its objectives. Several studies have shown that the correct formulation of a strategy and its effective implementation will lead to effectively and efficiently achieving organizational goals (Obeidat et al., 2017; Kabeyi, 2019; Al-Fawaeer et al., 2020; Sadq et al., 2020). The above are the reasons organizations that are focused on achieving growth and profitability have begun to move towards strategic entrepreneurship. This move towards strategic entrepreneurship involves enacting entrepreneurial procedures and policies from a strategic point of view (Chalotra & Jyoti, 2015). Galkina et al. (2022) confirmed that strategic entrepreneurship, which is formed at the intersection of strategic management with entrepreneurship, plays a significant role in maximizing the wealth of companies. Paek and Lee (2018) supported Ireland et al. (2003) in that strategic entrepreneurship affects the financial performance of organizations, because of organizational behavior that includes a constant search for optimal opportunities that leads to superior results for the organization. As a result, many researchers and academics have relied on the resource-based theory when studying entrepreneurship and strategic management (Barrett & Wenstein, 2015; Ambad & Whahab; 2016; Hitt et al., 2016; Bhatia & Awashti, 2018). The entrepreneurial strategy is based on maximizing the value of resources, which requires studying the role of absorptive capacity in the relationship between entrepreneurial strategy and business performance. Absorptive capacity refers to the extent to which an economy is able to use and absorb external resources and information.

This study will highlight the meditating role of absorptive capacity in the relationship between strategic entrepreneurship and business performance through its application to a vital Jordanian economic sector (Jordanian pharmaceutical companies). The primary aim of this research was to examine the influence of strategic entrepreneurship, through its three dimensions (entrepreneurial leadership, entrepreneurial mindset, and entrepreneurial culture), on business performance, with a focus on its dimensions (operational performance, financial performance, and organizational effectiveness). Additionally, the study sought to investigate the mediating role of absorptive capacity in the relationship between strategic entrepreneurship and business performance in terms of its dimensions (operational performance, financial performance, and organizational effectiveness).

This investigation stands apart from prior research by illuminating the intermediary function of absorptive capacity within the relationship between the independent variable of strategic entrepreneurship, and encompassing its dimensions (entrepreneurial leadership, entrepreneurial mindset, and

entrepreneurial culture), and business performance, incorporating its dimensions (operational performance, financial performance, and organizational effectiveness) in the context of Jordanian pharmaceutical companies. To the best of the researchers' knowledge, existing literature examining the mediating influence of absorptive capacity on the relationship between strategic entrepreneurship and business performance remains limited, particularly within the broader Arab region and specifically the Jordanian commercial environment. Absorptive capacity has been studied extensively as a mediating variable including the studies of Yaseen et al. (2018) and Aljanabi (2017) with the latter study being distinguished by its analysis of the impact of strategic entrepreneurship on business performance, which allowed for a deeper understanding of the relationship and interpretation of the impact between the study variables (strategic entrepreneurship and business performance).

The current study aims to add a new attempt to understand how strategic entrepreneurship affects business performance directly, and then to understand the indirect relationships through absorptive capacity in Jordanian pharmaceutical companies. Therefore, this study is one of the rare studies in the literature that examines these relationships in the context of developing countries. This will help create a better understanding of how to enhance business performance through strategic entrepreneurial thinking and transform external knowledge into organizational routines that companies can use to improve their business performance.

1.1 The Need for the Research

Jordanian pharmaceutical companies are considered among the most knowledge-intensive companies (Al-Khatib, 2023). These companies are also considered among the most capable of conducting research and development and striving to provide new innovations. However, this sector, especially in emerging economies, lacks some clarity about understanding the relationships between strategic entrepreneurship and business performance through absorptive capacity. Therefore, the current study developed an empirical model that can be tested to determine the extent to which pharmaceutical companies in Jordan can achieve new business results by using new strategic entrepreneurial practices through the use of external knowledge and placing it in the organizational context.

Based on the results of previous studies, such as Paek and Lee (2018), there is an impact of strategic entrepreneurship on business performance. Zahra and George (2004) and Aljanabi (2017) confirmed the existence of an impact of strategic entrepreneurship on absorptive capacity. Tzokas et al. (2015) and Aljanabi (2017) confirmed that absorptive capacity has a mediating role. There is a scarcity of studies that have dealt with the mediating role of absorptive capacity in the relationship between strategic entrepreneurship and business performance, especially in the Jordanian business environment. This study addresses the mediating role of absorptive capacity in the relationship between strategic entrepreneurship and business performance in the Jordanian business environment. This study also considers strategic entrepreneurship and absorptive capacity as factors that can play an important role in the business performance of organizations.

Furthermore, enhancing organizational effectiveness is critical for pharmaceutical companies in Jordan, as it augments resource allocation and facilitates the attainment of a competitive edge, because of the importance of pharmaceutical firms within the Jordanian economic environment. Given the objectives of this research and the problem of the study, the empirical model aims to answer the following questions:

What are the direct effects of all dimensions of strategic entrepreneurship and absorptive capacity on business performance? Does absorptive capacity have a mediating role in the relationship between strategic

entrepreneurship and business performance?

The significance of this research is underscored by its exploration of the influence of strategic entrepreneurship dimensions on organizational performance, while considering the mediating role of absorptive capacity within Jordanian pharmaceutical companies. As a critical contributor to the Jordanian economy, this industry leverages external sources of information to devise strategic entrepreneurial initiatives that enable the attainment of profitability and expansion objectives.

This investigation has functional relevance by addressing a crucial sector in the Jordanian economic environment. Further, the study provides valuable recommendations and insights for organizational leaders, equipping them with strategies for adopting strategic entrepreneurship practices and attaining superior competitive performance within the business domain.

2. Research Background and Hypothesis Development

2.1 The Relationship between Strategic Entrepreneurship and Business Performance

Strategic entrepreneurship is considered an innovative and dynamic approach that ensures a company's ability to provide new products or services with a high level of change (Paek & Lee, 2018), as strategic entrepreneurship plays a necessary role in enhancing business performance by developing proactive perceptions about the market and available opportunities (Al-Khatib & Al-Ghanem, 2022), which ensures the ability to achieve the best results. Given the previous literature, this concept has received significant attention in academic literature due to its ability to stimulate superior business performance (Paek & Lee, 2018). Empirical research has consistently demonstrated a positive and strong relationship between strategic entrepreneurship and business performance. Companies that embrace strategic entrepreneurship tend to exhibit higher levels of innovation, adaptability, and responsiveness to the market, which are critical factors in achieving a sustainable competitive advantage.

The hypotheses were built based on previous literature related to this study's topic. The relationship between strategic entrepreneurship and business performance was examined in numerous studies, such as Paek and Lee (2018). A review of literature related to this study (Paek & Lee, 2018) has shown that there is a significant impact of strategic entrepreneurship on business performance, because strategic entrepreneurship plays an important role in enhancing organizations' response to technological, organizational, and operational innovation, as well as superior financial performance. Chirico et al. (2011) and Paek and Lee (2018) supported the previous result that strategic entrepreneurship contributes significantly to creating wealth, competitive advantage, as well as increasing the performance of organizations. Further, Lee et al. (2001) and Kraus et al. (2012) indicated that the entrepreneurial orientation, which is a basis for strategic entrepreneurship, positively affects the performance of companies. Those previous studies supported the relationships that were apparent from the current study, which leads to the first hypothesis of this study:

Ho1: The first main hypothesis: There is no statistically significant effect at the level of ($a \leq 0.05$) of the dimensions of strategic entrepreneurship on business performance in Jordanian pharmaceutical companies.

2.2 The Relationship between Strategic Entrepreneurship and Absorptive Capacity

Strategic entrepreneurship allows for the use of continuous and effective scanning of the external business environment, in order to search for emerging opportunities and threats and align organizational resources and capabilities with these changes (Rubini et al., 2013), strategically leading to that companies are in a better position to take advantage of emerging trends and benefit from untapped markets. Thus, this

proactive and forward-looking approach leads to improved organizational performance, increased market share, and enhanced long-term viability. The relationship between strategic entrepreneurship and absorptive capacity has been proven in the literature, as companies' understanding of their external environment will allow them to use external knowledge that is most appropriate for them (Al-Khatib & Ramayah, 2023), and this means filtering knowledge and using the most relevant knowledge in the business and activities of the company (Hernández-Perlines, 2018), thus achieving the highest level of innovation and organizational success. Therefore, strategic entrepreneurship evaluates available opportunities proactively, which enhances the optimal use of knowledge and thus transforms it into an organizational routine.

Studies that examined the relationship between strategic entrepreneurship and absorptive capacity included Zahra and George (2004) and Aljanabi (2017). Further, Jiménez - Barrionuevo (2019) examined the relationship between strategic entrepreneurship and absorptive capacity and indicated that strategic entrepreneurship plays a positive and influential role in absorptive capacity. Therefore, the organization's orientation towards strategic entrepreneurship will clearly affect the organization's ability to acquire, absorb and transfer external knowledge in the organization. It has been observed in literature related to entrepreneurial orientation and absorptive capacity that the relationship between them is reciprocal (Masa'deh et al., 2013; Rubini et al., 2013). It was indicated that absorptive capacity affects technological entrepreneurship, as external sources of knowledge and their inclusion in organizations contribute to increasing technological entrepreneurship by creating new products. This leads to the second hypothesis of this study, which is as follows:

Ho2: The second main hypothesis: There is no statistically significant effect at the level of ($\alpha \leq 0.05$) of the dimensions of strategic entrepreneurship on absorptive capacity in Jordanian pharmaceutical companies.

2.3 The Relationship between Absorptive Capacity and Business Performance

Absorptive capacity helps enhance business performance by introducing new innovations (Al-Khatib & Ramayah, 2023). In addition, absorptive capacity can be a facilitator of research and development processes and the generation of new ideas and knowledge (Hernández-Perlines, 2018), thereby contributing to building superior business performance. Further, pharmaceutical companies are trying to benefit from research and development efforts and to generate new ideas to improve their business operations. Therefore, pharmaceutical companies can greatly benefit from absorptive capacity (Al-Khatib, 2023).

Studies that examined the relationship between absorptive capacity and business performance, including Hernández-Perlines (2018), were also used to build the hypotheses. Further, Tepic et al. (2012) indicated that absorptive capacity positively affects profitability, and thus business performance, by raising the capabilities of innovative organizations. The third hypothesis of this study is formulated as follows:

Ho3: The third main hypothesis: There is no statistically significant effect at the level of ($a \leq 0.05$) of the dimensions of absorptive capacity on business performance in Jordanian pharmaceutical companies.

2.4 The Mediating Effect of Absorptive Capacity

Tzokas et al. (2015) examined the impact of absorptive capacity as an intermediate variable on business performance. The study concluded that the organization's capacity and performance increase with the presence of absorptive capacity as an intermediate variable. Aljanabi (2017) supported the finding that absorptive capacity plays a mediating role, as Tzokas et al. (2015) indicated the presence of a mediation effect between entrepreneurial orientation and innovative performance through the so-called

innovative technological capacity. The results of Ade and Affes (2016) highlighted that absorptive capacity plays a mediating role between entrepreneurial orientation and relationship networks. Hernández-Perlines (2018) confirmed that absorptive capacity also plays a role as a modifying variable and improves the relationship between entrepreneurial orientation and business performance. Zahra and George (2004) examined the importance of absorptive capacity in building entrepreneurial organizations. Zahra and George (2004) indicated that the source of entrepreneurial ideas does not have to be from the internal sources in the organization. Many entrepreneurial ideas originate from outside the organization. Therefore, absorptive capacity will play a major role in the success of entrepreneurial projects and businesses. The fourth hypothesis of this study is as follows:

Ho4: The fourth main hypothesis: There is no statistically significant effect at the level of ($a \leq 0.05$) of strategic entrepreneurship on business performance through the mediating role of absorptive capacity in Jordanian pharmaceutical companies. Figure (1) shows the research model.

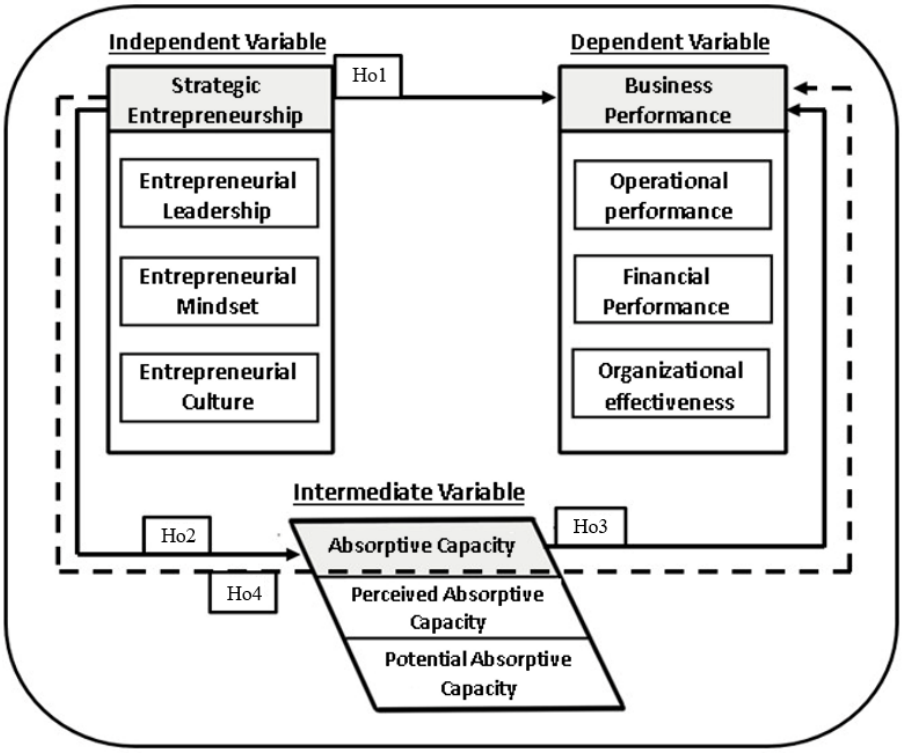

Figure (1)
Research model

3. Theoretical Background and Relevant Previous Studies

Entrepreneurship is considered one of the most important concepts in the fields of management and business (Tunali & Sener, 2019). The attention of many researchers has been lately focused on entrepreneurship because of its economic and social impacts. The Austrian economist Joseph Schumpeter defined entrepreneurship as "the process of making change by the entrepreneur by introducing a new product, service, or process". Al-Khateeb (2020) defined entrepreneurship as a "new way of working, opening a new market, or a new source of raw material". Drucker (1993) defined entrepreneurship as "the process that creates a new market and new

customers". According to Drucker's definition, entrepreneurship is at the core of creating added value for the customer. According to Shane and Venkataraman (2000), the functions of entrepreneurship includes the processes of discovering, evaluating and providing new products and services, in addition to discovering new strategies, organizational tools and new markets.

In the last two decades, researchers Al Fawair et al. (2020) have classified entrepreneurship into several categories, such as social entrepreneurship, internal entrepreneurship, commercial entrepreneurship, entrepreneurship in business, and external entrepreneurship. Strategic entrepreneurship is considered one of the new topics in the fields of strategy and entrepreneurship. Strategic entrepreneurship is described as entrepreneurship from a strategic perspective. Tülüce and Yurtkur (2015) argued that strategic entrepreneurship plays an important role in highly turbulent and complex environments.

Hitt et al. (2001) defined strategic entrepreneurship as "the integration of the entrepreneurial perspective and the strategic perspective to design and implement entrepreneurial strategies that create wealth". Ireland and Webb (2007) defined strategic entrepreneurship as "a combination of behaviors that seek to obtain an opportunity and a competitive advantage at the same time". Mazzei (2018) defined strategic entrepreneurship as "organizational innovations within the company that include behaviors which seek opportunities and competitive advantages". Thus, entrepreneurship from a strategic perspective, or the so-called strategic entrepreneurship, focuses on the importance of strategically managing entrepreneurial business resources and activities in the organization in order to create a competitive advantage (Tanţău, 2008).

According to Luke et al. (2011), strategic entrepreneurship is represented by four basic aspects: the entrepreneurial activity, the application of this entrepreneurial activity in the strategic context of the organization, the development of expertise within the framework of basic skills and resources, and the application of the knowledge of those skills and resources to products, services or new markets.

Previous studies have confirmed that strategic entrepreneurship leads to a comprehensive and integrated commitment by management to continuous innovation policies, especially intermittent innovation as a major driver of wealth (Monsen & Boss, 2009). According to Ireland and Webb (2007), strategic entrepreneurship, combines the values of entrepreneurship, such as creating new opportunities, renewal, and innovation with strategies that focus on developing a competitive advantage for the organization, as well as designing the company's goals and managing the organization's resources. This combination will create new behaviors for the organization, such as a balance between discovery, exploitation and the continuous flow of innovation; in other words, the balance between the activities of discovery and exploitation.

According to Hitt et al. (2001), the importance of strategic entrepreneurship stems from the fact that the organization will fail or be ineffective if it focuses on either strategy or entrepreneurship while neglecting the other. This means that it will be in the organization's best interest to combine these two characteristics (strategy and entrepreneurship). The combination of these two characteristics will inevitably lead to the organization's success and achieving a sustainable competitive advantage (Hernández-Perlines, 2018).

This study relied on the study model of (Ireland et al., 2003; Dogan, 2015) to build the independent variable strategic entrepreneurship with its dimensions (entrepreneurial leadership, entrepreneurial mindset, and entrepreneurial culture), which will be addressed as follows:

3.1 Entrepreneurial Leadership

Several researchers have addressed the importance of entrepreneurial leadership as one of the

requirements and drivers of achieving a competitive advantage (Felix et al., 2019). Entrepreneurial leadership as described by Ireland et al. (2003) is "the ability to influence others to manage resources strategically and to emphasize behaviors and values that focus on the search for opportunities and competitive advantages". Renko et al. (2015) defined entrepreneurial leadership as "influencing and guiding members of the organization or group towards achieving organizational goals, which include recognizing and exploiting entrepreneurial opportunities". Therefore, entrepreneurial leadership requires an emotional impact, a clear vision, and a focus on the ability to inspire others, in addition to having the skills and mindset of the entrepreneur which help in identifying and developing new opportunities (Thornberry, 2006). Entrepreneurial leadership contributes to sustaining innovation and rapid adaptation in complex and uncertain environments (Surie & Ashley, 2008). Therefore, the leader of the organization is one of the main factors for the success or failure in any organization, especially an entrepreneurial organization (Felix et al., 2019).

3.2 Entrepreneurial Mindset

The entrepreneurial mindset according to Dogan (2015) is defined as "the ability to recognize new opportunities and the ability to use opportunities successfully". McMullen and Kier (2017) have indicated that the entrepreneurial mindset is "the ability to sense, act, and respond quickly to complex and uncertain circumstances". Thus, it facilitates adaptive efficiency. Webb et al. (2010) defined entrepreneurial mindset as "the cognitive frameworks through which new and existing knowledge is interpreted and used in decisions related to strategy and entrepreneurship". Because of the importance of entrepreneurial mindset, researchers proposed the possibility that all strategists should possess the skills of the entrepreneurial mindset because of the importance of those skills in exploiting opportunities and moving quickly in light of intense competition (Haynie et al., 2010). Cui et al. (2019) divided entrepreneurial mindset into components that included: alertness to opportunity, tendency to take risks, tolerance of ambiguity, and dispositional optimism.

The entrepreneurial mindset is considered an individual phenomenon as well as a collective phenomenon. This means that the entrepreneurial mindset is important for the owners of entrepreneurial businesses, as for well as for managers and employees in companies based on entrepreneurial businesses (Ireland et al., 2003).

3.3 Entrepreneurial Culture

Culture is defined as "the individual's mental programming that is arranged and coordinated by family and society with a set of values and beliefs that are passed on by individuals from generation to generation" (Hofstede et al., 2010). As for organizational culture, which distinguishes organizations from each other, Wheelen et al. (2018) defined it as "a set of values, beliefs and expectations that are learned and shared by members of a single organization and are transferred from generation to generation of employees. This culture reflects the values of the founder of the organization and its mission". Further, entrepreneurial culture was defined by Hanson et al. (2019) as "a system of shared values, beliefs, standards, rules, and opinions that are collectively within the organization. This culture affects the company's desire to support entrepreneurship in the short term, over time and across successive generations in the organization". Furthermore, Hisrich and Ramadani (2017) defined entrepreneurial culture as "focusing on encouraging employees to generate and experiment with new ideas and to participate in tasks and activities that may produce new opportunities".

According to Al-Hawajreh (2018), the main components of an entrepreneurial culture lie in individual initiatives, freedom, and continuous improvement. The entrepreneurial culture can be seen as the soft infrastructure that enables the organization to encourage employees to seize opportunities and encourage them to participate in entrepreneurship

(Al-Khateeb, 2020). Kantur (2015) has determined that organizational culture and its values that adopt risk determine the extent of the individual's and organization's inclinations towards entrepreneurial work. According to Kolzow (2014), the leaders of entrepreneurial organizations have a responsibility to develop and grow a culture that is tolerant of failure, adopts risk, and is open to all ideas to ensure the success of strategic entrepreneurship activities (Ireland et al., 2003).

3.4 Absorptive Capacity

Absorptive capacity is one of the modern concepts in knowledge management appearing for the first time in macro-economics literature (Jiménez -Barrionuevo et al., 2019). The interest in this term began with the definition of Cohen and Levinthal (1990), which described absorptive capacity as the company's ability to perceive the value and importance of new information and then assimilate it and apply it to new opportunities. The concept of absorptive capacity is one of the most vital concepts in knowledge management. The reason for that absorptive capacity is vital is that it measures the extent to which organizations are exposed to and absorb external knowledge and information and the extent to which this knowledge is exploited for the benefit of the organization in its daily activities (Martinez-Sanchez & Lahoz-Leo, 2018). Cohen and Levinthal (1990) defined absorptive capacity as "the company's ability to recognize the value of new external information, absorb it, and apply it to its business activities". Flatten et al. (2015) defined absorptive capacity as "the dynamic ability in relation to the creation and use of knowledge". It can be noted from the previous two definitions that absorptive capacity includes the ability of the organization to benefit from the external knowledge that it obtains from several sources. This knowledge must then be exploited in optimal ways and integrated into the various activities of the organization. Further Teece et al. (1997) defined absorptive capacity as "the company's ability to integrate, build and reconfigure internal and external competencies to address rapidly changing environments".

Zahra and George (2002) divided absorptive capacity into two parts: perceived absorptive capacity and potential absorptive capacity. Zahra and George (2002) defined absorptive capacity on this basis as "the company's ability to benefit from external knowledge through three processes in sequence, which are as follows: perceiving and understanding potential new knowledge that is of value to the company and is obtained through exploratory learning; assimilation of this new knowledge through transformational learning; and then using this knowledge that has been combined and assimilated to create new knowledge and business outcomes through exploitive learning.

This study focused on the two dimensions of absorptive capacity that were proposed by Zahra and George (2002); namely, perceived absorptive capacity and potential absorptive capacity. According to previous studies, potential absorptive capacity includes the process of acquiring and absorbing knowledge. As for perceived absorptive capacity, it includes the transfer and exploitation of knowledge (Yaseen et al., 2018), and acquisition refers to the company's ability to identify and acquire external knowledge through the information in its environment (Fosfuri & Tribó, 2008). Further, assimilation refers to the company's ability to develop processes and policies that are useful in analyzing and understanding the knowledge that has been acquired from outside the company (Flatten et al., 2011). As for transformation, it refers to the process of developing and improving procedures and policies for the purpose of combing current and acquired knowledge and assimilating it for future use (Zahra & George, 2002). Furthermore, exploitation refers to a company's ability to develop and use existing procedures, competencies and techniques to create something new based on acquired and transferred knowledge (del Carmen Haro-Dominguez et al., 2007).

Several studies have confirmed the importance of

absorptive capacity as a vital factor in creating a competitive advantage in organizations (Soo et al., 2017). Also, the results of several studies, such as (Tsai, 2001), showed that absorptive capacity plays an active role in innovation and thus in increasing organizational and business performance in organizations.

4. Research Methodology

The descriptive analytical method was used for this study. Previous literature related to the subject of this study and its variables was used as secondary sources in order to develop and build the theoretical framework (Kantur, 2015; Soo et al., 2017; Amin et al., 2019). A questionnaire was used as a primary source to address the analytical aspects of this study (Amin et al., 2019). The questionnaire was also developed as a study tool to collect data related to this study's variables. The questionnaire included a number of paragraphs that reflected this study's objectives and questions which the respondents answered. The five-point Likert scale was used, where each answer was given relative importance according to the approved methods for using this scale (Hair et al., 2010). The following equation was used to determine the level of importance of each dimension: The length of the category= (the highest value of answers-the lowest value of answers) / the number of levels of importance. Category length= (5-1)/3-1.33.

The levels of importance of each dimension are shown in the Table 1:

Table 1
The levels of significance for arithmetic averages

Importance level	Arithmetic average
Low	1.00-2.33
Medium	2.34-3.66
High	3.67-5.00

Appropriate statistical methods were used to examine the data pertinent to this research, primarily incorporating descriptive statistical metrics including the arithmetic means and standard deviations. Furthermore, analytical statistical techniques, such as multiple regression analysis, were utilized to measure the influence of each dimension of strategic entrepreneurship on absorptive capacity, in addition to ascertaining the effect of absorptive capacity on organizational performance. Path analysis facilitated the identification of mediation effects of absorptive capacity interposed between strategic entrepreneurship and business performance. The veracity and dependability of this investigation were corroborated *via* the implementation of Cronbach's alpha coefficient, composite reliability, Confirmatory Factor Analysis (CFA), convergent validity, and discriminant validity.

4.1 Research Population

The research group was composed of all the personnel employed across 19 pharmaceutical companies located in Jordan. A total of 300 surveys were distributed among staff members, spanning all levels of the organizational hierarchy. Out of the collected 247 surveys, 236 were deemed suitable for subsequent examination, following the exclusion of incomplete forms or forms that were not returned. This yielded a response retrieval rate of 78.6%. Table 2 shows the demographic characteristics of this study's sample members.

Table 2
The demographics characteristics of this study's sample members

Variable	Category	Frequency	Percentage
Sex	Male	160	67.8%
	Female	76	32.2%
Age	Less than 30 years old	136	57.6%
	Between 30 and 39 years old	56	23.7%
	Between 40 and 49 years old	36	15.2%
	50 years old and older	8	3.3%
Type of work in the company	Employee	140	59.3%
	Management	96	40.6%
Academic Qualification	High school or less	4	1.6%
	University graduate	192	81.3%
	Graduate studies	40	17%
Experience	Less than 5 years	100	42.4%
	Between 5 and 9 years	84	35.6%
	Between 10 and 14 years	32	13.6%
	15 years and more	20	8.5%
Total		236	100%

4.2 Instrument Design and Measures

A comprehensive survey instrument was carefully designed to facilitate the acquisition of the pertinent data. This instrument was subsequently submitted for evaluation to a panel of scholars with expertise in the field of business administration. After thoroughly scrutinizing the questionnaire, the academic experts proposed a set of insightful suggestions, which were duly incorporated into the questionnaire. Consequently, the survey instrument underwent revisions to reflect these expert recommendations. The final version of the questionnaire encompassed four principal sections: The initial segment focused on gathering demographic information pertaining to the study's sample population, including gender, age, specific job role within the organization, educational credentials, and duration of professional experience. The second part included paragraphs and phrases related to measuring the independent variable, which is strategic entrepreneurship, represented by its dimensions (entrepreneurial leadership, entrepreneurial mindset, and entrepreneurial culture), which were adopted from previous studies (Ireland et al., 2003; Ireland & Webb, 2007). The third part of the questionnaire included paragraphs and phrases related to the mediating variable, which is absorptive capacity, represented by its dimensions (potential absorptive capacity, and perceived absorptive capacity). The paragraphs were developed based on previous research (Soo et al., 2017). The fourth and final part of the questionnaire included paragraphs and phrases about the dependent variable, which is business performance, represented by its dimensions (financial performance, operational

performance, and organizational effectiveness). Paragraphs and study questions from the fourth part were adopted from previous studies (Parhizgari & Gilbert, 2004; Fullerton & Wempe, 2009; Hongyun et al., 2019).

5. Results

5.1 Reliabilities and Validities

The internal consistency method (Cronbach's alpha) was used to calculate the reliability of the questionnaire. The values of Cronbach's alpha for all the variables and the questionnaire in all its paragraphs were higher than (0.6), which is an acceptable percentage in human and social sciences (Sekaran & Bougie, 2016) and this is demonstrated in Table 3. Since this study used structural equation modeling (SEM), the composite reliability coefficient was used. All latent variables were greater than (0.70), and therefore, the values were greater than the acceptable threshold as set by Hair et al. (2010), as shown in Table 3.

The confirmatory factor analysis (CFA) was used to verify the factor validity and the paragraphs were measured and developed based on (CFA). The questionnaire was finished in its last form after arbitration and distribution of (33) paragraphs. Factor loading is less than 0.70 (Hair et al., 2014).

The average extracted variance (AVE) and the loading coefficients were used to verify the convergent validity, which is one of the main types of validity in structural equation modeling. If the averages of the extracted variance for the latent variables are greater than (0.50) and the loading coefficients are greater than (0.70), this would then indicate the existence of convergent validity between the components and items of the questionnaire.

Table 3 shows that all loading coefficients were greater than (0.70) and that the extracted mean of variance was greater than (0.50).

Table 3

Reliability and convergent validity coefficients

Variable	Pointer	Factor Loading	Cronbach's Alpha Coefficient	Compound Stability Coefficient	AVE
Entrepreneurial Leadership	EL1	0.826	0.907	0.907	0.709
	EL2	0.800			
	EL3	0.872			
	EL4	0.869			
Entrepreneurial Mindset	EM1	0.977	0.893	0.899	0.818
	EM2	0.825			
Entrepreneurial Culture	EC2	0.763	0.831	0.841	0.727
	EC3	0.934			
Absorptive Capacity	PAC2	1.007	0.882	0.902	0.702
	PAC3	0.785			
	RAC1	0.809			
	RAC2	0.795			
Financial Performance	FP1	0.738	0.816	0.777	0.635
	FP2	0.802			
	FP4	0.846			
Operational Performance	OP3	0.776	0.776	0.822	0.607
	OP4				
Organizational Performance	OE1	0.693	0.693	0.712	0.558
	OE2				

Fornell and Larcrker (1981) test was used to verify the existence of discriminant validity which states that the square root of the extracted mean variance must be greater than the correlations between the latent variable and other latent variables. Table 4 shows that the values of the square root of the extracted mean variance (shown in bold) are greater than all the correlations between the latent variable and other latent variables. Therefore, it can be concluded that there is an existence of discriminatory validity between the variables of this study.

Table 4

Discriminant validity between latent variables

	Entrepreneurial Leadership	**Entrepreneurial Mindset**	**Entrepreneurial Culture**	**Absorptive Capacity**	**Operational Performance**	**Financial Performance**	**Organizational Performance**
Entrepreneurial Leadership	**0.842**						
Entrepreneurial Mindset	0.732	**0.904**					
Entrepreneurial Culture	0.780	0.698	**0.853**				
Absorptive Capacity	0.593	0.510	0.611	**0.838**			
Operational Performance	0.536	0.282	0.536	0.728	**0.797**		
Financial Performance	0.574	0.515	0.678	0.687	0.598	**0.779**	
Organizational Performance	0.215	0.260	0.254	0.475	0.563	0.558	**0.747**

5.2 Statistical Analysis

Prior to evaluating the hypotheses that were proposed by this investigation, it is imperative to subject the acquired data to a preliminary examination in order to ascertain its appropriateness for statistical analysis, thereby precluding the possibility of encountering statistical anomalies that could give rise to erroneous or deceptive outcomes. To achieve this objective, both pairwise linear association and normality assessment tests were executed. These examinations serve as prerequisites for the accurate implementation of multiple linear regression analyses.

The pairwise test is a test that must be carried out before testing the hypotheses in order to make sure that there is no interference between the independent variables. The values of the coefficient of variance inflation must be less than 10. The results from Table 5 indicate that the obtained values of the variance inflation factor (VIF) range between (1.965-2.217) and are less than 10. Therefore, these variables do not suffer from the problem of double linearity.

Table 5

The values of the variance inflation factor and tolerance

Variable	**Tolerance**	**Variation Inflation Factor VIF**
Strategic Leadership Variables		
Entrepreneurial Leadership Dimension	0.468	2.139
Entrepreneurial Mindset Dimension	0.509	1.965
Entrepreneurial Culture Dimension	0.451	2.217

In order to verify that the data follows a normal distribution, the skew coefficient was calculated. If the skew value is less than (1) and (-1), this means that the data follows a normal distribution. All values were less than (1), which indicates that the data follows a normal distribution. Table 6 shows the values of the skew coefficient.

Table 6

The values of the skew coefficient

Variable	Skew Coefficient
Entrepreneurial Leadership	-0.836
Entrepreneurial Mindset	-0.520
Entrepreneurial Culture	-0.777
Absorptive Capacity	-0.767
Financial Performance	-0.447
Operational Performance	-0.906
Organizational Effectiveness	-0.882

5.3 Descriptive Analysis

Table 7 shows the descriptive statistics for this study's variables. The dimensions of financial performance and organizational effectiveness were the highest in terms of the arithmetic mean, where the average dimension of financial performance was (3.87) with a standard deviation of (0.78), indicating a high level of significance. The dimension of organizational effectiveness had an average arithmetic mean of (3.87) with a standard deviation of (0.74), showing a high level of significance. The dimension of entrepreneurial mindset had the smallest arithmetic mean of (3.51) and a standard deviation of (1.08), which is considered a medium level of significance.

Table 7

The arithmetic averages, standard deviations, and levels of significance for the study variables

Number	Variable	Mean Average	Standard Deviation	Importance Level
1	Entrepreneurial Leadership Dimension	3.75	0.92	High
2	Entrepreneurial Mindset Dimension	3.51	1.08	Medium
3	Entrepreneurial Culture Dimension	3.70	0.98	High
4	Absorptive Capacity Variable	3.75	0.74	High
5	Financial Performance	3.87	0.78	High
6	Operational Performance	3.83	0.80	High
7	Organizational Performance	3.87	0.74	High

5.4 Hypothesis Test

Utilizing both simple and multiple linear regression analyses, the hypotheses were rigorously examined. Additionally, path analysis was employed to assess the mediation hypothesis.

Evaluation of the Primary Hypothesis

The initial hypothesis, H_{01}, posits that no statistically significant impact exists at the level of $\alpha \leq 0.05$ for the strategic entrepreneurship dimensions on the business performance of Jordanian pharmaceutical companies.

Upon conducting a multiple linear regression analysis for the first hypothesis, it was observed that the computed F-value amounted to 37.832, which surpasses the tabular value. The statistical significance level was found to be 0.000, a value lower than the designated significance level of 0.05. Consequently, the model is deemed significant, and its value is distinct from zero. The correlation coefficient measured 0.573, indicating a moderate association between the independent and dependent variables. The coefficient of determination amounted to 0.329, signifying that 32.9% of the variance in the dependent variable can be attributed to the examined independent variable. The remaining

change in the dependent variable (67.1%) arises from factors not examined in this study.

Focusing on the impact of strategic entrepreneurship dimensions on business performance, the entrepreneurial leadership beta value measured 0.151, with a calculated t-value of 2.867. As this value exceeds the critical tabular value of 1.96, and the statistical significance level is 0.005, the null hypothesis is dismissed, accepting the alternative hypothesis asserting a statistically significant influence of entrepreneurial leadership on business performance.

Regarding the entrepreneurial mindset dimension, the beta value measured 0.060, with a calculated t-value of 1.403. Given that this value is less than the tabular value of 1.96, and the statistical significance level is 0.162, the null hypothesis is upheld, concluding that no statistically significant impact of the entrepreneurial mindset dimension on business performance exists.

Lastly, the entrepreneurial culture dimension yielded a beta value of 0.194 and a calculated t-value of 3.885. This value surpasses the tabular value of 1.96, and the statistical significance level measures 0.000, which is lower than the designated significance level of 0.05. As a result, the null hypothesis is dismissed, accepting the alternative hypothesis positing a statistically significant influence of entrepreneurial culture on the business performance of Jordanian pharmaceutical companies.

Table 8
Results of multiple linear regression test for the dimensions of strategic leadership on business performance

R Correlation		**Coefficient of Determination R^2**	**F-value**	**Significance Level**
0.573		0.329	37.832	0.00
Strategic Entrepreneurial Dimensions	B	Standard error	T Value	Significance Level
Entrepreneurial Leadership Dimension	0.151	0.053	2.867	0.005
Entrepreneurial Mindset Dimension	0.060	0.043	1.403	0.162
Entrepreneurial Culture Dimension	0.194	0.050	3.885	0.000
Tabular t-value at sample size (236) = (1.96).				

The second primary hypothesis Ho2 posits that no statistically significant impact exists at the level of statistical significance ($\alpha \leq 0.05$) concerning the dimensions of strategic entrepreneurship on absorptive capacity within Jordanian pharmaceutical firms.

As presented in Table 9, the statistical analysis results indicate that the test model is significant with respect to the calculated F-value of 52.486, exceeding the tabular value and its significance measures 0.000. This level falls below the statistical significance threshold of 0.05. Regarding the correlation coefficient, it measures 0.636, signifying a moderate-strength relationship between the independent and dependent variables. The coefficient of determination stands at 0.404, suggesting that 40.4% of the variance in the dependent variable results from the combined influence of the

independent variables. The remaining 59.6% of the variance is attributable to other factors not examined within this study.

In terms of the impact of strategic entrepreneurship dimensions on absorptive capacity, the beta value for the entrepreneurial leadership dimension is 0.206. The calculated t-value is 3.420, surpassing the tabular value of 1.96. The significance level registers 0.001, which is below the 0.05 statistical significance threshold. Consequently, the null hypothesis (Ho2) is rejected in favor of the alternative hypothesis, confirming a statistically significant effect of entrepreneurial leadership on absorptive capacity in Jordanian pharmaceutical companies.

As for the dimension of entrepreneurial mindset, the beta value was (0.153) and the calculated t-value was (3.118). This value is greater than the tabular value of (1.96). The level of statistical significance was (0.002). This level is less than the level of statistical significance at (0.05). Therefore, based on the hypothesis, there is a statistically significant effect of the entrepreneurial mindset on absorptive capacity in Jordanian pharmaceutical companies. As for the dimension of entrepreneurial culture, the beta value was (0.188) and the calculated t-value was (3.292). This value is greater than the tabular value of (1.96). The statistical level of significance was (0.001). This level is less than the level of statistical significance threshold (0.05). Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted, stating that there is a statistically significant effect of entrepreneurial culture on absorptive capacity in Jordanian pharmaceutical companies.

Table 9

Results of multiple linear regression test for the dimensions of strategic leadership on absorptive capacity

Correlation		**The Coefficient of Determination R^2**	**F-value**	**Significance Level**
0.636		0.404	52.486	0.000
Strategic Entrepreneurial Dimensions	B	Standard error	T-value	Significance Level
Entrepreneurial Leadership Dimension	0.206	0.060	3.420	0.001
Entrepreneurial Mindset Dimension	0.153	0.049	3.118	0.002
Entrepreneurial Culture Dimension	0.188	0.057	3.292	0.001
Tabular t-value at sample size (236) = (1.96)				

The third primary hypothesis, Ho3, posits: "There is no statistically significant impact at the level of ($\alpha \leq 0.05$) of absorptive capacity on business performance in Jordanian pharmaceutical companies".

Upon conducting a simple linear regression analysis to assess the third primary hypothesis, it was revealed that there exists a strong correlation between the independent and dependent variables, evidenced by the correlation coefficient (r) equaling 0.759. As for the coefficient of determination (R^2), its value amounted to 0.576, suggesting that 57.6% of the variance in the dependent variable can be accounted for by the independent variable. Meanwhile, the remaining 42.4% of the variance is attributable to extraneous factors not investigated in the present study.

The statistical model demonstrates significance as per the calculated F-value, which amounted to 317.419 and is statistically significant at the 0.000 level. Consequently, the model is deemed significant and capable of showing the dependent variable that is not equal to zero. Regarding the influence of absorptive capacity on business performance, the beta coefficient (β) was 0.627, while the calculated t-value amounted

to 17.816, surpassing the critical value of 1.96. The level of statistical significance was determined to be 0.000, a value lower than the specified level of statistical significance at 0.05. Hence, the null hypothesis (H_{03}) is rejected, and the alternative hypothesis is accepted, confirming that a statistically significant effect of absorptive capacity on business performance exists within Jordanian pharmaceutical companies.

Table 10

Results of simple linear regression test for absorptive capacity on business performance

Correlation		Coefficient of Determination R^2	F-value	Significance Level
0.759		0.576	317.419	0.000
Independent variable	B	Standard error	T-value	Significance Level
Absorptive capacity	0.627	0.035	17.816	0.000
Tabular t-value at sample size (236) = (1.96).				

The fourth primary hypothesis, H04, posits that "there is no statistically significant effect at the $\alpha \leq 0.05$ level of strategic entrepreneurship on business performance when considering absorptive capacity as a mediating variable in Jordanian pharmaceutical companies".

To investigate this hypothesis, a path analysis method was employed utilizing the AMOS software, and the model's validity was duly verified. The path analysis results demonstrated a direct impact of strategic entrepreneurship on business performance, as evidenced by the effect coefficient value of 0.246 and the critical ratio (CR) for the impact path equating to 3.646. Both of these values surpass the 1.96 threshold, and the significance level is denoted by three asterisks (***), signifying a statistically significant influence of strategic entrepreneurship on business performance.

Regarding the pathway linking strategic entrepreneurship to absorptive capacity, the relationship was also statistically significant, with an impact factor value of 0.347. Furthermore, the impact path value registered 7.816, which is significant at the three-asterisk (***) level. The absorptive capacity's influence on business performance yielded an impact factor of 1.064, and an impact path value of 6.639; exceeding the 1.96 benchmark and having significance level of three asterisks (***), indicating a statistically significant effect.

In terms of the indirect influence of strategic entrepreneurship on business performance through absorptive capacity, the impact factor amounted to 0.369, which is statistically significant. The Sobel test was employed to evaluate mediation, yielding a test value of 5.083 and a significance level of 0.000. Consequently, absorptive capacity serves as a mediator in the relationship between strategic entrepreneurship and business performance. The model's overall effect is calculated as (0.347 * 1.064) + 0.246 = 0.615. The mediation of the variable absorptive capacity is partial, as the influence path from the independent variable (strategic entrepreneurship) to the dependent variable (business performance) is statistically significant. This finding indicates that the mediating variable, absorptive capacity, plays a partial mediating role in the relationship between strategic entrepreneurship and business performance.

Table 11
Results of the path analysis of the variables of strategic entrepreneurship, absorptive capacity and business performance

Variables			**Impact Factor Value**	**Standard Error**	**Impact Path Value**	**Significance Level**
Strategic Entrepreneurship	→	Business Performance	**0.246**	0.068	3.646	***
Strategic Entrepreneurship	→	Absorptive Capacity	**0.347**	0.044	7.816	***
Absorptive Capacity	→	Business Performance	**1.064**	0.160	6.639	***
Strategic Entrepreneurship	Absorptive Capacity			Business Performance	Indirect Effect 0.369	***

*** significance is less than 0.01 level.

6. Discussion

First: The results of this study showed that strategic entrepreneurship has a statistically significant impact on business performance, as entrepreneurial leadership plays an important role in adopting entrepreneurial businesses and supporting, such businesses, thus increasing organizational and business performance. The results of this study also showed that entrepreneurial culture has a statistically significant impact on business performance. The researchers attributed this result to the existence of a culture that supports entrepreneurship and is open to different ideas and risks. Entrepreneurial culture has an active role in increasing entrepreneurial work and has a positive impact on business performance. These results are in agreement with the results of previous studies (Paek & Lee, 2018; Madi-Odeh et al., 2023). There was no statistically significant effect of entrepreneurial mindset on business performance from the point of view of this study's sample. This can be attributed to the fact that entrepreneurial mindset depends on the level of enthusiasm towards new ideas and opportunities and interaction with the external environment. Entrepreneurial mindset also depends on actual commitment to involve employees to reach new ideas. This was not significantly shown in the study sample.

Second: The results of this study confirmed that strategic entrepreneurship with its dimensions (entrepreneurial leadership, entrepreneurial mindset, and entrepreneurial culture) has a statistically significant impact on absorptive capacity in Jordanian pharmaceutical companies. The researchers attributed these results to the following factors: the existence of a leadership that is oriented toward and supportive of entrepreneurship, the existence of an entrepreneurial mindset that is forward looking toward new ideas, and the existence of an entrepreneurial culture that is open to new ideas and tolerant to risk. As a result of these factors, the organization will benefit from external sources of knowledge through its absorptive capacity. This knowledge will then become one of the main sources of knowledge in the organization. França and Rua (2016) were in agreement with these results.

Third: The results of this study showed that there is a statistically significant effect of absorptive capacity on business performance in Jordanian pharmaceutical companies. The researchers attributed this result to the organization's ability to receive, accept and integrate new knowledge with the existing knowledge of the organization. This will enhance organizational

learning and efficiency in operations and increase business performance in these organizations. Hernández-Perlines (2018) agreed with these results.

Fourth: The results of this study confirmed the existence of a statistically significant effect of absorptive capacity as a variable mediating the relationship between strategic entrepreneurship and business performance. This means that strategic entrepreneurship improves business performance with the presence of absorptive capacity. The results of this study were in agreement with Tzokas et al. (2015) and Ade and Affes (2016).

6.1 Implications

It is critical to integrate strategic entrepreneurship in organizations because of the fierce competitive business environment. Companies failing to incorporate this approach face heightened risks, as they may struggle to outperform competitors who have adopted strategic entrepreneurship. Further, organizations resistant to the shift towards strategic entrepreneurship may find themselves at a competitive disadvantage and may struggle to sustain their operations in the long run, given the increasingly aggressive business environment. Another important implication is that employee engagement in the creation of new ideas and innovation is a critical factor for successful strategic entrepreneurship. The cultivation of new ideas should be an inclusive process, drawing upon insights from all organizational levels and external contributors, rather than being confined to management alone. The recruitment of individuals possessing entrepreneurial characteristics is imperative for organizations aiming to foster a strategic entrepreneurship culture. Jordanian pharmaceutical companies need to have more awareness of their hiring practices.

In addition, the study revealed the need for employee involvement and enthusiasm regarding entrepreneurship. The results of the entrepreneurship mindset should be of concern because of the importance of having individuals with the characteristics of an entrepreneurship mindset to the entrepreneurship strategy. Top management's commitment and enthusiasm in endorsing this direction are crucial in inspiring and motivating subordinates to adopt the same mindset. The implementation of strategic entrepreneurship must be comprehensive, encompassing all departments and business functions. The success of this approach relies on the collective belief and endorsement of strategic entrepreneurship by all members and levels within the organization. It is the responsibility of top management to facilitate and oversee the execution of this strategic direction.

The implications of this study are also connected to a vital sector of the Jordanian economy. The Jordanian pharmaceutical industry is one of the biggest exporters in Jordan. Jordanian pharmaceutical companies are now exporting to several countries (Ashal et al., 2023).

6.2 Limitations and Future Research

The limitations of the present research include that the investigation's scope is confined to the pharmaceutical sector; therefore, caution should be taken in extrapolating the outcomes to other industries or contextual settings. It is recommended that similar inquiries should be undertaken across a diverse array of economic spheres. Additional sectors warrant exploration to ascertain the replicability of the observed results. Parallel investigations should be executed in nations with a more expansive pharmaceutical industry, such as the United States. This study did not encompass an exhaustive array of variables. Future research endeavors are encouraged to delve into the multi-faceted aspects of strategic entrepreneurship and its implications on business performance, by incorporating variables and dimensions that have remained unexplored within the present study. Assessing these supplementary variables would yield a more comprehensive understanding of the subject matter. Subsequent

research endeavors can expand this study's findings by examining the influence of additional factors on business performance, such as technological innovation and market orientation, and by investigating these connections in different industries and contextual settings.

6.3 Recommendations for Decision Makers

This research study yields several recommendations that can offer valuable insights for decision-makers and strategists in Jordanian pharmaceutical companies and beyond. These recommendations encompass the need for Jordanian pharmaceutical firms to comprehensively adopt entrepreneurial strategies, with a specific focus on nurturing entrepreneurial leadership and fostering an entrepreneurial culture. To support this transformation, it is essential to develop a visionary leadership approach that champions entrepreneurship, establish an encouraging organizational culture, and promote innovative processes.

Additionally, it is crucial for Jordanian pharmaceutical companies to ignite enthusiasm among top management for novel ideas and external engagement. This requires a genuine commitment to involving employees in idea generation and cultivating an overarching entrepreneurial mindset within the workforce. Employees should perceive entrepreneurship as a fundamental aspect of their work environment.

Jordanian pharmaceutical companies should also incorporate absorptive capacity in their operations. Absorptive capacity by its definition means absorbing external information and integrating it with the internal information of a company to improve its operations. The main asset that propels companies against their competitors is the possession of information about various business issues in the current business climate. Everything is based on information regarding competition between firms. Information is the most important asset that can distinguish one company from another regarding business, marketing and other issues. Having useful information about any business activity will lead to better business and organizational performance.

Further, the implementation of strategies that enhance absorptive capacity is paramount for Jordanian pharmaceutical companies, given its pivotal role in enhancing their ability to effectively execute various dimensions of entrepreneurial strategy, ultimately boosting overall business performance. Senior management must recognize the importance of aligning entrepreneurial strategy with the organization's capacity to assimilate and integrate new knowledge into existing organizational knowledge. This alignment should prioritize organizational learning and operational efficiency, leading to enhanced business performance.

In addition, Jordanian pharmaceutical companies, among others, should place a stronger emphasis on nurturing an entrepreneurial mindset. They should design a hiring process aimed at identifying and recruiting individuals with entrepreneurial attributes, as these individuals form the lifeblood of entrepreneurial organizations. Selecting the right employees is therefore essential.

6.4 Conclusion

In conclusion, this research examined the influence of strategic entrepreneurship and absorptive capacity on organizational performance within the Jordanian pharmaceutical sector. The study's outcomes indicated that strategic entrepreneurship, particularly entrepreneurial leadership and culture, exerted a positive effect on organizational performance. Moreover, absorptive capacity was determined to serve as a mediator in the association between strategic entrepreneurship and business performance.

Based on these discoveries, a multitude of pragmatic recommendations were proposed for decision-makers and strategists within Jordanian pharmaceutical organizations. These recommendations encompassed embracing the various

dimensions of entrepreneurial strategy, cultivating an entrepreneurial mentality among top-level management, augmenting the prominence of absorptive capacity, and connecting entrepreneurial strategy with organizational learning. By incorporating these recommendations, Jordanian pharmaceutical firms can establish a robust entrepreneurial orientation that bolsters innovation and expansion, resulting in a sustainable competitive edge. This research bears significant implications for managers and practitioners within the Jordanian pharmaceutical industry and beyond, as it offers valuable insights into the elements that contribute to commercial success in this fiercely competitive domain.

In summary, this investigation enriches the scholarly discourse on strategic entrepreneurship and absorptive capacity by underscoring their significance in enhancing business performance within Jordanian pharmaceutical entities.

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