

## **Entrepreneurial Leadership and Value Co-Creation: The Role of Employee Relations and Organisational Support among Small Businesses in Abia State**

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### **Abstract**

*Following the high failure rates of small businesses partly attributed to leadership, the study evaluated the effect of entrepreneurial leadership on value co-creation and the role of employee relations and organisational support among small businesses in Abia State. Using a survey of 314 employees, factor analysis and the Hayes macro process were used in dimension reduction and testing the mediation and moderation effects. The findings revealed opportunity-seeking, decision-making, and creativity as dimensions of entrepreneurial leadership (EL), with creativity as the strongest contributor. Employee relations significantly mediated the relationship between EL and value co-creation. Also, organisational support moderated the relationship between EL and value co-creation. The results suggested that EL is vital in a dynamic business environment to co-create value, while a superior result on value co-creation comes from employee relations' mediation and organisational support's moderation. This study made a significant contribution to scholarship in small business leadership and advanced the survival and success of small business studies in Nigeria.*

**Keywords:** Leadership, value co-creation, SMEs, Business management, Business success

### **Introduction**

Generally, small businesses represent a key aspect of any economy because of their significant contributions to the gross domestic product (GDP) of a nation. For instance, small businesses drive socio-economic transformation, wealth creation (Oloveze et al., 2023), job creation, income redistribution, and advancements in new products and processes (SMEDAN & NBS, 2017). In

Nigeria, they facilitate economic growth through domestic savings mobilisation and promotion of domestic ventures in addition to fostering innovation and efficiency (Ibitome et al., 2020). However, their operations have often been affected by a combination of problems that include policy misfit; administrative problems (SMEDAN & NBS, 2017); intense competition; infrastructural challenges, and the dynamism of customer expectations (Oloveze et al., 2024). The challenges can only be mitigated by appropriate leadership that promotes collaboration and employee mobilisation that enhances the creation and delivery of superior value to customers. In other words, leadership in entrepreneurial ventures is strategic, following the role it plays in the identification and utilisation of opportunities and making proactive decisions that lead to entrepreneurial success. For instance, it influences work behaviour and recognition of opportunity (Bagheri, 2017) and the motivation of an organisation to innovate and create (Yesuf & Fields, 2026).

The concept of entrepreneurial leadership (EL) is more than just the traditional management that involves employee motivation as a means of identifying opportunities and contributing creatively to organisational success. It is a style of leadership and behaviour that helps organisations operating in a turbulent, volatile, and highly competitive business environment by stimulating and fostering innovation and recognition of opportunity (Bagheri, 2017). As a strategy that is capable of driving employees' innovative behaviour, scholarship has demonstrated its effectiveness in affecting innovation management and employees' innovative behaviour in organisations that promote employee innovation (Yesuf & Fields, 2026). However, its effect on employees' innovative behaviour (Huang et al., 2014) and the innovation process and performance (Fontana & Musa, 2017) is scarce, while the mechanism of its influence on employees' innovative behaviour is inconsistent in the literature (Yesuf & Fields, 2026). For instance, Cai et al. (2019) reveal the effect of EL as an indirect effect that occurs through a complex process at organisational and individual levels, while Bagheri (2017) reveals its direct effect on employees' work behaviour and opportunity recognition. The significance of EL is highlighted in small businesses that lack formal structures following the close interaction of business owners with the employees, which may promote a direct influence on organisational success.

While leadership is significant for motivating employees, encouraging teamwork, and coordinating efforts towards attaining the set goals of an organization (Saputra, 2021), value co-creation is important for small businesses given that it facilitates organizational success and sustainability by enabling the integration of resources and knowledge from various stakeholders in ways that promote the development of relevant and innovative products/services (Lopez et al., 2024). The entrepreneurial ecosystems are adept at fostering co-creation for small businesses, given that it facilitates the provision of technology, new knowledge, and financial resources, especially when they collaborate with other actors like universities, employees, and government bodies within the entrepreneurial ecosystem (Carlos et al., 2025). It helps small businesses with new sources of knowledge and innovation, which may be instrumental in facilitating competitiveness in the industry, adapting to volatile changes in the market, and operating sustainably (Kim et al., 2020). Therefore, rather than viewing value as a sole responsibility of business owners, the collaborative interactions that co-creation emphasises can jointly generate value (Prahalad & Ramaswamy, 2004). Employees are important in businesses, following their continuous interaction with customers that can facilitate identification of opportunities, innovative solutions, and improvements in customer experiences. Organisational support is also important, which encompasses an available healthy work environment, recognition of employees' contributions, listening to their opinions and concerns, and fostering an enabling environment that helps them meet their needs (Turgut et al., 2025). The quality of employee relations is important

as it involves trust, communication, mutual respect, fairness, participation in decision-making, and the overall quality of interactions between the organisation and employees. For instance, the management of employee relations benefits both employees and the organisation, but scholarship shows a focus on human resource theories for improving organisational performance and less focus on employee concerns (Guest, 2017).

However, scholarship from developing economies suggests that leadership practices are often shaped by contextual factors like informal employment and relationships, institutional weaknesses, cultural norms, and resource constraints. While leadership can motivate employees' behaviour (Yesuf & Fields, 2026), the contextual characteristics may influence both employee relations and value co-creation differently from developed economies, thereby limiting the generalisation of previous findings. This implies the need for context-specific empirical evidence to understand the relationship between EL and value co-creation. On the other hand, while there is a growing scholarly interest in entrepreneurial leadership, existing studies have primarily focused on outcomes like entrepreneurial success (Hussain & Li, 2022), employee performance (Turgut et al., 2025), organizational performance (Indra et al., 2025), and innovative work behavior (Fatoki, 2021; Yesuf & Fields, 2026), while fewer studies have examined value co-creation as an outcome of entrepreneurial leadership within small businesses operating in developing economies like Nigeria. Further, while employee relations have been widely studied in human resource management, their mediating role in linking entrepreneurial leadership to value co-creation is underexplored, especially in the Nigerian context, where small businesses operate under challenging institutional and economic conditions that make effective leadership and employee collaboration essential for organisational success. In addition, organisational support can link EL to employee creativity (Turgut et al., 2025), therefore informing its consideration in this study.

In light of the discourse, it resonates with Nigeria's drive to diversify to non-oil sectors, especially the entrepreneurship ventures whose potential and contributions are no longer ignored (Mohammed, 2026). Nigerian small businesses have high failure rates, with a history of about 80% small business liquidation in five years, on account of challenges like poor financial management (Adebumiti, 2020) and lack of formal leadership and stakeholder integration (Agwu & Emeti, 2014). Therefore, this study evaluates the relationship between entrepreneurial leadership and value co-creation while examining the mediating role of employee relations and the moderating effect of organisational support among small businesses in Abia State. The hypotheses include:

H1a: Entrepreneurial leadership is significantly related to opportunity-seeking.

H1b: Entrepreneurial leadership is significantly related to decision-making.

H1c: Entrepreneurial leadership is significantly related to creativity.

H2: Employee relations mediate the relationship between entrepreneurial leadership and value co-creation.

H3: Organisational support moderates the relationship between entrepreneurial leadership and value co-creation.



constraints as they network with collaborators in ways that impact value creation (Kim et al., 2020). In an entrepreneurial ecosystem, value co-creation encompasses knowledge sharing, mutual benefits, and resource combination that helps organisations to overcome limitations (Carlos et al., 2025). While there are different stakeholders, Santos et al. (2025) reveal that the contribution of a stakeholder is dependent on the roles and nature of the relationship.

Entrepreneurial leadership (EL) is an aspect of leadership that is associated with entrepreneurs' proactivity, innovation, risk-taking, and decision-making (Hussain & Li, 2022), with other studies pivoting it to decision-making, creativity, and opportunity-seeking (Beta & Gezahegn, 2025). It facilitates opportunity recognition, competitiveness, and business growth while also promoting the impact of other leadership styles on businesses, like transformational leadership (Bagheri, 2017). For small businesses, EL facilitates the chances of overcoming obstacles while creating new opportunities. For instance, Bagheri and Karami (2026) identify EL leading to co-creation through employees, organisational vision, and collective action. However, as an emerging paradigm, EL has shifted from single-factor measurement to multiple factors. Various dimensions have been used in measuring EL, such as framing challenges, absorbing uncertainty, underwriting, building commitment, defining gravity and opportunity identification and exploitation (Bagheri & Harrison, 2020), strategy, communication, motivation, and personal factors (Hejazi et al., 2012), and creativity, opportunity-seeking, vision, decision-making, and risk-taking (Beta & Gezahegn, 2025). In this study, opportunity-seeking, decision-making, and creativity were the focus of EL dimensions given the contextual nature of the study, the prevailing SMEs challenges, and the dimensions representing an entrepreneurial leader's ability to identify opportunities, make strategic decisions, and generate innovative solutions that can facilitate employee collaboration and value co-creation.

In approaching EL, a higher-order construct form of the reflective-formative method is followed, as the study used Beta and Gezahegn's (2025) dimensions of EL. Extant literature shows researchers' use of dimensions that best fit the context of their study, theory, and empirical evidence rather than including all the dimensions. For instance, EL dimension has been approached from the competence and skills of leaders (Harrison et al., 2018), values (Surie & Ashley, 2008), and enterprise logic and authentic leadership (Jones & Crompton, 2009). In the present study, opportunity-seeking, decision-making, and creativity from Beta and Gezahegn's (2025) EL dimensions were used in a higher-order construct. Risk-taking was omitted because risk-taking often acts as a consequence of opportunity recognition rather than an independent leadership behaviour, while the owners of small businesses in developing economies often adopt calculated risk rather than high-risk strategies because of financial constraints. Besides, opportunity-seeking and decision-making already capture much of the strategic behaviour that precedes calculated risk. Second, vision was omitted because it is relatively stable and long-term, as the study is cross-sectional; as such, it is inadequate to capture long-term effects, but value co-creation requires ongoing interactive behaviours. Thus, creativity and opportunity-seeking represent more observable and actionable entrepreneurial behaviours among small businesses than vision alone.

Specifically, the attribute opportunity-seeking is an attribute of successful entrepreneurs that encompasses market identification and evaluation as well as exploitation on a continuous basis for organisational success (Utoyo et al., 2020). Continuous opportunity-seeking in a dynamic environment involves strategic decision-making on uncertainties, costs, and risks. Entrepreneurial leaders have this trait of opportunity-seeking (Beta & Gezahegn, 2025), following their inclination in applying their skills to pursue identified opportunities to promote business success (Simba & Thai, 2019). Extant literature reveals its connection as EL to business effectiveness (Beta &

Gezahegn, 2025) and a link between entrepreneurial leaders and supporting employees to promote business success (Griffin et al., 2010).

The trait of decision-making is an attribute of entrepreneurial leadership that has been widely examined in different contexts such as business effectiveness (Beta & Gezahegn, 2025) and organisational creativity (Mehmood et al., 2021). Decision-making plays a vital role in driving business success, especially when their innovative capacity and unique abilities contribute to shaping business performance. Extant literature shows that entrepreneurial leaders affect business success through employee skills (Mehmood et al., 2021), acceleration of processes and fostering of innovation (Kruse et al., 2023), and promotion of customer retention and management of risks and business financial stability, especially in a dynamic business climate (Quansah et al., 2022).

Creativity is a significant aspect of entrepreneurial leadership, following its uniqueness in resource mobilisation, identification, and exploitation of opportunities by devising innovative strategies (Beta & Gezahegn, 2025). The idea of creativity encompasses originality, innovation, and uniqueness (Bujor & Avasilcai, 2016). As a process that is harnessed and processed, EL connects to creativity by facilitating entrepreneurial abilities and skills of employees (Beta & Gezahegn, 2025). Extant literature reveals a link between EL and creativity (Frese & Gielnik, 2014), while as a trait of EL, creativity is linked to business success (Gilson & Litchfield, 2017) and business effectiveness (Beta & Gezahegn, 2025), while EL is supported to influence and stimulate innovative thinking, conventional wisdom, and the ability to seize business opportunities by employees (Yesuf & Fields).

### **Mediating Effect of Employee Relations**

The effectiveness of leadership is often dependent on social relations in ways that motivate action (Nabella et al., 2022). The concept of employee relations refers to the quality of interactions between employees and management, encompassing trust, communication, mutual respect, employee participation, fairness, conflict management, and organisational support. It appears in job satisfaction, skill enhancement, and personal fulfilment (Kurtessis et al., 2017). The social exchange theory (SET) by Blau (1964) reveals the importance of reciprocity in ways that employees reciprocate supportive leadership and fair organisational treatment through positive attitudes and discretionary behaviours that benefit the organisation. Employees are empowered by entrepreneurial leaders by recognising their contributions while promoting open communication that creates reciprocal relationships characterised by trust and commitment (Turgut et al., 2025). Employee relations are vital because some customers can destroy value and cause service failure in ways that affect business success, but employees' engagement with customers in empowering them to co-create is often beneficial to organisations (Boadi et al., 2022). Extant literature shows a relationship between employee relations and value co-creation (Parke et al., 2025) and its mediating effect (Yesuf & Fields, 2026; Turgut et al., 2025).

### **Moderating Effect of Organisational Support**

Organisational support (OS) deals with how employees trust and perceive employers valuing their inputs, contributions, and their well-being. It calls for management to encourage their workers by providing a secure work environment, engaging in effective communication that helps them meet their needs, and prioritising actions that influence employees' behaviour towards being committed to business success (Kara et al., 2021). How employees perceive organisational support reflects an organization's contribution to employees' welfare. For instance, extant literature confirms that employees' perceptions of promotion, salary increments, respect, value, moral support, sense of belonging, and general well-being are dependent on organisational support (Turgut et al., 2025).

In theory, Blau's (1964) social exchange theory suggests that employees reciprocate favourable treatment with greater engagement, cooperation, and discretionary effort. The argument for OS is that EL may not always produce the same level of value co-creation in every organisation. When employees perceive that the organisation values their contributions and efforts and cares about their wellbeing and self-development, they are more likely to respond positively to entrepreneurial leaders. The idea is that a supportive environment would encourage employees to be more willing to share knowledge, collaborate with others, generate innovative ideas, and participate actively in value co-creation. Extant literature shows a moderating effect between EL and creativity (Turgut et al., 2025).

### **Methodology**

A quantitative survey was used in this study. A cover letter emphasising confidentiality, anonymity, secured storage, voluntariness, withdrawal at any stage, and the purpose of the study was included in the research instrument, with permission granted by the 59 contacted small business owners in Abia State to administer the research instrument to their employees. A structured questionnaire that includes opportunity-seeking, decision-making, creativity, entrepreneurial leadership, employee relations, organisational support, and value co-creation was face-validated and self-administered via convenience sampling to 321 employees of small businesses in Abia State over a period of six weeks. The scales were adopted and modified from a previously validated instrument, particularly from Beta and Gezahegn (2025) and Turgut et al. (2025), while a 7-point Likert scale graduating from strongly disagree (1) to strongly agree (7) was used in measurement. Composite reliability and Cronbach's alpha of 0.07 were used (Hair et al., 2010), while convergent validity with 0.6 reference from factor loadings was used (Bagozzi & Yi, 1988). IBM SPSS v27 and Hayes' macro process v4.2 were used in the analysis.

### **Results**

314 responses were validated after preliminary screening tests for appropriateness of the responses, representing about a 98% response rate. The total sample comprised 50.3% male and 49.7% female. 63.1% were single, and 32.5% were married, while 4.4% were widowed. 48.7% had a diploma, 29.3% had a bachelor's degree, and 22% had a Senior School Certificate. 72.6% perceive the organisational support to be high, while 27.4% perceive it to be low. Principal component analysis (PCA) was used to simplify the datasets to facilitate data visualisation, as shown in Table 1. Also, the reliability tests through Cronbach's alpha and composite reliability, as shown in Table 1, satisfied the 0.70 threshold (Hair et al., 2010), thereby confirming the reliability of the instrument. The convergent validity through the factor loadings also validates the instrument following the 0.60 threshold recommended by Bagozzi and Yi (1988) in the literature, thereby confirming the validity of the instrument. The test for multicollinearity was examined through the variance inflation factor (VIF) and tolerance. The VIF values ranged from 2.017 to 3.019, while the tolerance values were from 0.622 to 0.913, confirming the non-existence of multicollinearity (Kim, 2019).

**Table 1. Principal Component Analysis, Reliability and Validity Assessment**

| Variable                   | Items                                                                                                                         | Factor loading | CA   | CR   |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------|------|------|
| Creativity                 | C1: Our leader encourages employees to develop innovative ideas for improving business performance.                           | .737           | .695 | .792 |
|                            | C2: Our leader supports experimentation with new ways of solving business problems.                                           | .786           |      |      |
|                            | C3: Our leader promotes creative thinking when responding to market changes.                                                  | .719           |      |      |
| Opportunity seeking        | OPS1: Our leader actively identifies new market opportunities for business growth.                                            | .745           | .737 | .764 |
|                            | OPS2: Our leader encourages employees to explore emerging business opportunities before competitors.                          | .826           |      |      |
| Decision-making            | D1: Our leader makes timely decisions in response to business challenges.                                                     | .862           | .838 | .899 |
|                            | D2: Our leader involves employees when making important business decisions.                                                   | .863           |      |      |
|                            | D3: Our leader makes strategic decisions that improve the competitiveness of the business.                                    | .871           |      |      |
| Entrepreneurial leadership | EL1: Our leader inspires employees to pursue innovative business goals.                                                       | .674           | .774 | .779 |
|                            | EL2: Our leader motivates employees to take initiative in creating value for customers.                                       | .721           |      |      |
|                            | EL3: Our leader effectively combines innovation, opportunity recognition and strategic direction to achieve business success. | .807           |      |      |
| Employee relations         | ER1: Employees in this business maintain positive working relationships with one another.                                     | .835           | .812 | .872 |
|                            | ER2: Management encourages open communication between employees and supervisors.                                              | .845           |      |      |
|                            | ER3: Employees are treated fairly and with respect in this business.                                                          | .819           |      |      |
| Value co-creation          | VCC1: Our business actively involves customers in developing or improving products and services.                              | .820           | .827 | .886 |
|                            | VCC2: Customer feedback is regularly incorporated into business decisions.                                                    | .855           |      |      |
|                            | VCC3: Our business collaborates with customers to create better value for both the business and its customers.                | .871           |      |      |

### Test of Hypotheses

Hayes' macro process is good for mediation analysis, as seen in other studies (Oloveze et al., 2021). However, the improved version of Hayes' macro process V4.2 was used, as it has the capacity to handle a mediation with nested moderation (Hayes, 2022). The extracted latent variable scores were fed into the Hayes Process to test the moderated mediation pathways. The results are indicated in Table 2 and Figure 2. First, opportunity-seeking (H1a:  $\beta = .108$ ,  $p = .001$ ), decision-making (H1b:  $\beta = .080$ ,  $p = .027$ ), and creativity (H1c:  $\beta = .108$ ,  $p = .000$ ) were confirmed to be related to entrepreneurial leadership as found in extant literature (Beta & Gezahegn, 2025).

Second, the mediating effect of employee relations was confirmed after using the Hayes Process Model 4 to test the mediation effect of employee relations on the relationship between EL and value co-creation. EL has a significant positive influence on employee relations ( $\beta = .656$ ,  $SE = 0.06$ ,  $t = 15.35$ ,  $p = .000$ ), while employee relations also have a significant positive effect on value co-creation ( $\beta = .553$ ,  $SE = 0.04$ ,  $t = 13.96$ ,  $p = .000$ ). The direct effect of EL on value co-creation is also significant after controlling for employee relations ( $\beta = .447$ ,  $p = .000$ ) and confirming a significant direct relationship. While the total effect indicates an overall positive significant effect of EL on value co-creation ( $\beta = .966$ ,  $SE = 0.05$ ,  $t = 17.73$ ,  $p = .000$ ), the bootstrap analysis (5000 samples) for examining the indirect effect indicated a significant indirect effect ( $\beta = .519$ ,  $BootSE = 0.06$ , 95% confidence interval (CI) [Lower Limit CI = .3957, Upper Limit CI = .6423]) as the CI excluded zero. The findings confirm that employee relations partially mediate the effect of EL on value co-creation. The variables account for 69.4% of the variance in the model.

Third, the moderating effect of organisational support was also confirmed after using Hayes Process Model 1 to test the moderation effect of organisational support on the relationship between EL and value co-creation. Both EL ( $\beta = 1.205$ ,  $SE = 0.13$ ,  $t = 9.40$ ,  $p = .000$ ) and organisational support ( $\beta = .784$ ,  $SE = 0.45$ ,  $t = 1.74$ ,  $p = .049$ ), while the interaction between EL and organisational support was significant ( $\beta = .182$ ,  $SE = 0.09$ ,  $t = -2.08$ ,  $p = .038$ ), confirming a significant moderation effect. The interaction explained an additional 7% of the variance in value co-creation ( $\Delta R^2 = 0.0068$ ,  $F = 4.33$ ,  $p = .038$ ).

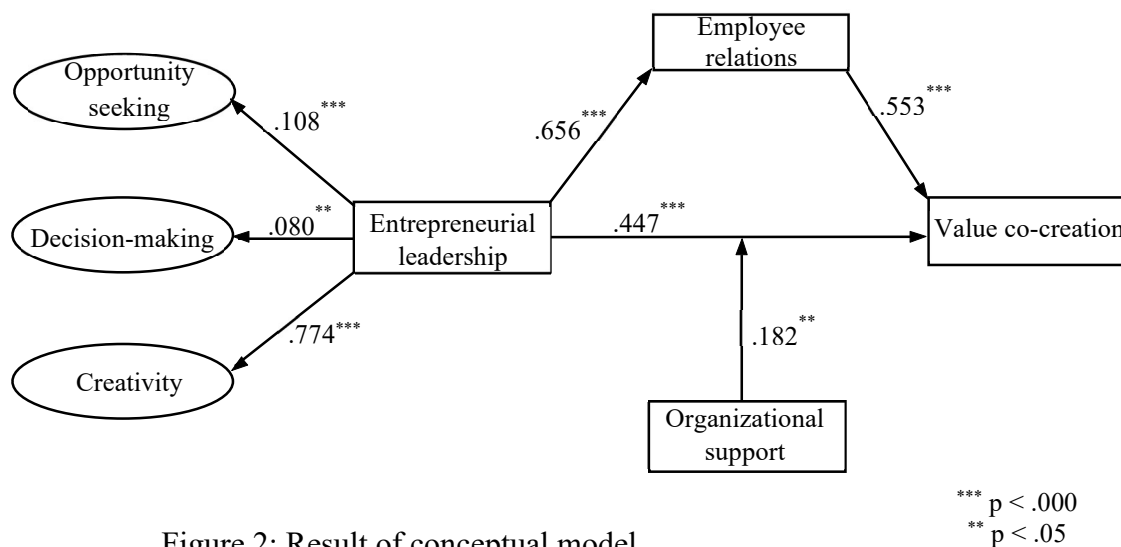


Figure 2: Result of conceptual model

**Table 2: Results of the Analysis**

| Variable            | Hypotheses | $\beta$ | se   | t     | Sig. | Decision |
|---------------------|------------|---------|------|-------|------|----------|
| Opportunity-seeking | H1a: EL→OS | .108    | .034 | 3.28  | .001 | Support  |
| Decision-making     | H1b: EL→DM | .080    | .035 | 2.23  | .027 | Support  |
| Creativity          | H1c: EL→C  | .774    | .031 | 23.00 | .000 | Support  |

**Mediation Analysis**

|                                       |                 | $\beta$ | SE  | t                     | Sign                  | Decision             |
|---------------------------------------|-----------------|---------|-----|-----------------------|-----------------------|----------------------|
| EL→ER, that is ( $X \rightarrow M$ )  | Path a          | .656    | .06 | 15.35                 | .000                  |                      |
| ER→VCC, that is ( $M \rightarrow Y$ ) | Path b          | .553    | .04 | 13.96                 | .000                  |                      |
| EL→VCC (Direct effect)                | path c'         | .447    | .06 | 7.88                  | .000                  |                      |
| Total effect of X on Y                | c               | .966    | .05 | 17.73                 | .000                  |                      |
|                                       | Indirect effect | .519    | .06 | BOOT<br>LLCI<br>.3957 | BOOT<br>ULCI<br>.6423 | Partial<br>mediation |
| R <sup>2</sup> : .694                 |                 |         |     |                       |                       |                      |
| R: .833                               |                 |         |     |                       |                       |                      |
| F: 352.36                             |                 |         |     |                       |                       |                      |

**Moderation Analysis**

|                    |                      | $\beta$ | SE  | t    | Sign | Decision |
|--------------------|----------------------|---------|-----|------|------|----------|
| X→Y                | EL→VCC               | 1.205   | .13 | 9.40 | .000 |          |
| W→Y                | OS→VCC               | .784    | .45 | 1.74 | .050 |          |
| X*W                | Interaction term     | .182    | .09 | 2.08 | .038 |          |
| Explained variance | $\Delta R^2 = .0068$ | -       | -   | -    | .038 |          |
|                    | F = 4.331            |         |     |      |      |          |

**Discussion and Implication**

The study examined the effect of EL on value co-creation of small businesses in Abia State and also investigated the mediating effect of employee relations and the moderating effect of organisational support. The results confirm acceptance of all the hypothesised relationships. First, the dimensions of EL—opportunity-seeking, decision-making, and creativity- were confirmed just as in the literature (Beta & Gezahegn, 2025). While opportunity-seeking and decision-making had low contributions to EL, creativity was the major contributor in the EL dimension for this study. The results align with RBV, especially in leveraging internal resources to harness opportunities (Miles, 2012), while creativity emphasises the importance of entrepreneurial leaders in developing solutions to myriads of challenges in a dynamic and turbulent business climate. The dimensions highlight the significance of EL not only in fostering innovation and proactiveness but also in decision-making and opportunity-seeking. For instance, in a turbulent business environment where small businesses have resource constraints, entrepreneurial decision-making and opportunity-seeking are important leadership traits that enable them to navigate the challenges. While the contribution of decision-making and opportunity-seeking is low, it reveals the inclination of small business owners to rely on other important aspects such as creativity. The result may also offer a direction of entrepreneurial leaders' cognition in depending on creativity to navigate challenging business environments. Business environments that are unpredictable, volatile, and complex make entrepreneurial leaders resort to shortcuts or short-term fixes (Roor & Maas, 2024).

The mediating effect of employee relations on the relationship between EL and value co-creation is confirmed and supported by extant literature (Yesuf & Fields, 2026; Turgut et al., 2025). Employee relations influence value co-creation (Parke et al., 2025), while the evidence highlights the role of EL in enhancing the capacities of employees to make significant contributions through their supportive leadership and fair treatment. The finding aligns with the social exchange theory by buttressing the essential role of reciprocity and the important role of entrepreneurial leaders in supporting employees to co-create value. Employees are the front-line staff and often the face of small businesses following their daily interaction with customers. The partial mediation indicates that although EL directly influences value co-creation, the indirect effect is significantly higher than the direct effect. This highlights the significant roles of small business employees in their creative responses in enhancing the relationship when their well-being is catered for. This is significant because while customers may unintentionally destroy value, employees play an important role in arresting service failures arising from destroyed value (Boadi et al., 2022).

The result of the moderation analysis also supported the moderating effect of organisational support on the relationship between EL and value co-creation. This is supported in extant literature (Turgut et al., 2025). The moderating effect of organisational support creates a strengthening effect such that the positive effect of EL on value co-creation is stronger when organisational support as perceived by employees is high than when it is low. Following the social exchange theory, employees are more likely to reciprocate favourable treatments with greater engagement, cooperation, and discretionary effort. This indicates that in work environments that are supportive, employees are more willing to share knowledge, collaborate with colleagues and customers, generate innovative ideas, and actively participate in value co-creation. The implication is that small business entrepreneurial leaders must value the contributions of their workers, care about their well-being, provide adequate resources, recognise their effort, and support their development if they want the workers to contribute meaningfully to value co-creation.

### **Managerial Implications**

The findings suggest that creativity is the most valued aspect of EL, which may arise because of the dynamic nature of Nigeria's business environment. This informs a focus on harnessing the creative onus of the entrepreneurial leaders by providing targeted interventions. The implication of the employee mediation highlights the fact that while EL directly influences value co-creation, employee relations produces a highly significant indirect result. This calls for more investment in the well-being of small business workers to harness their potential in creating innovative competitive offerings for the market. While employees' skills and capacities serve as the internal resources of the small businesses, harnessing the talents requires supportive leadership. Similarly, the moderation analysis implies that EL alone is not sufficient to maximise value co-creation in small businesses. Therefore, small business owners need to complement EL practices with a supportive organisational environment that encourages employees to actively participate in value co-creation activities. Policies and practices that make employees feel valued and respected can amplify their effectiveness. Further, an open channel of communication, involvement of employees in decision-making, and recognising employee contributions can strengthen how employees perceive organisational support and influence their contribution of innovative ideas that can enhance value co-creation. Lastly, in Nigeria's challenging business environment where resource constraints are the bane of successful business operation, building a supportive work climate can be a cost-effective strategy for improving performance.

## **Conclusion and Recommendation**

The study considered entrepreneurial leadership and value co-creation by focusing on the role of employee relations and organisational support among small businesses in Abia State. Employee relations was used as the mediating variable while organisational support was used as a moderating variable in the relationship between entrepreneurial leadership and value co-creation. The findings demonstrate that entrepreneurial leadership significantly enhances value co-creation by fostering innovation, collaboration, proactive problem-solving, and shared value. Further, employee relations were found to partially mediate this relationship, indicating that entrepreneurial leaders promote value co-creation by cultivating positive relationships with employees characterised by trust, effective communication, participation, and mutual respect.

Also, organisational support significantly moderates the relationship between entrepreneurial leadership and value co-creation, thereby suggesting that the effectiveness of entrepreneurial leadership in promoting value co-creation depends on the level of support provided by the organisation. When employees perceive adequate organisational support through the provision of resources, recognition, and a supportive work environment, the positive influence of EL on value co-creation is strengthened. Conversely, inadequate organisational support weakens the ability of entrepreneurial leaders to translate their leadership behaviours into greater value co-creation outcomes.

Overall, this study concludes that EL is vital in driving value co-creation both directly and indirectly through employee relations. In addition, organisational support is a critical contextual factor that shapes the effectiveness of EL. Organisations, particularly SMEs, should therefore invest in developing EL capabilities, strengthen employee relations, and create supportive organisational environments to maximise value co-creation and enhance sustainable organisational performance.

Future lines of study are encouraged to include other dimensions of EL and also consider the gender roles and educational (formal vs. informal) roles in the relationship between EL and value co-creation to understand the gender contribution and educational significance in the relationship.

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