

**INFLUENCE OF CULTURAL VALUES ON ENTREPRENEURIAL  
OPPORTUNITY EXPLOITATION AMONG SMALL AND MEDIUM  
ENTERPRISE OWNERS IN TANZANIA: MEDIATION EFFECTS OF  
INNOVATIVENESS**

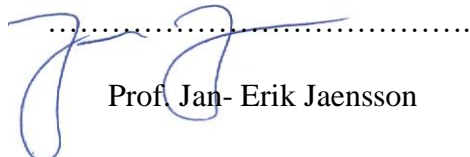
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**A THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENTS FOR  
THE DEGREE OF DOCTOR OF PHILOSOPHY (PhD)  
DEPARTMENT OF MARKETING, ENTREPRENEURSHIP AND  
MANAGEMENT  
OF THE OPEN UNIVERSITY OF TANZANIA**


**2023**

**CERTIFICATION**

The undersigned certifies that he has read and hereby recommends for examination, by the Open University of Tanzania, a thesis entitled, **“Influence of cultural values on entrepreneurial opportunity exploitation among Small and Medium Enterprise owners in Tanzania: Mediation Effects of Innovativeness”** in fulfilment of the requirements for the university award of Degree of Doctor of Philosophy (PhD).

  
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.....

Signature

.....

Date

**DEDICATION**

This PhD thesis is firstly dedicated to Almighty God for giving me physical, emotional and spiritual strength during undertaking the study. The work is also dedicated to My mother Tuganigwe Kibona, my wife Gloria Misana and my sons Daniel and David for their material, emotional and spiritual support.

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## ABSTRACT

This study examined the influence of cultural values on entrepreneurial opportunity exploitation among Small and Medium-scale Enterprise (SME) owners in Tanzania through the mediation effects of innovativeness. Mediation effects of innovativeness were assessed to explain the mechanism through which cultural values influence entrepreneurial opportunity exploitation among SME owners. The study employed positivism research philosophy and explanatory research design. Proportionate sampling and systematic random sampling were used to obtain a sample of 370 SME owners who were studied. The findings from Partial Least Square-Structural Equation Modelling path analysis show that individualism, masculinity and power distance cultural values have a positive significant direct influence on entrepreneurial opportunity exploitation. Long-term orientation, indulgence and uncertainty avoidance have an insignificant direct influence on entrepreneurial opportunity exploitation. The Mediation effects reveal that innovativeness significantly and positively mediates the relationship between individualism, power distance, indulgence, uncertainty avoidance and entrepreneurial opportunity exploitation. Furthermore, the findings also reveal insignificant mediation effects for long-term orientation and masculinity values. Basing on these findings, not all cultural values have direct and straight forward effects on entrepreneurial opportunity exploitation. The study recommends that policy makers, governments authorities and SME owners to incorporate individualism, masculinity, low power distance, indulgence values in their business strategies, plans and interventions aimed at promoting suitable business environment that stimulates innovativeness and entrepreneurial opportunity exploitation.

**Keywords:** *Cultural Values, Innovativeness, Entrepreneurship, Opportunity Exploitation.*

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**LIST OF ABBREVIATIONS**

AVE	Average Variance Extracted
CB	Covariance Based
GDP	Gross Domestic Product
GEDI	Global Entrepreneurship Development Index
GLOBE	Global Leadership and Organizational Behavior Effectiveness
HTMT	Heterotrait Monotrait
IN	Indulgence
IND	Individualism
INN	Innovativeness
LO	Long-term orientation
MA	Masculinity
OE	Opportunity Exploitation
OUT	Open University of Tanzania
PD	Power Distance
PLS	Partial List Square
SEM	Structural Equation Model
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for Social Sciences
TIA	Tanzania Institute of Accountancy
UN	Uncertainty Avoidance
URT	United Republic of Tanzania



USA	United States of America
VETA	Vocation Education and Training Authority
VIF	Variance Inflated Factor

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

Entrepreneurial opportunity exploitation is an essential component of entrepreneurship (Gehman & Etzion, 2014). However, entrepreneurial opportunity exploitation varies across the globe, across African countries; and specifically across the East African countries (Erhardt & Haenni, 2018; Huggins & Thompson, 2016). For instance, in the list of 100 world's most entrepreneurial countries, the United States of America (USA) ranks the first, followed by Germany, the United Kingdom (UK), and Israel in a row while in Africa; South Africa ranks the 48<sup>th</sup>, Rwanda the 50<sup>th</sup> and Uganda ranks the 91<sup>st</sup> (Dimitropoulou, 2021).

Entrepreneurial opportunity exploitation varies even in countries with equal economic, educational and legal conditions (Valliere, 2019). For example, although Germany and Netherlands have similar education systems, legal systems and economies, these countries rank differently in exploiting entrepreneurial opportunities (Dimitropoulou, 2021; Valliere, 2019). As shown above, variations are also observed among various African countries including those in East Africa. Among East African countries, Tanzania ranks the least below Rwanda, Kenya and Uganda in total entrepreneurship activities (Dimitropoulou, 2021). Yahya and Mutarubukwa (2015) assert that Tanzania has low capability of exploiting entrepreneurial opportunities provided by the markets of East African Community.

Entrepreneurial opportunity exploitation is predominantly conducted in the form of small and medium enterprises (SMEs). Mpanju (2019) posits that a great portion of

business set-ups worldwide are in the form of SMEs. Nearly ninety percent of businesses in both developed and developing countries are conducted in the form of SMEs (Mbuyisa & Leonard, 2017). SMEs form 83.3 percent of business establishments in Tanzania (URT, 2018). Approximately 12.83 percent of SMEs in Tanzania are found in Dar es Salaam (URT, 2012). Following the large share of SMEs in the commercial sector, SMEs play a key role in entrepreneurial opportunity exploitation in developing and developed countries as well.

Various factors cause differences in the rate and capability of entrepreneurial opportunity exploitation. Emphasis has been put on explaining institutional factors such as economic, legal and political factors (Stephan, 2022). These institutional factors such as the lack of capital, relevant skills and knowledge, experience, motivation, ineffective policies, among others do not adequately clarify the variations in entrepreneurial opportunity exploitation (Khan, Panditharathna, Hossain & Bember, 2022; Stephan, 2022). Little attention has been given to informal factors such as culture which is very significant ingredient that influences behaviour of entrepreneurs (Liu et al., 2019).

Cultural values have major effects in explaining differences among people acting on entrepreneurial opportunities because entrepreneurial opportunity exploitation is conducted within a specific social and cultural setting (Çelikkol, Kitapçı, & Döven, 2019; Erhardt & Haeni, 2018; Gehman & Etzion, 2017). Bugaje, Idris and Bashir (2023) assert that cultural values are the most important predictors of entrepreneurship activities. Cultural values influence entrepreneurial opportunity exploitation by creating positive environment, cultivating positive attitudes and

generating nonconformists who alternatively exploit entrepreneurial opportunities (Assmann & Ehrl, 2021).

Despite the significant role that culture plays in influencing entrepreneurial opportunity exploitation, there is a paucity of studies about its influence on entrepreneurial undertakings (Bate, 2023). Studies have focused more on comparing the difference of cultural values in two or more countries rather than examining how cultural values exert impact on entrepreneurial opportunity exploitation within the specific countries (Bugaje, *et al.*, 2023). The assessment of cultural values within the country can help to clarify the way cultural values stimulate or hinder utilization of entrepreneurial opportunities within nations.

Moreover, Schumpeter's innovation theory emphasises that innovativeness is a key and fundamental parameter that is associated with entrepreneurship (Sledzik, 2013, Upadhyay & Rawal, 2018). Hernández-Perline, Cisneros, Ribeiro-Soriano & Mogorrón-Guerrero (2020) posit that innovativeness is a fundamental element of entrepreneurship. Stephan (2022) contends that cultural values significantly affect innovativeness and entrepreneurial activities. Therefore, grounded on Hofstede theory of cultural dimensions and Schumpeter theory of innovation it is better to examine the direct and indirect effects of cultural values on entrepreneurial opportunity through innovativeness.

Cultural values of individualism, long term orientation, indulgence and masculinity substantially influence entrepreneurship (Çelikkol *et al.*, 2019). In the same study, Çelikkol *et al.* (2019) assert that uncertainty avoidance and power distance cultural

values have insignificant effect on entrepreneurship. Contrarily, Odzemir (2018) reveals that cultural values of masculinity, uncertainty avoidance and indulgence significantly affect entrepreneurship while individualism, power distance and long term orientation cultural values have no effects on entrepreneurship. Achim, Borlea and Vaidean (2019) contend that of all cultural values, uncertain avoidance and indulgence exert strong influence on the level of entrepreneurship. Bugaje *et al.* (2023) assert that individualism, power distance, masculinity and uncertainty avoidance positively affect entrepreneurial activities.

Higher proportions of entrepreneurial opportunity exploitation have been found in countries high in individualistic values (Assmann & Ehrl, 2021). Achim *et al.* (2019) assert that individualism and low uncertainty avoidance accelerate entrepreneurship in countries with high income and hinder entrepreneurship in countries with low income. Individualistic values are broadly supported in backing entrepreneurial opportunity exploitation in high income countries. However, high entrepreneurial opportunity exploitation has been found in non-individualistic countries like China, Korea and Japan (Bwisa & Ndolo, 2011).

In Tanzania, individualism and uncertainty avoidance significantly affect entrepreneurial opportunity exploitation while power distance has insignificant impact on entrepreneurial opportunity exploitation (Liu, Pacho, & Xuhui, 2019). Xuhui, Liu, & Pacho (2018) found significant influence of individualism on entrepreneurial opportunity exploitation. High power distance affects entrepreneurial opportunity exploitation by impeding the development and implementation of new ideas; high uncertain avoidance negatively influences opportunity exploitation

through fear of failure.

However, Achim, et al., (2019) contradict the above findings by arguing that individualism and low uncertainty avoidance stimulate entrepreneurship only in high income countries. Despite the existing knowledge, there is a scarcity of studies that have incorporated all Hofstede's cultural values in examining their influence on entrepreneurial opportunity exploitation (Rauch & Rijdsdijk, 2013). Existing research has not sufficiently addressed how cultural values affect the exploitation of entrepreneurial opportunities (Celikkol, et al., 2019).

Apart from the proposed association between innovativeness and entrepreneurship in Schumpeter innovation theory (Sledzik, 2013), cultural values positively and significantly affect innovativeness (Andrijauskiene and Dumciuviene; Espig et al., 2021; Tehseen, et al., 2021). Also, innovativeness positively and significantly affects entrepreneurial opportunity exploitation (Juliana et al., 2021; Mayanja et al., 2019; Salem and Beduk, 2021). SME owners convert business ideas into goods and services through innovativeness (Salem and Beduk, 2021). Improved goods, services and production methods come from the innovativeness of entrepreneurs (Hamdan and Ah Alheet, 2020). Furthermore, innovativeness provides better conditions for entrepreneurs to exploit entrepreneurial opportunities (Mayanja, et al., 2019). Therefore, from the above discussion; cultural values influence innovativeness also innovativeness influences entrepreneurial opportunity exploitation.

Despite the discussed relationship among cultural values, innovativeness and entrepreneurial opportunity exploitation, the mechanism through which

innovativeness mediate the relationship between cultural values and entrepreneurial opportunity exploitation is less known. Disregarding mediating effects may affect theory development especially when the actual effects of independent variable on a dependent variable are not direct and straight forward (Nitzl, Roldán & Carrión, 2016). Using Hofstede's theory of cultural dimensions and Schumpeter's theory of innovation this study examined the influence of indulgence, masculinity, individualism, power distance, uncertainty avoidance and long-term orientation on entrepreneurial opportunity exploitation through the mediation effect of innovativeness.

## **1.2 Statement of the Problem**

Numerous efforts have been taken to encourage entrepreneurial opportunity exploitation in Tanzania. The efforts include the formulation of Tanzania Small and Medium Enterprises policy, formulations of institutions that support business development like Small Industry Development Organization, establishment of various funds like the Presidential Trust Fund, National Entrepreneurship Development Fund and Youth Development Fund (Anderson, 2017) and the promotion and intensification of entrepreneurship training in vocational and tertiary education institutions.

Entrepreneurship improvement initiatives have not considered the cultural aspects of entrepreneurs (Bate, 2023) although entrepreneurial opportunity exploitation takes place in a specific cultural environment. Scholars have largely focused on how formal institutional factors such as economic, legal and political factors affect entrepreneurial opportunity exploitation (Nkwabi & Mboya, 2019, Tutuba &

Kapinga, 2021). However, formal institutional factors inadequately explain reasons some countries have low capability of exploiting entrepreneurial opportunities (Khan et al., 2022; Stephan, 2022). Although entrepreneurial opportunity exploitation takes place within a certain cultural context, there is a paucity of studies which examine the influence of cultural values on entrepreneurial opportunity exploitation (Bugaje et al., 2023; Facchini, Jaeck & Bouhaddioui, 2021, Vershinina, *et al.*, 2017; Xuhui, *et al.*, 2018). Extant studies have examined the influence of a few cultural values basing on only selected cultural values (Lima, *et al.*, 2018, Assmann & Ehrl, 2021, Liu, *et al.*, 2019, Xuhui, *et al.*, 2018).

This study assesses the influence of individualism, long term orientation, masculinity, power distance, indulgence and uncertainty avoidance on entrepreneurial opportunity exploitation through the mediation effect of innovativeness. Mediation effect of innovativeness helps to explain the mechanism in which cultural values influence entrepreneurial opportunity exploitation. Innovativeness has been selected to be an intervening variable because according to Schumpeter's innovation theory, it is the main factor through which entrepreneurship is undertaken (Sledzik, 2013, Upadhyay & Rawal, 2018). The theory emphasizes the central role of innovativeness in enhancing entrepreneurship (Katuso, 2020).

Moreover, there is an established empirical sequential relationship among cultural values, innovativeness and entrepreneurial opportunity exploitation. Cultural values influence innovativeness (Espig et al., 2022, Prime et al., 2017, Tehseen et al., 2021) and innovativeness influences entrepreneurship (Salem & Beduk, 2021, Juliana et al., 2021, Mayanja et al., 2019). Salem and Beduk (2021) posit that entrepreneurship



largely depends on the innovativeness of the entrepreneurs because innovativeness allows the entrepreneurs to convert their ideas into products and services.

Lastly, Liu et al., (2019) mediated the relationship between individualism, power distance, uncertainty avoidance cultural values and entrepreneurial opportunity exploitation decision in Tanzania using risk taking behaviour. Xuhui et al., (2018) mediated the relationship between individualism, power distance, uncertainty avoidance cultural values and entrepreneurial opportunity exploitation in Tanzania using proactiveness behaviour. They recommended further studies to be carried out to examine indirect effects of innovativeness on the relationship between cultural values and entrepreneurship (Liu et al., 2019; Xhui, et al., 2018). Therefore, reasons provided above justified the use of innovativeness as the mediating variable.

### **1.3 Research Objectives**

#### **1.3.1 General Objective**

The general objective of this study was to examine the influence of cultural values on entrepreneurial opportunity exploitation via mediation effects of innovativeness among the owners of SMEs in Tanzania.

#### **1.3.2 Specific Objectives**

The main objective of this study was investigated using the following specific objectives to draw conclusions:

- i. To examine the influence of masculinity on entrepreneurial opportunity exploitation among SMEs owners,
- ii. To examine the influence of long-term orientation on entrepreneurial opportunity exploitation among SMEs owners,

- iii. To examine the influence of indulgence on entrepreneurial opportunity exploitation among SMEs owners,
- iv. To examine the influence of individualism on entrepreneurial opportunity exploitation among SMEs owners,
- v. To examine the influence of power distance on entrepreneurial opportunity exploitation among SMEs owners,
- vi. To examine the influence of uncertainty avoidance on entrepreneurial opportunity exploitation among SMEs owners, and
- vii. To examine the mediating effect of innovativeness on the influence of cultural values on entrepreneurial opportunity exploitation among SMEs owners.

#### **1.4 Significance of the Study**

Entrepreneurial opportunity exploitation is conducted within the cultural environment. It is; thus, important to understand the influence of cultural values on SMEs owners' innovativeness and entrepreneurial opportunity exploitation. This study has contributed to the theory by assessing the influence of all six Hofstede cultural values on entrepreneurial opportunity exploitation through the mediation effects of innovativeness. Mediation effects of innovativeness describe the mechanisms by which cultural values influence entrepreneurial opportunity exploitation. The term innovativeness has been borrowed from Schumpeter's innovation theory of entrepreneurship which places innovativeness at the heart entrepreneurship (Katuso, 2020). Thus, the researcher was motivated to assess the extent to which innovativeness mediates the relationship between cultural values and entrepreneurial opportunity exploitation.

Moreover, the sequential positive and significant effects of cultural values on innovativeness and the positive and significant effects of innovativeness on entrepreneurship motivated the researcher to empirically test the mediation effect of innovativeness. Extant studies focused on the influence of only selected factors. For instance, Xuhui et al. (2019) studied the impact of individualism, power distance and uncertainty avoidance on entrepreneurial opportunity exploitation mediating the relationship using proactiveness behaviour.

Liu *et al.* (2019) studied the impact of individualism, power distance and uncertainty avoidance on entrepreneurial opportunity exploitation through the mediation effect of risk taking behaviour. Therefore, studying the relationship by examining six cultural values through the mediation effect of innovativeness has contributed to the theory of culture and entrepreneurship by providing more comprehensive knowledge of the mechanism through which Hofstede's cultural values influence entrepreneurial opportunity exploitation.

The study is helpful to policymakers when they formulate policies to promote innovative behaviour and entrepreneurial opportunity exploitation. Findings help policymakers, government authorities and education institutions to integrate masculine, individualist and power distance cultural values in their entrepreneurial programmes which are geared towards stimulating innovativeness and entrepreneurial opportunity exploitation. Zainuddin *et al.* (2018) posit that overlooking cultural values when designing and formulating policies result into inappropriate policies. Moreover, people with masculine values reject plans that are biased toward women (Munyanyi, *et al.*, 2018). Therefore, relevant business

policies resulting from a wider understanding of the relationship between cultural values and entrepreneurial opportunity exploitation can create a better and more supportive entrepreneurial environment.

Finally, the study helps the owners of SMEs to understand that individualism, power distance, uncertainty avoidance and indulgence values significantly influence their innovativeness behaviour that in turn enhances their entrepreneurial opportunity exploitation. For instance, this study reveals that individualism, masculinity and power distance values have a direct positive and significant influence on entrepreneurial opportunity exploitation.

### **1.5 Scope of the Study**

The study examined the influence of cultural values on entrepreneurial opportunity exploitation among Tanzanian owners of SMEs using Hofstede's theory of cultural dimensions. The relationship between the independent and dependent variables has been mediated by innovativeness. Innovativeness has been selected because it is the most crucial element among the three dimensions of entrepreneurial orientation (Hernandez-Perlines *et al.*, 2020). This study was conducted in five districts of Dar es Salaam Region; namely, Ubungo, Kinondoni, Temeke, Ilala and Kigamboni. The study involved all registered Small and Medium Enterprises' owners or managers.

### **1.6 Organisation of the Study**

The remaining part of this study is organized as follows. Chapter two provides definitions of key terms, provides a theoretical and empirical literature review, describes the study gap, describes the conceptual framework and lastly presents the

study hypotheses. Chapter three presents the study methodology. The methodology contains the study philosophy, study design and strategies, study area, study population, data collection methods, data analysis, validity and reliability and ethical issues. Chapter four presents the findings of the study. Chapter five discusses the findings of the study, both descriptive and multivariate results. Finally, chapter six presents the conclusion, implications and recommendations of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Chapter Overview**

Chapter two reviews literature on cultural values, innovativeness and entrepreneurial opportunity exploitation. Firstly, it defines key terms such as culture, cultural values, individualism, masculinity, indulgence, long term orientation, uncertainty avoidance, power distance, entrepreneurship, opportunity exploitation and innovativeness. Secondly, it reviews theoretical literature and empirical literature. Lastly, it provides the research gap that is grounded in the theoretical and empirical literature, develops research hypotheses and presents the conceptual framework.

#### **2.2 Definition of Key Terms**

##### **2.2.1 Culture**

Culture is defined as a mental program that is collectively positioned in the minds of people, developed through the interactions between an individual and the social environment (Geers, 2018). Culture is a shared way of thinking and behaving which differentiates the members of one human group from another (Hofstede, 2001). This uses a definition provided by Hofstede (2001) since it relates culture with ways of thinking and behaving which are essential attributes of recognizing and acting upon opportunities to create products or services.

##### **2.2.2 Cultural values**

Cultural values refer to the standards of judging appropriate goals or ends and suitable criteria for judging action (Maziku *et al.*, 2014). Cultural values refer to the general tendency of choosing specific state of affairs over others. This study has

adopted the definition provided by Maziku (2014) because it provides a clear and broader conceptualization of the term.

### **2.2.3 Masculinity**

Masculinity refers to the extent to which members of a society either look for accomplishment, heroism, aggressiveness or material rewards for success. (Hofstede et al., 2010). Hofstede (2021) defines masculinity as the degree to which people seek aggressiveness, heroism, accomplishment and material rewards. This study adopts the definitions by Hofstede et al. (2010) and Hofstede (2011) since they have a lot in common in their definition of masculinity.

### **2.2.4 Long-term Orientation**

Long-term orientation is described as thrift, savings, persistence, and the readiness to subordinate one's self to realise a goal (Dainton & Zelle, 2011). Long-term orientation refers to future-oriented values like persistence and saving (Çelikkol, *et al.*, 2019). Long-term orientation includes carefulness, tolerance, saving and willingness to sacrifice an individual's self-benefits to get the set objective (Agodzo, 2018).

### **2.2.5 Indulgence**

Indulgence is the degree to which members of a society freely satisfy their basic necessities and wants (Hofstede, et al., 2010). Indulgence is a degree to which people in a specific society give importance to social life control, meeting human needs and pleasure (Çelikkol, *et al.*, 2019). This study adopts the latter definition because it is more comprehensive when compared to the first by Hofstede, et al., (2010).

### **2.2.6 Individualism**

Individualism refers to the extent to which individuals in a society are united into their groups (Ratsimanetrimanana, 2014). Individualism involves individual freedom, rewards and personal success, thus increasing the likelihood of creating a new business (Assmann & Ehrl, 2021). This study adopted the definition by Assmann & Ehrl, (2021) since it provides a broader conceptualization of individualism by highlighting its characteristics.

### **2.2.7 Uncertainty Avoidance**

Uncertainty avoidance refers to how a society accepts ambiguity and uncertainty (Zainuddin, et al., 2018). Uncertainty avoidance is the degree to which a culture teaches its citizens to feel either uncomfortable or at ease in unstructured situations (Hofstede, 2011). This study adopts the definition by Hofstede (2010) since it clearly conceptualizes uncertainty avoidance.

### **2.2.8 Power Distance**

Power distance refers to the willingness to accept unequal distribution of power in organizations and institutions (Zainuddin, et al., 2018). Power distance is a level at which individuals anticipate power to be unequally distributed in society. It refers to the extent in which individuals with less power succumb to an uneven sharing of power and authority (Hofstede, 2001). This study adopts definitions provided by Zainuddin, *et al.*, (2018) and Hofstede (2001) because they both provide clear understanding of power distance.

### **2.2.9 Innovativeness**

Innovativeness is entrepreneur's ability to create new ideas and apply them in their



businesses (Tehseen, *et al.*, 2021). Innovativeness is the capacity of a firm to launch new ideas, products and processes (Aslam, *et al.*, 2017). This study has adopted the definition by Tehseen, *et al.*, (2021) since it deals with entrepreneurs who are the owners of SMEs as far as this study is concerned.

#### **2.2.10 Entrepreneurship**

Entrepreneurship is an organized process of taking risks and challenges of creating a new business and promoting the created business (Castillo-Palacio *et al.*, 2017). Entrepreneurship is concerned with identification and exploitation of opportunities in order to innovate and increase products (Assenge, Diaka & Tsetim, 2017). Entrepreneurship refers to identification of entrepreneurial opportunities and exploiting the recognized opportunities (Gumel, 2018). This study adopts the definition provided by Assenge, *et al.*, (2017) because it emphasizes on the exploitation of opportunities in social contexts.

#### **2.2.11 Opportunity Exploitation**

Opportunity exploitation is the process of creating goods or services after recognising the entrepreneurial opportunity, obtaining the necessary personnel, obtaining funding, and establishing an enterprise (Kuckertz, 2017). Opportunity Exploitation involves creating a product or service as a result of a recognised business opportunity, assembling the ideal start-up team, creating a business plan, determining the markets and target audiences for the product or service, locating funds to finance the venture, and establishing a new venture (Gumel, 2018). This study adopts the definition by Gumel (2018) since it has incorporated all important activities involved in the entrepreneurial opportunity exploitation.

## **2.3 Theoretical Literature Review**

### **2.3.1 Hofstede's Cultural Dimensions Theory**

Hofstede's theory of cultural dimension is one of the widely accepted cultural theories that explain the effects of culture in a society basing on the values of members living in a particular cultural setting. The theory explains how cultural values affect people's behaviours in various ways including entrepreneurship (Hofstede, 1980; Hofstede, 2001; Hofstede, *et al.*, 2010). The theory has been used in various studies to analyse the effect of cultural values on different activities (Agodzo, 2018). Hofstede created this theory in 1980. Initially, it had only four cultural values which are uncertainty avoidance, power distance, masculinity versus femininity and individualism versus collectivism (Hofstede, 1980).

Long-term versus short term- orientation was added to the theory in 1988 by Hofstede and Bond (Hofstede & Bond, 1988). In 2010 indulgence versus restraint cultural value was also added to the theory (Hofstede, *et al.*, 2010). The theory is suitable in examining the effects of culture in various activities undertaken by people in different countries and societies (Koc, Ar & Aydin, 2017; Krijgsman, 2012). The use of only one company to give information about national culture is one of the criticisms of the theory (Zainuddin, Yasin, Arif & Hamid, 2018). Secondly, the theory is using outdated and old IBM data (Eringa, Caudron, Rieck, Xie & Gerhardt, 2015; Zainudin *et al.*, 2018). Lastly, the theory used a weak methodology because it assigned the results of only one employee from one company to the entire country (Eringa *et al.*, 2015). Despite the criticisms of the theory, it is most used in examining influence of culture by different scholars.

The theory has much strength that inspires scholars to use it. Firstly, replication of the theory in several studies has not shown a loss of its relevance and explanatory power (Eringa, *et al.*, 2015; Zainudin, *et al.*, 2018). The dimensions are statistically distinct from each other and; hence, there is lack of collinearity issues. Lastly, the theory is credited for a large sample size which was used in conducting the analysis (Zainudin, *et al.*, 2018). Based on the acceptance and strengths of Hofstede's theory, this study examined the influence of cultural values on entrepreneurial opportunity exploitation using the Hofstede cultural dimensions. The dimension includes masculinity, Individualism versus collectivism, uncertainty avoidance, power distance, long-term orientation versus short term orientation and indulgence versus restraint.

#### **2.4 Schumpeter's Innovation Theory**

Schumpeter's theory was initially proposed by Joseph Schumpeter in 1932 (Upadhyay & Rawal, 2018). The theory describes innovation as the driver of economic development (Śledzik, 2013). It asserts that carrying out innovation is the fundamental function of entrepreneurs since they are concerned with stimulating economic development through their activities of introducing new products, new methods of production and new markets (Śledzik, 2013). The theory highlights the various roles of innovation which include the introduction of new products, new quality of existing products, introduction of new ways of production, developing new sources of supply of materials, introducing new organization structure and acquiring new markets (Upadhyay & Rawal, 2018). Therefore, according to Schumpeter's innovation theory innovation and innovativeness are the critical

consideration that qualifies someone to be an entrepreneur. The theory is criticized for ignoring other important aspects by focusing on only innovativeness but it is credited as an important economic theory which focuses on the origin of entrepreneurship (Upadhyay & Rawal, 2018).

## **2.5 Empirical Literature Review**

Bugaje *et al.*, (2023) examined the effects of individualism, masculinity, power distance and uncertainty avoidance on entrepreneurial activity in Nigeria. Data were collected from 387 managers or owners of informal businesses using questionnaires. Data were analysed using partial least square structural equation modelling (PLS-SEM) and one-way analysis of variance (ANOVA). The results show that masculinity, individualism, uncertainty avoidance and power distance have positive influence on entrepreneurship. However, the results contradict the findings from past studies on some variables such as uncertainty avoidance.

Bate (2023) examined the effects of national cultural values on entrepreneurship in developed and developing nations through a systematic literature review. Findings show positive relationship between entrepreneurship and indulgence, long term orientation, individualism, low power distance and low uncertainty avoidance cultural dimensions. The study used only secondary data to study the association among the variables.

Çelikkol, *et al.*, (2019) studied the effects of cultural values on entrepreneurship rates using longitudinal random effect regression analysis in 81 countries from different continents. The results indicate indulgence, long term orientation and

individualism affect entrepreneurship in a supportive way while masculinity affects entrepreneurship in a rendering manner. It was also found that uncertainty avoidance and power distance had insignificant consequences on the rates of entrepreneurship. The results of the study contradict past findings on some of the dimensions of culture, hence requiring further studies. For instance, while this study revealed individualism had positive effect on entrepreneurship, Ozdemir, et al., (2018) found individualism had insignificant effect on entrepreneurship.

Ozdemir, *et al.*, (2018) studied the effects of national culture on entrepreneurship using a sample of 56 countries listed in the 2017 Global Entrepreneurship Monitor report and scores in the Hofstede insight 2017 cultural scale. Data was analysed using regression analysis to generate the findings. The results indicated that entrepreneurship is considerably and favourably affected by masculinity, avoiding uncertainty, and indulgence. Individualism, power distance and long-term orientation dimensions, according to that study, did not affect entrepreneurial motivation levels. The findings for uncertainty avoidance and individualism in this study contradict findings from past studies like Çelikkol, *et al.* (2019).

Assmann and Ehrh (2021) evaluated the impact of individualism on opportunity entrepreneurship. Cross nation data which were obtained from the Global Entrepreneurship and Development Index (GEDI) were used for analysis. Data were analysed using fractional probity regression. Findings showed higher number of new businesses in individualistic nations. The study evaluated only individualist cultural values to describe the multifaceted phenomena of culture. The study, however, is limited by the use of only individualistic values to examine the relationship while

there are six Hofstede cultural values.

Ijaz, *et al.*, (2012) explored the effects of cultural influences on entrepreneurial behaviour in Pakistan. Convenient sampling was used to select a sample of five entrepreneurs. Data were analysed using the critical analysis technique. The results suggest that culture has a stronger impact on developing entrepreneurial behaviour. This study, just like the other studies, failed to comprehensively analyse the influence of each cultural value.

Munyanyi, *et al.*, (2018) investigated the effect of cultural dimensions on entrepreneurial performance among small and medium enterprises in Zimbabwe. 250 SME owners were studied. The results were analysed using structural equation modelling. Findings showed that power distance, uncertainty avoidance, masculinity and individualism positively affected the monetary and non-monetary performance of SME owners. The main weakness of this study is that it investigated only four Hofstede cultural dimensions through the mediation effect of entrepreneurial events.

Liu, *et al.*, (2019) explored the effects of culture on entrepreneurs' opportunity exploitation decisions in Tanzania using a sample of 140 entrepreneurs. The structural equation modelling (SEM) was employed to examine the relationship. The relationship was mediated by risk taking behaviour. The results indicated that uncertainty avoidance and individualism significantly influence entrepreneurial opportunity exploitation decisions while power distance has insignificant effects. Since the study was conducted in only two cities, generalization to encompass the whole nation would not be possible. Moreover, the findings provided limited knowledge about the influence of culture on entrepreneurial opportunity exploitation

because only three of Hofstede cultural values were explored. Additional research is required to further the understanding by investigating cultural values that were not covered in the study.

Xuhui, *et al.*, (2018) analysed the influence of culture on entrepreneurial opportunity exploitation of new venture activities through the mediation effect of proactiveness. 130 entrepreneurs took part in the study. To analyse the connection, Structural Equation Modelling (SEM) was used. Findings showed significant and positive influence of individualism on opportunity exploitation of new venture activities. Furthermore, the study revealed greater uncertainty avoidance negatively affects entrepreneurial opportunity exploitation. The study also found that power distance has insignificant effects on entrepreneurial opportunity exploitation. However, the study was limited since it made use of only power distance, individualism and uncertainty avoidance values in analysing the relationship between culture and entrepreneurship while there are several cultural values proposed by Hofstede, *et al.*, (2020).

Mkasanga (2015) investigated the influence of cultural dimensions on the performance of women entrepreneurial initiatives in Tanzania. A sample of 115 women and men entrepreneurs was studied. A sample was obtained through stratified and simple random sampling. The effects of cultural characteristics on the performance of entrepreneurial firms belonging to women were examined using multiple linear regressions. The results revealed that the performance of women entrepreneurial businesses was significantly affected by masculinity and the desire to avoid uncertainty. One observable limitation of this study was the use of only

selected Hofstede's cultural dimensions.

Tehseen, *et al.*, (2021) analysed the influence of six Hofstede cultural values on entrepreneurial innovativeness of three Malaysian Ethnic enterprises (Malaysian Chinese, Indian and Malays) using a sample size of 450 SMEs. Structural equation modelling was used to conduct the analysis. The results indicated positive influence of collectivism, indulgence and lower power distance on entrepreneurial innovativeness. The study revealed long term orientation significantly affected the Malaysian Chinese. Masculinity and low uncertainty avoidance had significant effects but had opposite effects on three ethnic entrepreneurs. The study used only Hofstede cultural dimensions.

Decker & Schomaker (2018) conducted a study to describe the effects of culture on national innovativeness using different regression models on a recently established data set composed of world data. The results showed that power distance, uncertainty avoidance and future orientation (Long-term orientation) influence innovativeness. The study used the GLOBE cultural dimension which is an extension of Hofstede's cultural dimensions; hence some cultural dimensions are similar to Hofstede's Cultural dimensions.

Prime, *et al.*, (2017) examined the association between cultural dimensions and the degree of innovation at the national level. Data analysis was conducted using multiple linear technical regression analysis using a sample of 72 countries. The findings showed relationship between individualism, long-term orientation and indulgence with innovation outputs. Power distance, uncertainty avoidance and



masculinity partly supported the relationship.

Abdelrahim (2020) examined the influence of Hofstede's cultural dimensions on national degrees of innovation in 50 countries using least square multiple regression analysis. Findings showed that uncertainty acceptance and long-term orientation are closely associated with innovation. Individualism, power distance, masculinity and indulgence had no significant effect on the rates of innovativeness. The results of the effects of some cultural values, however, deviated from the past findings.

Khan and Cox (2017) explored the relationship between culture and innovation using 77 data points across the globe. Stepwise regression analysis was used to analyse data. The results showed that innovative societies are characterized by low masculinity, individualism, indulgence and long-term orientation. There was no significant relationship between power distance and innovativeness. The findings were not consistent with the findings of other scholars who used Hofstede cultural values, hence precipitating the need for more studies to validate the results.

Andrijauskiene and Dumciuviene (2017) explored the association between the nation's cultural background and level of innovativeness using 27 European Union member states. Cyprus was not included in the study. Data analysis was conducted using correlation coefficient and regression analysis. Findings show that the dimension of indulgence and individualism positively relate to the level of innovativeness while power distance and uncertainty avoidance are negatively related to national innovation performance. Results for masculinity and long-term orientation were not significant in this study.

Espig, *et al.*, (2021) analysed national cultural dimensions that contribute to the level of innovativeness of a country. Multiple linear regression equations were used to analyse secondary data. The findings indicated that low power distance, low uncertainty avoidance, high individualism, high level of indulgence and long-term orientation positively affect the innovation rate. The study analysed the relationship using secondary data collected from 2015 to 2018. This study is different since it used the primary data to establish the relationship between cultural values and innovativeness. Stephan (2022) conducted an overview of how culture helps to explain persistent variations in innovativeness and entrepreneurship. The findings of this study suggested that culture has a critical role in influencing innovativeness and entrepreneurship. However, the study suggested further researches to be carried out and test the mechanisms through which culture affects innovativeness and entrepreneurship.

Salem & Beduk (2021) analysed the effects of innovation on entrepreneurship among foreign students in Turkish Universities. Data were collected from 252 respondents. Statistical indicator for the relationship was analyzed using SPSS. The results indicated that innovativeness positively affects entrepreneurship by improving available products and services and producing new ones. The study examined the effects of innovativeness on entrepreneurship using university students, while this study focuses on SME owners.

Juliana, *et al.*, (2021) investigated the relationship between creativity and innovativeness in entrepreneurship development in Nigeria using a sample of 257 enterprises. Data analysis was conducted using the ordinary least square method and

ANOVA test. Findings indicated that the innovative ability of entrepreneurs have a significant impact on entrepreneurship development.

## **2.6 Research Gap**

### **2.6.1 Theoretical Gap**

This study contributes to the theory by examining the mediation effect of innovativeness on the influence of cultural values on entrepreneurial opportunity exploitation. Innovativeness helps to explain the mechanism through which Hofstede's theory of cultural dimensions influences the entrepreneurial opportunity exploitation of owners of SMEs. Therefore, through inclusion of innovativeness, the study examined the effects of masculinity, long term orientation, indulgence, individualism, power distance and uncertainty avoidance (Hofstede cultural values) on innovativeness and how the effects in turn influence entrepreneurial opportunity exploitation. Innovativeness has been borrowed from Schumpeter's theory of innovation which emphasizes the supremacy of innovation in entrepreneurial activities. Furthermore, Hernandez-Perlines, *et al.*, (2022) contend that innovativeness is the most crucial element of entrepreneurial orientation.

Lastly, it should be noted that innovativeness as the object of study has been selected to mediate the relationship between cultural values and entrepreneurial opportunity exploitation because empirical literature reveals a sequence of relationship between cultural values, innovativeness and entrepreneurial opportunity exploitation. Some researchers concluded that the cultural values significantly influence innovativeness (Hamdan & Ah Alheet, 2020, Stephan, 2022; Tehseen, 2021) and consequently, innovativeness significantly influences entrepreneurship (Juliana *et.* 2021; Salem &

Beduk, 2021).

## **2.6.2 Contextual Gap**

Most studies relating to culture and entrepreneurship have been mainly carried out in western countries; which are high income countries (Achim *et al.*, 2019; Urban & Ratsimanetrimanan, 2015; Zhao, Rauch & frees, 2012). Low income countries have distinct settings in terms of formal institutions, markets and cultural values (Achim, *et al.*, 2019). Therefore, the influence of individualism, masculinity, power distance, indulgence, long-term orientation and uncertainty avoidance cultural values on entrepreneurial opportunity exploitation in high income countries may have different influences in Low income countries. Studying the influence of cultural values on entrepreneurial opportunity exploitation in Tanzania will broaden the current knowledge on the topic. Liu, et al., (2019), Mkasanga (2015) and Xuhui, et al., (2018) examined the effects of only selected cultural values on entrepreneurship in the context of Tanzania. Unlike the above studies, this study makes use of six Hofstede cultural values and aims to widen the understanding of the influence of cultural values on entrepreneurial opportunity exploitation.

## **2.7 Hypothesis Formulation**

### **2.7.1 Masculinity and Entrepreneurial Opportunity Exploitation**

Masculine values make people more concerned with achievement and willingness to accept risk to meet their need for money and other material possessions. High masculinity values favourably accelerate entrepreneurial activities (Bugaje et al., 2023, Çelikkol, *et al.*, 2019, Hofstede, 2001 & Mkasanga, 2015). Therefore, it was

hypothesized that;

H1: Masculinity positively and significantly influences entrepreneurial opportunity exploitation among SME owners

### **2.7.2 Long Term Orientation and Entrepreneurial Opportunity Exploitation**

Abaho et al. (2013) argue that long term orientation stimulates individual's struggle for future growth and advancement; hence, it is of more advantage for entrepreneurial opportunity exploitation. Additionally, Jakubczak & Rakowska (2014) observed that long-term orientation encourages future planning. Long term orientation has supportive effects on Entrepreneurial opportunity exploitation (Bate, 2023; Celkkol et al., 219) because entrepreneurship requires the current and future plans to acquire and increase capital, expand the market and acquire new sources of raw materials. This study, therefore, hypothesized:

H2: Long term orientation positively and significantly influences entrepreneurial opportunity exploitation among SME owners.

### **2.7.3 Indulgence and Entrepreneurial Opportunity Exploitation**

Indulgence-oriented people are optimistic and more inclined to control perception of personal life; contrary to the restraint-oriented societies in which people have perceptions of helplessness (Koc, *et al.*, 2017). Irrespective of their disabilities, people with indulgent cultural values have control over participation in various activities (Kedmenec & Strasek, 2017). Therefore, this study hypothesized that:

H3: Indulgence positively and significantly influences entrepreneurial opportunity exploitation among SME owners.

#### **2.7.4 Individualism and Entrepreneurial Opportunity Exploitation**

Individualism underscores freedom of people, rewards and success of individuals, thus increasing the likelihood of creating a new business (Lima, et al., 2018). Individualistic values increase people's inclinations towards acting on entrepreneurial opportunities (Liu, et al., 2019 Xuhui, *et al.*, 2018). Individualism enables people to think and behave independently and; therefore, individualism has critical roles in business creation (Bate, 2023). Personal uniqueness, decisions, and personal preference for success support the utilization of business opportunities (Kamwela, Jaensson & Tonya, 2023). However, evidence of higher entrepreneurial activities has been reported even in non-individualistic countries like China (Ndolo & Bwisa, 2011). Therefore, this study hypothesized that:

H4: Individualism avoidance positively and significantly influences entrepreneurial opportunity exploitation among SME owners

#### **2.7.5 Power Distance and Entrepreneurial Opportunity Exploitation**

Power distance is concerned with the distribution of power among individuals and organizations. High power distance stimulates entrepreneurship by motivating individuals with less power to struggle to gain power through engaging in business activities (Zhao, Li and Rauch, 2012). Higher power distance may motivate dissatisfied individuals to strive for power by involving themselves in entrepreneurship. However, lower power distance values such as involvement of subordinates in decision making, less controls, delegation of duties and socialization among people regardless of power position foster innovation and entrepreneurial opportunity exploitation (Tang et al., 2020). Thus it is hypothesized that:

H:5 Power distance positively and significantly influence entrepreneurial opportunity exploitation among SMEs owners

### **2.7.6 Uncertainty Avoidance and Entrepreneurial Opportunity Exploitation**

People with high uncertainty avoidance have higher compliance levels with laws, procedures and guidelines. Because of this, Xuhui *et al.* (2018) contend that greater uncertainty avoidance is associated with a reduced chance of exploiting new business opportunities. However, low uncertainty avoidance enables people to pursue business opportunities regardless of the problems and risks (Bate, 2023, Bugaje *et al.*, 2023 & Celkkol *et al.*, 2019). Therefore, this study hypothesized that:

H6: Uncertainty avoidance positively and significantly influences entrepreneurial opportunity exploitation among SME owners.

### **2.7.7 Masculinity, Innovativeness and Entrepreneurial Opportunity**

#### **Exploitation**

Abdelrahim (2020), Khan and Cox (2017) found that masculine values such as competitiveness and achievement orientation influence innovativeness. Also Juliana *et al.* (2021), Mayanja *et al.* (2019) and Salem and Beduk (2021) found that innovativeness has positive and significant effects on entrepreneurship. Innovativeness brings value-added and new products and services as well as production techniques (Hamdan & Ah Alheet, 2020). Therefore, it is hypothesized that:

H7: Innovativeness positively and significantly mediates the association between masculinity and the exploitation of entrepreneurial possibilities by SME owners

### **2.7.8 Long Term Orientation, Innovativeness and Entrepreneurial Opportunity Exploitation**

Decker and Schomaker (2018), Espig, *et al.* (2021) and Prime *et al.* (2019) contend that long term orientation values like future planning, perseverance and thrift positively influence innovativeness. Also, innovativeness has positive and significant influence on entrepreneurial activities (Mayanja *et al.*, 2019; Salem & Beduk, 2021). Therefore, it is hypothesized that:

H8: Innovativeness positively and significantly mediates the relationship between long term orientation and entrepreneurial opportunity exploitation among SME owners.

### **2.7.9 Indulgence, Innovativeness and Entrepreneurial Opportunity Exploitation**

Preference for leisure and unrestricted freedom which are indulgent values stimulates innovativeness (Espig, *et al.*, 2021, Khan & Cox, 2017; Tehseen *et al.* 2021). Also Mayanja, Ntayi, Munene, Kagaari, Waswa and Aparicio (2019) posit that the exploitation of entrepreneurial opportunities is better undertaken in the presence of innovativeness. Therefore, it is hypothesized that:

H 9: Innovativeness positively and significantly mediates the relationship between indulgence and entrepreneurial opportunity exploitation among SME owners

### **2.7.10 Individualism, Innovativeness and Entrepreneurial Opportunity**

#### **Exploitation**

Individualistic values such as preference for personal uniqueness, personal success and internal locus of control significantly influence entrepreneur's innovativeness



(Abdelrahim, 2020, Andrijauskiene & Dumciuviene 2017; Khan & Cox, 2017). Consequently, Julian, *et al.*, (2021) and Salem and Beduk (2021) assert that innovativeness significantly influences entrepreneurship. Therefore, it is hypothesized that:

H10: Innovativeness positively and significantly mediates the relationship between individualism and entrepreneurial opportunity exploitation among SME owners.

### **2.7.11 Power Distance, Innovativeness and Entrepreneurial Opportunity**

#### **Exploitation**

Low power distance enhances socialization and sharing of information; hence this is positively related to innovativeness of entrepreneurs (Abdelrahim, 2020; Decker & Schomaker, 2018, Espig, *et al.*, 2021). Also, innovativeness positively influences entrepreneurship (Julian, *et al.* 2021; Salem and Beduk , 2021 & Mayanja, *et al.*, 2019). Therefore it is hypothesized that:

H11: Innovativeness positively and significantly mediates the relationship between power distance and entrepreneurial opportunity exploitation among SMEs owner.

### **2.7.12 Uncertainty Avoidance, Innovativeness and Entrepreneurial**

#### **Opportunity Exploitation**

Low uncertainty avoidance is positively linked with innovativeness since it enables owners of SMEs to tolerate environmental restrictions (Decker & Schumacher, 2018; Espig, *et al.*, 2021). Moreover, innovativeness influences entrepreneurial opportunity exploitation by bringing new ideas and novelty, conducting tests that bring new

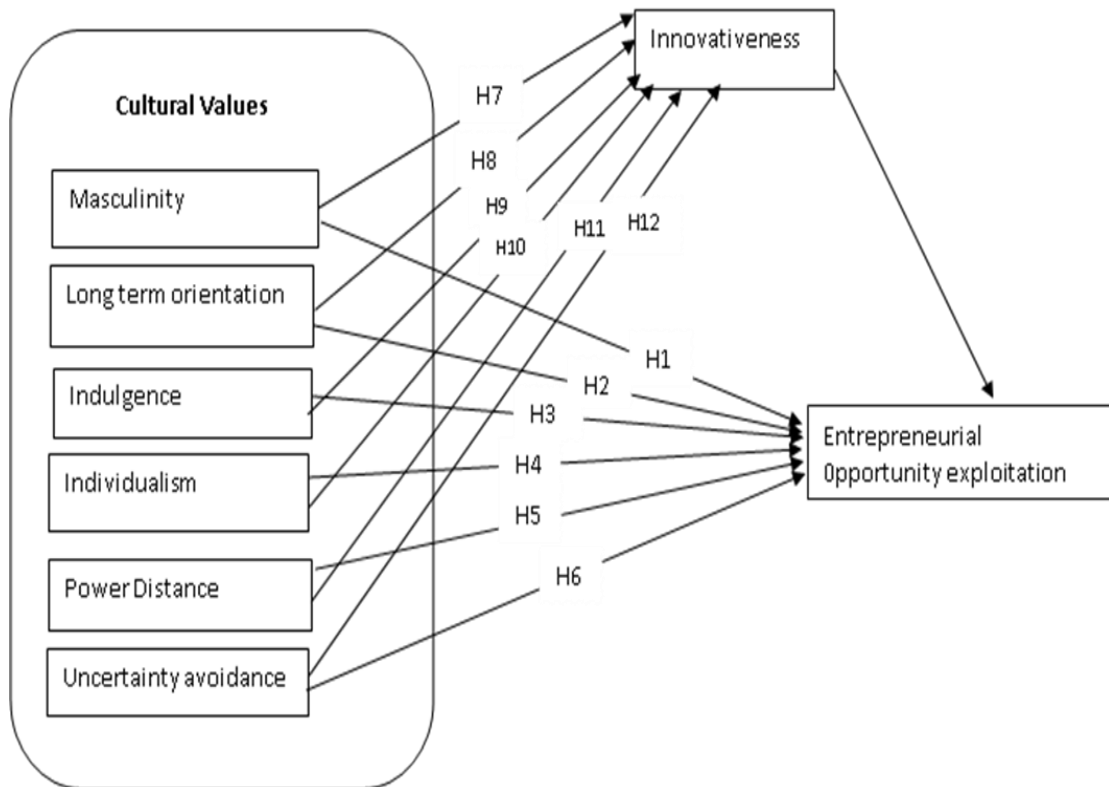
products, services and new ways of production (Julian, et al. 2021, Mayanja, *et al.*, 2019; Salem and Beduk, 2021). Therefore, it is hypothesized that:

H12: Innovativeness positively and significantly mediates the relationship between uncertainty avoidance and entrepreneurial opportunity exploitation among SME owners.

## **2.8 Conceptual Framework**

A conceptual framework clarifies the association among the main variables or factors. Hofstede's cultural values of masculinity, power distance, indulgence, fear of uncertainty, long-term orientation, and individualism are included in the conceptual framework of this study as independent variables that affect the dependent variable – the exploitation of entrepreneurial opportunities. Entrepreneurial opportunity exploitation involves creating a new venture, finding a new market niche, financing a new business and introducing new production methods. Culture contributes significantly to entrepreneurial opportunity exploitation, such as starting a new venture (Xuhui, *et al.*, 2018).

The relationship has been mediated by innovativeness which involves factors such as thinking in new ways, creativity, improvement of products and services, new market development and improvement in production methods. Innovativeness has been chosen as a mediating factor because it is the most critical dimension in entrepreneurial orientation (Hernandez-Perlins, *et al.*, 2022).



**Figure 2. 1: Conceptual Framework of the Study**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Overview**

This chapter describes the methodology that was used in conducting this study. It discusses the research philosophy, design, strategy, study area, study populations, sampling methods, sample size and data collection methods. It also describes data analysis methods and ways of ensuring reliability and validity of the findings. Lastly, the chapter describes the ethical issues the researcher considered in the process of data collection.

#### **3.2 Research Philosophy**

The nature of knowledge and methods for carrying out research are the subjects of research philosophy. There are four research philosophies: interpretivism, pragmatism, realism, and positivism (Saunders, Lewis & Thornhill, 2012). Positivism has been used as a research philosophy in this study. Positivists believe that reality is objective and measurable. They also believe that a researcher is independent of what is being researched. In order to make generalisations, positivists accumulate information about what can be seen and look for patterns and causal linkages (Saunders *et al.*, 2012). Positivism has been employed in this study because it involves testing hypotheses to explain the causal relationship between cultural values, innovativeness and entrepreneurial opportunity exploitation among Tanzanian SME owners.

#### **3.3 Research Design**

Research design is a systematic plan of how the researcher will address the research

problem. The explanatory research design has been used in this study. The design was helpful in testing the association among various variables. The design tested statistical data. Entrepreneurial opportunity and cultural values of masculinity, long-term orientation, indulgence, uncertainty avoidance, power distance, and individualism utilising diverse statistical techniques, exploitation was numerically measured and studied.

### **3.4 Research Strategy**

The research strategy used in this study is cross-sectional survey. The cross-sectional survey has been used since it gives quantitative explanation of population trends, attitudes, or opinions by studying a sample of the population (Kothari, 2009; Creswell, 2014 & Magigi, 2015). The cross-sectional survey strategy was selected because it saves time and money by studying a reasonably small sample that represents the total study population.

### **3.5 Study Area**

Dar es Salaam Region is the largest business and economic area in Tanzania (Todd, Msuya, Levira & Moshi (2019). It is the city with the most significant number of SMEs – approximately 13 percent of all SMEs in the country are found in Dar es Salaam (URT, 2012). The way SMEs operate in Dar es Salaam represents the operation of SMEs in the whole country (URT, 2012). Dar es Salaam region has five districts: Ilala, Temeke, Kigamboni, Kinondoni and Ubungo.

### **3.6 Study Population**

Bhattacharjee (2012) defines population as all elements (unit of analysis) with the characteristics that a researcher is interested in studying. Study population can be

groups, institutions, individuals, human products and events. The population of this study was 147903 registered owners or managers of SMEs spread in five districts of Dar es Salaam Region: Ilala, Temeke, Kinondoni, Kigamboni and Ubungo.

**Table 3.1: Registered SME Owners in Dar es Salaam Region**

Municipality	Ubungo	Kinondoni	Temeke	Ilala	Kigamboni	Total
Registered SMEs	33746	27782	36572	27889	21914	147903

**Source:** Business registration statistics for 2020/2021.

### 3.7 Sample Size

Dar es Salaam region has 147903 SME owners in its five districts. Therefore, the size of the sample has been established by a sample size formula provided by Kothari (2009) for the population which is known. The formula below was used to calculate the sample size.

$$n = \frac{NX^2pq}{(N-1)e^2 + X^2pq}$$

Where: n = Needed size of the sample

X = 1.96 for a confidence level ( $\alpha$ ) of 95 percent,

p = proportion (50 percent of population), q = 1 - p,

N = population size,

e = margin of error.

X = 1.96, p = 0.5, N = 2167, e = 0.05

n =  $147903 \times 3.8416 \times 0.25 / ((147903 - 1) \times 0.0025 + 3.8416 \times 0.25)$

= 370

Therefore, the sample size of 370 SME owners was suitable to generate valid conclusions for this study. It can as well be observed that the analytical method adopted; the partial least square structural equation modelling, works well with both small and larger sample sizes (Hair, Risher, Sarstedt & Ringle, 2018).

### **3.8 Sampling Technique**

Sampling is the choice of only a few items which are representative of the total population (Kothari, 2009). This study employed proportionate sampling and systematic random sampling to select SME owners to participate in the study.

#### **3.8.1 Proportionate Sampling**

The study involved five districts from Dar es Salaam which have different numbers of SMEs owners, therefore it was essential to generate required proportions of SMEs owners from each district. Proportional allocation allows a sample to be kept proportionate to the established area of the research. The sampling frame of 370 Tanzanian SME owners was proportionately sampled to determine the number of SME owners to be studied in each district. Proportionate sampling was conducted by the formula  $(P/N * F)$  where P represents the total population of SME owners in a particular district, N- stands for the sum of the population in all districts of Dar es salaam region and F –for the sampling frame.

Therefore, given the suggested formula, the following equations were determined:  
 Ubungo,  $33746/147903 * 370 = 84$ ; Kinondoni,  $27782/147903 * 370 = 70$ ; Temeke  
 $36572/147903 * 370 = 91$ ; Ilala  $27889/147903 * 370 = 70$ , and Kigamboni

$21914/147903*370= 55$  hence the total sample frame of 370 SME owners.

### **3.8.2 Systematic Random Sampling**

Involves selecting respondents from a larger population according to a random starting point and; thereafter, fixed intervals (Magigi, 2015). The sampling interval was calculated by dividing the population size by the required sample size. The first item was randomly chosen; the remaining were selected at fixed intervals. Therefore, after the number of samples district wise was determined, systematic random sampling was conducted from each district's population to determine research participants. This method was adopted because it is easier to use, cost effective and convenient in large populations (Kothari, 2009).

### **3.9 Data Collection Methods**

Using structured questionnaires, primary data were gathered from SME owners in Temeke, Ubungu, Ilala, Kinondoni and Kigamboni. A structured questionnaire that had a series of questions with options for the participants to respond to (Bhattachree, 2012). Initially, the questionnaire was written in English, but because Tanzanians are more conversant with Kiswahili language, the questionnaire was translated into Kiswahili. Translators from Baraza la Kiswahili Tanzania (BAKITA) were commissioned to translate the questionnaire into Kiswahili believing they were accredited body to translate documents into Standard Kiswahili.

The Kiswahili version was translated back into English using English experts to find out if the Kiswahili version was the equivalent translation of the original English



version. After being satisfied that the English version and the Kiswahili version questionnaires were equivalent, the Kiswahili version was printed and administered to the respondents using research assistants via drop and pick method. The researcher organised a training session with research assistants to get them to know techniques of data collection before the actual data collection began. The data collection exercise took four weeks.

### **3.10 Unity of Analysis**

Unit of analysis refers to entities that a researcher is investigating in the study, which can be people, groups, organizations and artefacts (Magigi, 2015). In this study, Tanzanian SME owners selected for the study comprised the unity of analysis. These were selected because they had more understanding of business activities of which entrepreneurial opportunity exploitation was among them.

### **3.11 Variables and Measurement Procedures**

The relationship between independent, mediating and depend variables were measured as follows:

#### **3.11.1 Independent Variables**

Constructs measuring cultural values were adopted from past studies. Six items measured individualism, seven items measured power distance and four items measured uncertainty avoidance. Items for the above constructs were adapted from Yoo, Donthu, & Lenartowicz (2011); Liu, *et al.*, (2019) & Xuhui, *et el.*, (2018). Masculinity was measured by five items which were adapted from Munyanyi *et al.* (2018); Ratsimanetrimanana, (2014) and Yoo, *et al.* (2011)). Long-term orientation

was measured by five items adapted from Ratsimanetrimanana (2014) and Yoo *et al.* (2011). Indulgence was measured by four items adapted from Graça, (2011) and Ratsimanetrimanana, (2014). Constructs were measured using a seven-point Likert scale ranging from Strongly Disagree to Strongly Agree.

### 3.11.2 Dependent Variables

Entrepreneurial opportunity exploitation is a dependent variable. It was measured by indicators adopted from Kuckert, *et al.*, (2017) and Liu, *et al.*, (2019) with minor modifications to suit the objectives of the current study. Indicators suggested for this study include;

*“I have set up a business organization to pursue a business opportunity I discovered, based on the business opportunity I discovered, I have developed a new market, I have approached investors to acquire funding for a business opportunity, I have put together a team to pursue a business opportunity I discovered”* (Kuckertz; Kollmam, Krell & Stockmann, 2017).

### 3.11.3 Mediating Variable

Innovativeness was measured by indicators such as;

*I experiment new ways of running a business, I am driven by creativity, I am committed to bringing improvement in my products and services, I have secured new markets, I introduced some new products and services in the past, I have developed new business processes to improve productivity, I enjoy experimenting with multiple approaches to doing the same job, and I frequently surprise people with my innovative ideas.* These indicators were adapted from Jalali, Jaafar & Ramayah (2020) and Hamdan & Alheet, (2020) with minor modifications to suit the study.

**Table 3.2: Summary of Measurement of Items**

Variables	Operational definition	Items/indicators	Sources
Opportunity exploitation	Acting on recognized opportunity	New business New markets Securing funds Team organized	Kuckertz, <i>et al.</i> (2017), Liu <i>et al.</i> (2019)
Masculinity	Characteristics which society attribute to males	Heroism Achievement orientation Assertiveness Material reward	Ratsimanetrimanana (2014), Yoo <i>et al.</i> (2011)
Long term orientation	Focusing on future success	Saving (thrift) Perseverance Future planning Stability	Ratsimanetrimanana (2014), Urban and Ratsimanetrimanana (2015) Yoo <i>et al.</i> (2011)
Individualism	Existence of single and distinct person distinguished from group	Personal autonomy Personal initiative Personal achievement Self-responsibility Competitiveness	Ratsimanetrimanana (2014) Yoo <i>et al.</i> (2011), Liu <i>et al.</i> (2019) Xuhui, <i>et el.</i> (2018)
Power distance	Extent of acceptance of unequal distribution of power	Decision making Social interaction Task delegation	Yoo, <i>et al.</i> , (2011), Liu <i>et al.</i> (2019) Xuhui <i>et el.</i> (2018), Ratsitrimanetrimanan (2014)
Uncertainty avoidance	Degree of tolerance for ambiguity	Instructions Order Rules Regulations	Ratsitrimanetrimanana (2014), Yoo <i>et al.</i> (2011), Liu <i>et al.</i> (2019) Xuhui, <i>et el.</i> (2018)
Indulgence	Perception over control of life	Perception of personal control of life Freedom Fullfillment of human desires Preference for leisure	Graça, (2011) Ratsimanetrimanana (2014)
Innovativeness	Capability of entrepreneurs to develop new ideas and implement them in their businesses	Creativity New bussiness process New products/services New ways /methods of production Resarch and development Product improvement New ideas	Hamdan &Alheet (2020), Jalali, Jaafar & Ramayah (2020)

### 3.12 Data Processing and Analysis

Various processes were observed in preparing a platform for data analysis. These processes were data editing, coding, classification and tabulation. Editing entailed ironing out mistakes and omissions in the data collected. The recorded surveys were re-examined to make sure the coding was accurate and pertinent. Data from the

completed surveys were coded and analysed using IBM SPSS version 20.0 software prior to the presentation of the findings. IBM SPSS version 20.0 software was used for conducting descriptive statistics. Multivariate data analysis was performed by smart Partial List Square -structural equation modelling software. Data in the form of SPSS were converted into comma delimited excel and then uploaded into smart PLS.

### **3.12.1 Descriptive Data Analysis**

The quantitative data collected through questionnaires were entered into IBM SPSS version 20 software. In this study, frequency and percentages were used to analyze details of the owners of SMEs; namely, sex, marital status, age, education level, capital invested in business and number of employees. The descriptive statistical analysis gave a rich picture of the sample used to assist the discussion of the findings.

### **3.12.2 Multivariate Data Analysis**

Using smart Partial Least Square Structural Equation Modelling (smart PLS-SEM) software, the study investigated the hypotheses and examined the significant influence of predictor factors in the multivariate analysis. SEM can be Covariance Based (CB-SEM) or Partial Least Square (PLS-SEM). CB-SEM is used to check theories and their essential hypotheses, while PLS- SEM is a causal predictive method that emphasizes clarifying the variance in the modal (Hair Jr *et al.*, 2021). PLS-SEM was preferred in this study due to its ability to combine observed (measured variables in the data collection process) and unobserved variables (Civelek, 2018). This is an advantage since old techniques deal with only observed variables (Oke, Ogunsami, & Ogunlana, 2012). Second, SEM is used to test both

direct and indirect relationships simultaneously and lastly, SEM considers measurement errors and can estimate and remove the errors to eliminate biases when concluding the relationships between the constructs.

This study used PLS-SEM because of its various advantages over CB-SEM. Hair, *et al.* (2021) provide the following advantages of PLS-SEM in comparison to CB-SEM: PLS-SEM is appropriate for both small and large sample sizes, the software does not consider multivariate normality of data because data collected in social sciences are hardly adherent to multivariate normality of data, the package is flexible – it can estimate both measurement and structural analysis using the same model and finally, the software can easily incorporate reflexive and formative measurement models.

PLS-SEM was conducted in mainly two stages: the assessment of the measurement model (outer model) and the assessment of the structural model (inner model). The measurement model specifically assessed the relationship between the indicators and their specific underlying latent variables. Factor loadings, Cronbach's and composite reliability, convergent and discriminant validity and model fit are criteria issues that were assessed before moving to the structural model.

The structural modal or inner model assessed collinearity issues where variance inflated factor (VIF) less than 3 indicates a lack of collinearity problem (Hair *et al.*, 2019), predictive power measured by R<sup>2</sup>, Model predictive relevance measured by Q<sup>2</sup> as well as assessing the path coefficients in which the direct and indirect relationship among latent variables were tested as they were stated in the hypotheses.

The first step was the preparation of data. Data in CSV comma delimited excel were exported into the smart PLS programme. The second step was the creation of the project. The third step was exploring data; this step involved viewing descriptive statistics of the variables. The fourth step was the specification of the theoretical model by diagrammatic expression of latent variables with their indicators and the relationship among latent variables. The fifth step involved calculating the model, which involved calculating the algorithm for the measuring model and bootstrapping for the structural model.

### **3.13 Validity**

Validity refers to the degree of correctness with which a measurement measures what it is planned to measure (Magigi, 2015). A valid test measures what it is supposed to measure (Kumar, 2019). In this study, validity concerned with ensuring that instruments measured what was intended to be measured. This study assessed content validity, construct validity and criterion validity.

#### **3.13.1 Content Validity**

Content validity ensures that the instrument measures all the contents expected to be measured (Magigi, 2015). Experts in entrepreneurship were asked to evaluate the degree to which the instrument covered the required content that was measured. Improvement on items measuring constructs were made to cover required content before administering questionnaires to respondents.

#### **3.13.2 Construct Validity**

Construct validity assesses the extent to which the instrument measures the intended

constructs as per existing theory and knowledge of the measured construct. The central concern is whether the items measure the constructs. According to Yin (2009) construct validity involves finding the correct operational measures. Construct validity was tested using convergent and discriminant validity.

#### **3.13.2.1 Convergent validity**

Convergent validity measures the extent to which all items measuring a construct are related. Factor loading higher than 0.70 indicates convergent validity of indicators whereby average variance extracted (AVE) greater than 0.50 indicates convergent validity of latent variables (Hair *et al.*, 2021).

#### **3.13.2.2 Discriminant Validity**

Discriminant Validity is an indicator of low correlation among items measuring different constructs. Discriminant validity was assessed using Fornell-Larcker criterion, cross loadings and Heterotrait Monotrait ratio (HTMT). Starting Fornell-Larcker criterion, the square root of the average variance extracted from each latent variable should be larger than its correlation with other latent variables. Cross loadings were the second measure of discriminant validity. The outer loadings must be larger on the latent variable they represent than its cross loadings on the other latent variable.

Lastly, discriminant validity was measured using HTMT. It is the mean value of the item's correlations across constructs in relation to the mean of the average correlations for the items assessing the similar construct (Heir *et al.*, 2019). HTMT value less than 0.90 for similar constructs and HTMT value less than 0.85 for

different constructs indicate the presence of discriminant validity (Hair, Richer, Sarstedt & Ringle, 2019).

### **3.13.3 Criterion Validity**

Criterion validity is measuring the scores of new measures by comparing with other measures of similar constructs stated by the theory (Kimberlin & Winterstein, 2008). To ensure predictive validity the instrument used items that were adapted from reliable and validated literature.

### **3.14 Reliability**

Reliability examines the degree to which data collection techniques and analysis procedures yield related results if the same study was conducted on another occasion or if the same study was conducted by another researcher (Saunders *et al.*, 2012). Reliability was firstly assessed by testing the reliability of individual items. Factor loadings of each item were tested to ensure that all items have factor loadings greater than 0.7 which is a suggested threshold for establishing reliability of individual items (Hair *et al.*, 2019). Cronbach alpha values were calculated for each construct to determine the reliability of the scale. A cronbach's alpha value of above 0.70 indicates that the reliability of a scale is sufficient (Civelek, 2018). Cronbach's alpha assumes all indicators have equal loadings (Hair *et al.*, 2019), something which is not always the case. Therefore, composite reliability was also assessed to establish internal consistency. A value of 0.70 or higher is recommended for adequate Composite reliability.



### **3.15 Ethical Considerations**

The following ethical issues were observed when undertaking this study as they have been suggested by different scholars (Cooper & Schindler, 2011; Saunders *et al.*, 2012). The researcher obtained a data collection clearance letter from the Open University of Tanzania (OUT). The clearance was sent to the Dar es Salaam Regional Administrative Officer (RAS) who introduced the researcher to Executive Directors of the municipals. The municipal directors, in turn, introduced the researcher to the city and municipal Trade Officers and asked them to cooperate. These supplied lists of licensed SMEs and granted the researcher permission to collect data in Ilala, Temeke, Kinondoni, Ubungo and Kigamboni districts. After securing research permission, the researcher and five research assistants distributed questionnaires to respondents and returned to collect them after two days.

By outlining the study's objectives to the participants, the researcher was able to gain their consent and give them the freedom to choose whether or not to take part. Respondents were informed that the study was carried out by a researcher to fulfil academic requirements and that the study aimed to investigate the exploitation of business opportunities. The researcher gave the respondents the assurance that their identities would remain anonymous and that the data they submitted would be confidential.

## **CHAPTER FOUR**

### **FINDINGS**

#### **4.1 Overview**

This chapter presents the study results based on the characteristics of the population studied and the study objectives. The first part presents descriptive data of the owners of SMEs in studied districts. The data presented concern sex, age, education, marital status, experience, number of employees and capital investment. The second part presents result of the objectives of the study.

#### **4.2 Response Rate**

The population of the study included all owners of registered SMEs in Dar es Salaam Region. The researcher had a sample of 370 respondents for field data collection. The researcher engaged five assistants to help in the process of administering questionnaires to the selected owners of SMEs in the five districts in the region. Out of 370 respondents who received the questionnaires, 361 (97.6%) were completed and returned. The response rate was excellent since it stood at 97.6. According to Mundy (2002) the response rate above 90 percent is commended and considered excellent. Further, Mugenda, (2008) posits that a response rate of 50 percent is adequate to generate valid findings, above 60 percent is good and the response above 70 percent is very good. Based on these observations, the researcher's response rate is considered strong to generate valid findings and conclusions.

#### **4.3 Descriptive Analysis**

Descriptive statistics was conducted to describe the characteristics of the owners of

the SMEs in respective localities. Descriptive statistics included details of their sex, age, education attainment, marital status, experience, number of employees and capital investment.

#### 4.3.1 Sex of SME Owners

The field results show that 157 (43.5%) females completed the questionnaires as illustrated in Table 4.1.

**Table 4. 1: Sex of SME Owners**

	Frequency	Percent
Male	204	56.5
Female	157	43.5
Total	361	100.0

**Source:** Field data (2022).

#### 4.3.2 Age of SME Owners

Field data reveal that the majority owners of SMEs in the region aged between 20-29 (47.9%) age group and 30-39 (33%) age group followed by the owners belonging to 40-49 (11.1%) age group as illustrated in Table 4.2.

**Table 4. 2: Age Groups of SMEs' Owners**

	Frequency	Percent
Less than 20 years	13	3.6
20 – 29 years	173	47.9
30 – 39 years	119	33.0
40 – 49 years	40	11.1
50– 59 years	15	4.2
60 years or above	1	.3
Total	361	100.0

**Source:** Field data (2022).

The table indicates that other age groups were less represented in this study. The respondents aged between age groups 50-59 comprised 4.2 percent, below 20 years were 3.6 percent and above 60 years were 0.3 percent. This means that most owners of SMEs belonged to the most active population between 20 and 39 years old. n

### 4.3.3 Marital Status of SME Owners

The researcher analysed the marital status of the respondents. Field data indicate that the majority of owners of SMEs were married (64.5%) followed by singles (21.9%) as illustrated in Table 4.2.

**Table 4. 3: Marital Status of SME Owners**

	Frequency	Percent
Single	79	21.9
Married	233	64.5
Divorce	31	8.6
Separated	11	3.0
Widow	6	1.7
Widower	1	.3
Total	361	100.0

**Source:** Field data (2022).

The table also indicates marital status of the other categories of respondents – divorced (8.6%), separated (3%), widows (1.7%) and widowers (0.3%).

### 4.3.4 Educational Attainment

The researcher was interested to analyse the educational attainment of the respondents. As indicated in Table 4.4, the majority of the business people had

secondary school education (47.4%) followed by primary education (23.8%) and graduates (19.4%).

**Table 4. 4: Education Level of SME Owners**

	Frequency	Percent
Not attended any school	12	3.3
Primary education	86	23.8
Secondary education	171	47.4
Technical education	22	6.1
University Education	70	19.4
Total	361	100.0

**Source:** Field data (2022).

Table 4.4 also indicates 6.1 percent of the respondents had technical education and 3.3 percent had not attended any school.

#### **4.3.5 Duration in Business**

The researcher analysed the duration of businesses surveyed. Field data reveal that the majority of the businesses were between 1-5 years (65%) followed by the businesses that were more than ten years (11.1%) as illustrated in Table 4.5.

**Table 4. 5: Number of years SME have Existed**

	Frequency	Percent
Less than one year	35	9.7
1-5 years	238	65.9
6 -10 Years	40	11.1
More than ten years	48	13.3
Total	361	100.0

**Source:** Field data (2022).

Table 4.5 also reveals that other businesses had existed for more than ten years (13.3%) and others for less than one year (9.7%).

#### 4.3.6 Total Number of Employees in SMEs

The researcher wanted to establish the status of employment in the SMEs studied.

Field data indicate that the majority of businesses had employees between 5 and 49 (62%) followed by businesses with less than 5 (35.7%) employees and establishments with employees between 50-99 (2.2%) as illustrated in Table 4.6.

**Table 4. 6: Total Number of Employees in SMEs**

	Frequency	Percent
Less than 5	129	35.7
5-49	224	62.0
50-99	8	2.2
Total	361	100.0

**Source:** Field data (2022)

#### 4.3.7 Capital Investment in Tanzanian Shillings

The researcher was interested to find out the level of capital investment of the businesses under the study. Field data reveal that the majority businesses had capital above 5 to 200 million (77%) followed by SMEs with capital amounting to 5 million (21%) and the businesses with capital investment above 200 million to 800 million (1.4%) as shown in Table 4.7.

**Table 4. 7: Capital Size in Investment in Tanzania Shillings**

	Frequency	Percent
Up to 5 Million	78	21.6
Above 5 to 200 Million	278	77.0
Above 200 to 800 Million	5	1.4
Total	361	100.0

**Source:** Field data (2022)

#### **4.4 Multivariate Analysis**

Partial Least Square Structural Equation Modelling (PLS-SEM) was used for multivariate analysis. Smart PLS-SEM was selected over Covariance-Based (CB-SEM) for various reasons. First, CB-SEM is suitable for analysing both small and large sample sizes. Second, CB-SEM does not consider multivariate normality of data. Third, CB-SEM is a flexible and user-friendly technique that estimates both measurement and structural analysis using the same model, Finally, CB-SEM easily incorporates both reflexive and formative measurement models.

The analysis using CB-SEM was conducted in two stages; the first stage was the measurement model which assessed the relationship between the items or indicators with their latent constructs. The second stage was the structural model which assessed the relationship among latent constructs as they have been hypothesized.

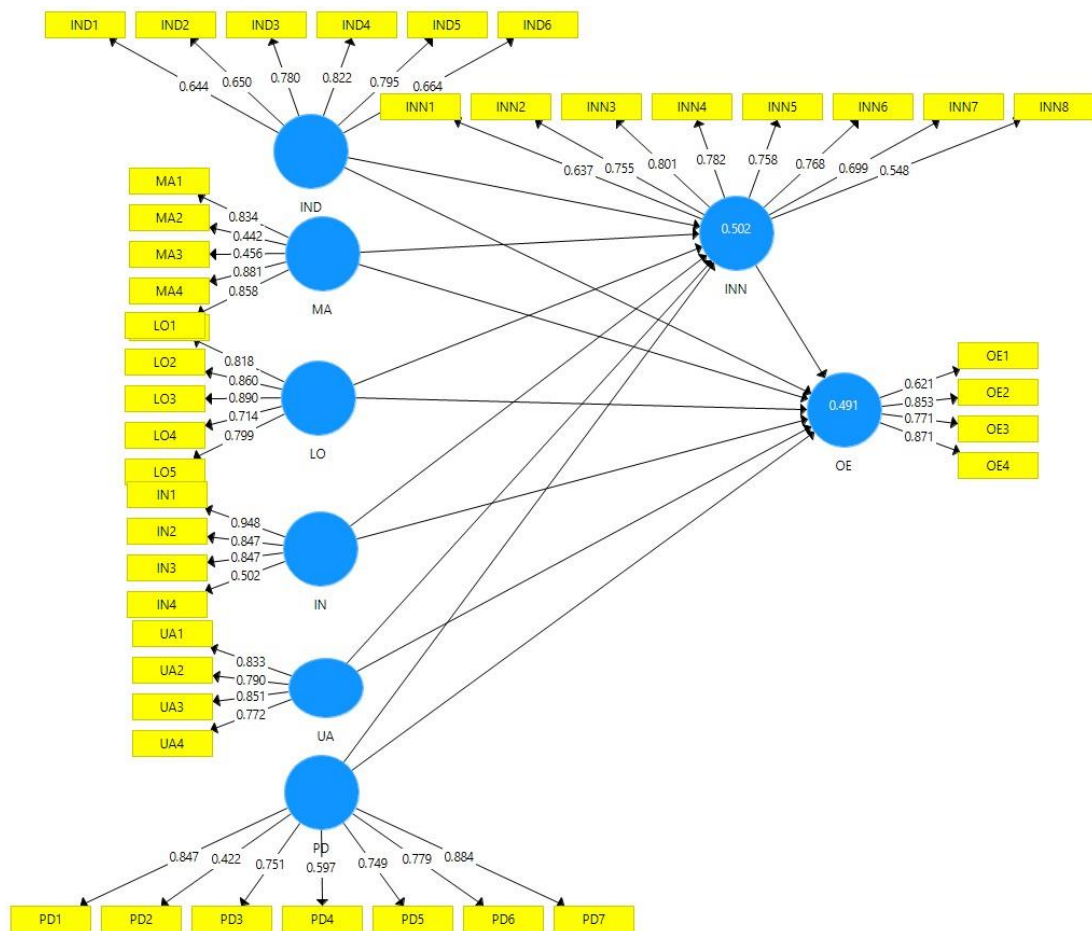
##### **4.4.1 Measurement Model**

The measurement model involved the assessment of the relationship between constructs and their indicators. The measurement model evaluates reliability and validity of constructs. Reliability was measured by factor loadings of individual items, Cronbach's alpha and composite reliability. Construct validity was measured by convergent validity and discriminant validity.

###### **4.4.1.1 Factor Loadings**

Factor loading indicates the degree to which an indicator defines a construct. Factor loadings above 0.70 suggest that an indicator contributes more than 50 percent of the definition of the construct, hence adequate reliability of an indicator (Hair et al.,

2019). In the original mode illustrated in Figure 4.1, some indicators failed to meet the factor loadings threshold of 0.70 or above and were removed. Indicators that were removed include IN4 from indulgence, IND1, IND2 and IND6 from individualism, INN1 and INN8 from innovativeness, MA2 and MA3 from masculinity, OE1 from opportunity exploitation and PD2 and PD4 from power distance.



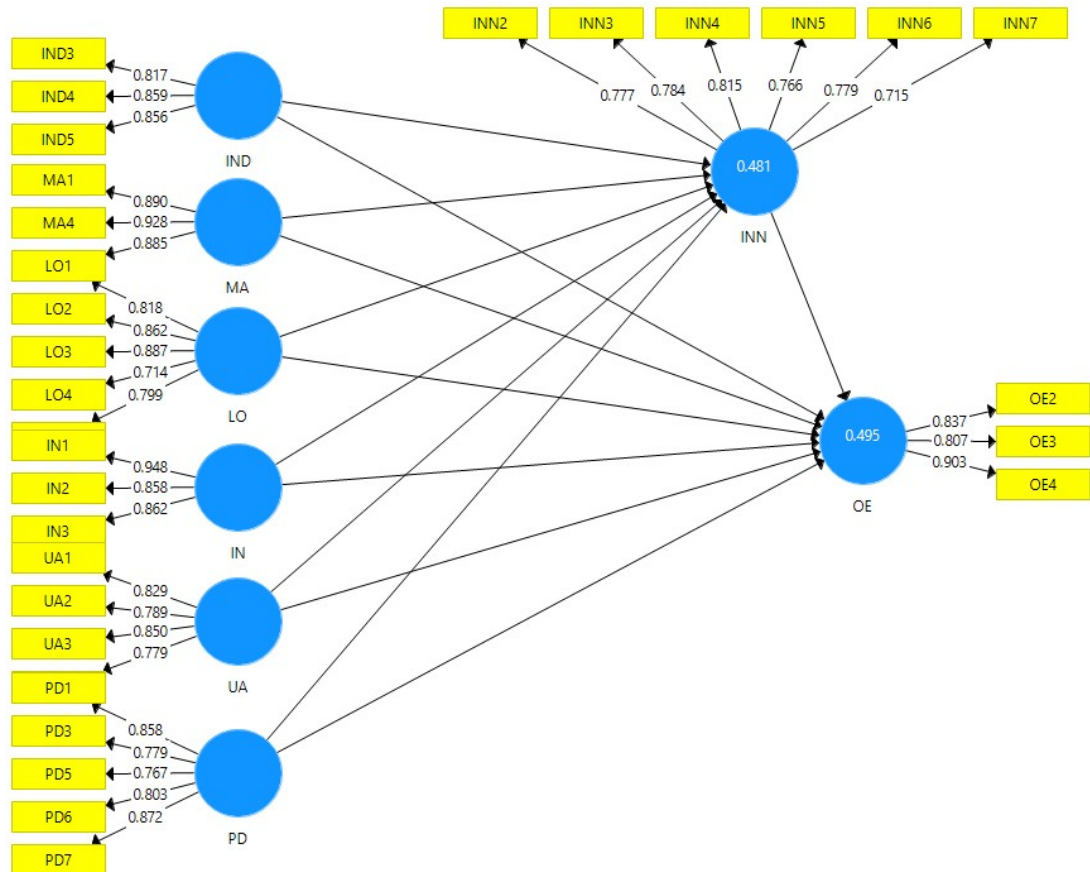
**Figure 4.1: Original Measurement Model**

Source: Field data (2022)

After the review of the model and elimination of the indicators with less than 0.7 loadings from the original model, the smart PLS algorithm was calculated to the reliability of indicators as indicated in Figure 4.2. All the remaining indicators had



factor loadings above 0.70 hence the researcher continued with the test of construct reliability and validity.



**Figure 4.2: Edited Measurement Model after Removing Indicators with less than 0.07 Factor Loadings**

Source: Field data (2022)

#### 4.4.1.2 Reliability and Validity Assessment

Reliability evaluates the degree to which the data gathering methods and analytic procedures would yield identical results should the same researcher or another researcher carry out the same study (Saunders *et al.*, 2012). Making sure the measurement tool measures what it is designed to measure is what validity is all about. Reliability was evaluated using Cronbach's alpha and composite reliability, and validity was evaluated using divergent and discriminant validity.

#### 4.4.1.2.1 Cronbach's Alpha

Cronbach's Alpha is a measure of how the set of indicators comprising the construct are closely related as a group. It measures the internal consistency or reliability of constructs. Cronbach's alpha assumes that all indicators have equal factor loadings, which is not the case. A value that is equal or greater than 0.70 is considered suitable to establish the construct's reliability (Civelek, 2017). Table 4.8 shows that all constructs have Cronbach's alpha greater than 0.70, hence all constructs are reliable.

**Table 4.8: Cronbach's Alpha, Composite Reliability and Average Variance Extracted (AVE)**

Construct	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
IN	0.806735987	0.874711998	0.646168852
IND	0.823834907	0.871069673	0.532240814
INN	0.866600975	0.896385392	0.522679676
LO	0.87573678	0.909807446	0.669802429
MA	0.744505859	0.834511902	0.522214216
OE	0.788336646	0.863434591	0.616270924
PD	0.845719279	0.886477042	0.537601621
UA	0.829208856	0.88556253	0.65958109

**Source:** Field data (2022).

#### 4.4.1.2.2 Composite Reliability

Composite reliability measures the internal consistency of indicators considering the varying factor loadings of the indicators of the constructs. Literature indicates that composite reliability of 0.70 or above is adequate to establish reliability (Hair *et al.*, 2019). Composite reliability measures are greater than the recommended threshold thus indicating the reliability of constructs being studied. Table 4.8 above shows the values for composite reliability as they were estimated by smart PLS software.

#### 4.4.1.2.3 Convergent Validity

Convergent validity measures how much indicators are correlated to the construct they are measuring. It is obtained by summing squared loadings and then dividing the sum by the total number of indicators. The average variance extracted (AVE) above or equal to 0.5 shows that convergent validity has been met (Hair *et al.*, 2019). In Table 4.8 above, all constructs have an AVE value greater than 0.50, thus convergent validity has been met.

#### 4.4.1.2.4 Discriminant Validity

Discriminant validity measures the extent to which indicators of one construct are different from the indicators which measure another construct. Discriminant validity is measured by Fornell-Larcker criterion, cross loadings and Heterotrait Monotrait ratio (HTMT). Starting with the Fornell-Larcker criterion, the square root of the average variance extracted from each latent variable should be larger than its correlation with other latent variables. Table 4.9 shows that the square root of AVE of each latent variable is larger than its correlation with another construct; hence discriminant validity has been established.

**Table 4.9: Fornell-Larcker Criterion**

	IN	IND	INN	LO	MA	OE	PD	UA
IN	<b>0.890</b>							
IND	0.237	<b>0.844</b>						
INN	0.379	0.445	<b>0.773</b>					
LO	0.254	-0.075	0.300	<b>0.818</b>				
MA	0.327	0.392	0.372	0.134	<b>0.901</b>			
OE	0.338	0.558	0.561	0.052	0.442	<b>0.850</b>		
PD	0.221	0.275	0.384	0.064	0.259	0.402	<b>0.817</b>	
UA	0.318	0.207	0.550	0.482	0.332	0.252	0.226	<b>0.812</b>

**Source:** Field data (2022).

Discriminant was also assessed using cross loadings. In this assessment, the outer loadings had to be larger on the latent variable they represented than its cross loadings on the other latent variable. Table 4.10 indicates that the outer loadings are larger in the construct they represent than the cross loadings on another construct.

**Table 4.10: Cross Loadings**

	<b>IN</b>	<b>IND</b>	<b>INN</b>	<b>LO</b>	<b>MA</b>	<b>OE</b>	<b>PD</b>	<b>UA</b>
<b>IN1</b>	<b>0.948</b>	0.232	0.375	0.254	0.321	0.303	0.216	0.316
<b>IN2</b>	<b>0.858</b>	0.221	0.266	0.183	0.245	0.318	0.200	0.291
<b>IN3</b>	<b>0.862</b>	0.180	0.362	0.235	0.303	0.285	0.174	0.243
<b>IND3</b>	0.247	<b>0.817</b>	0.330	0.006	0.355	0.428	0.225	0.222
<b>IND4</b>	0.191	<b>0.859</b>	0.403	-0.118	0.341	0.491	0.282	0.114
<b>IND5</b>	0.168	<b>0.856</b>	0.389	-0.068	0.301	0.490	0.188	0.196
<b>INN2</b>	0.254	0.415	<b>0.777</b>	0.230	0.252	0.424	0.256	0.455
<b>INN3</b>	0.272	0.185	<b>0.784</b>	0.397	0.280	0.289	0.242	0.537
<b>INN4</b>	0.314	0.381	<b>0.815</b>	0.193	0.277	0.430	0.261	0.413
<b>INN5</b>	0.319	0.332	<b>0.766</b>	0.210	0.297	0.490	0.338	0.435
<b>INN6</b>	0.312	0.330	<b>0.779</b>	0.241	0.287	0.495	0.371	0.392
<b>INN7</b>	0.280	0.403	<b>0.715</b>	0.141	0.332	0.444	0.295	0.331
<b>LO1</b>	0.272	-0.100	0.223	<b>0.818</b>	0.071	0.001	-0.007	0.391
<b>LO2</b>	0.214	-0.046	0.295	<b>0.862</b>	0.109	0.084	0.122	0.436
<b>LO3</b>	0.234	-0.045	0.265	<b>0.887</b>	0.183	0.043	0.036	0.478
<b>LO4</b>	0.188	-0.046	0.224	<b>0.714</b>	0.091	0.047	0.074	0.308
<b>LO5</b>	0.119	-0.083	0.201	<b>0.799</b>	0.080	0.020	0.013	0.334
<b>MA1</b>	0.275	0.379	0.304	0.047	<b>0.890</b>	0.386	0.204	0.308
<b>MA4</b>	0.293	0.350	0.309	0.117	<b>0.928</b>	0.389	0.210	0.255
<b>MA5</b>	0.314	0.333	0.384	0.188	<b>0.885</b>	0.416	0.277	0.330
<b>OE2</b>	0.281	0.444	0.488	0.057	0.323	<b>0.837</b>	0.351	0.244
<b>OE3</b>	0.265	0.392	0.392	0.004	0.365	<b>0.807</b>	0.290	0.163
<b>OE4</b>	0.312	0.568	0.535	0.064	0.432	<b>0.903</b>	0.376	0.230
<b>PD1</b>	0.223	0.258	0.316	0.083	0.219	0.358	<b>0.858</b>	0.224
<b>PD3</b>	0.188	0.230	0.315	0.015	0.254	0.311	<b>0.779</b>	0.145
<b>PD5</b>	0.169	0.185	0.287	0.053	0.150	0.355	<b>0.767</b>	0.189
<b>PD6</b>	0.183	0.177	0.298	0.056	0.226	0.249	<b>0.803</b>	0.157
<b>PD7</b>	0.144	0.263	0.348	0.053	0.212	0.355	<b>0.872</b>	0.200
<b>UA1</b>	0.264	0.145	0.497	0.447	0.332	0.245	0.304	<b>0.829</b>
<b>UA2</b>	0.105	0.150	0.368	0.444	0.209	0.123	0.066	<b>0.789</b>
<b>UA3</b>	0.312	0.165	0.402	0.416	0.221	0.155	0.146	<b>0.850</b>
<b>UA4</b>	0.317	0.206	0.486	0.278	0.287	0.258	0.172	<b>0.779</b>

Source: Field data (2022).

Lastly, discriminant validity was measured using HTMT. It is the mean value of the item's correlations across constructs in relation to the mean of the average correlations for the items assessing the similar construct (Heir et al., 2019). HTMT detects validity problems compared to cross loadings and the square root of AVE

(Henseler, Ringle & Sarstedt, 2015). HTMT value less than 0.90 for similar constructs and HTMT value less than 0.85 for different constructs indicate the presence of discriminant validity (Hair et al., 2019). Table 4.11 indicates that all HTMT values are less than 0.85 for each construct; hence discriminant validity was attained.

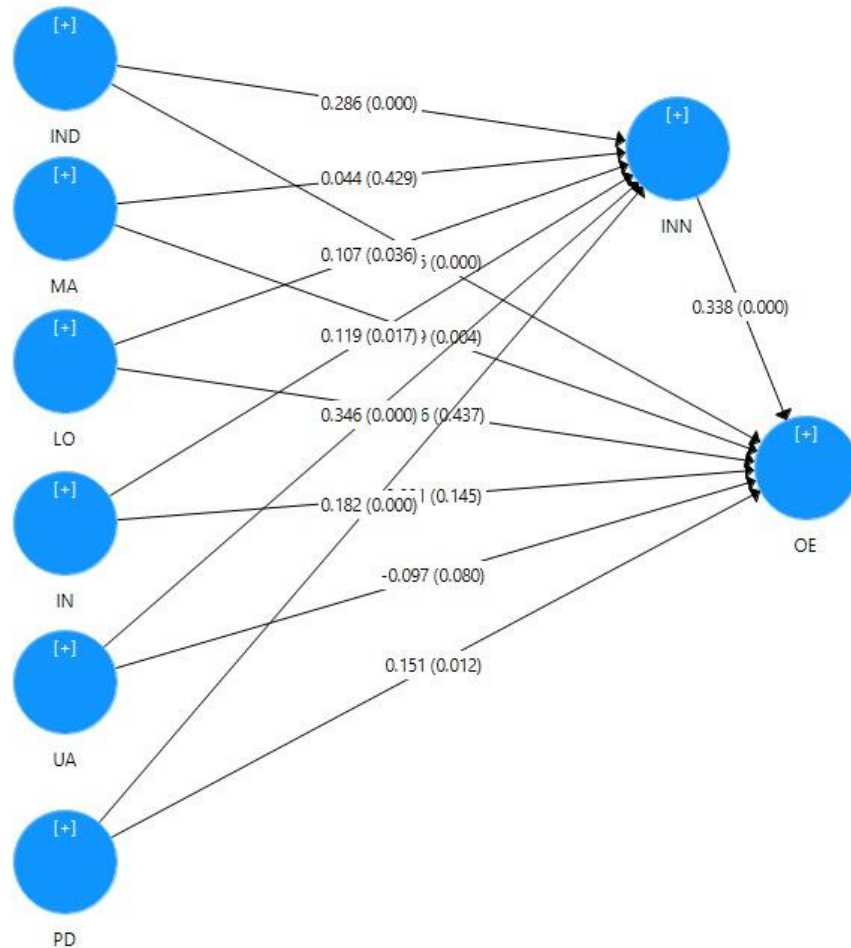
**Table 4.11: Heterotrait Monotrait Ratio (HTMT)**

	IN	IND	INN	LO	MA	OE	PD	UA
<b>IN</b>								
<b>IND</b>	<b>0.288</b>							
<b>INN</b>	<b>0.432</b>	<b>0.528</b>						
<b>LO</b>	<b>0.286</b>	<b>0.103</b>	<b>0.344</b>					
<b>MA</b>	<b>0.370</b>	<b>0.469</b>	<b>0.422</b>	<b>0.144</b>				
<b>OE</b>	<b>0.404</b>	<b>0.683</b>	<b>0.657</b>	<b>0.063</b>	<b>0.518</b>			
<b>PD</b>	<b>0.255</b>	<b>0.326</b>	<b>0.437</b>	<b>0.082</b>	<b>0.292</b>	<b>0.471</b>		
<b>UA</b>	<b>0.363</b>	<b>0.256</b>	<b>0.639</b>	<b>0.565</b>	<b>0.374</b>	<b>0.291</b>	<b>0.246</b>	

**Source:** Field data (2022).

#### 4.4.2 Structural Model

The structural model indicates the relationships among latent variables as they have been expressed in the hypotheses. Structural model is analysed after validity and reliability of constructs have been established because structural model cannot be confirmed if the measures are not valid and reliable. Structural model involves assessment of collinearity issues, models' predictive power, model's predictive relevance and significance of total, direct and indirect paths. When PLS-SEM is used the total, direct and indirect effects are simultaneously assessed contrary to the segmentation approach in which assessment is done step by step.



**Figure 4.3: The Structural Model**

Source: Field data (2022)

#### 4.4.2.1 Collinearity Issues

Variance Inflated Factor (VIF) is used to assess the extent to which constructs are independent. Hair, *et al.*, (2019) contend that a collinearity value of less than 3 indicates that there is no collinearity problem. Table 4.12 shows that the VIF for all constructs is below the recommended threshold; hence there is no multicollinearity problem.

**Table 4.12: Variance Inflated Factor (VIF)**

	INN	OE
IN	1.244	1.271
IND	1.303	1.461
INN		1.928
LO	1.399	1.421
MA	1.350	1.353
OE		
PD	1.149	1.213
UA	1.530	1.760

Source: Field data (2022).

#### 4.4.2.2 Models Predictive Power ( $R^2$ ) and Relevance ( $Q^2$ )

Instead of evaluating model fit, PLS-SEM assesses models' predictive power (R-square) and relevance (Q square) since the model fit assessment is ineffective in discovering model misspecification (Hair jr et al., 2022). Fit indices are necessary part of CB-SEM and cannot be transferred to PLS-SEM (Hair et al., 2022).  $R^2$  statistics is calculated to measure the model's explanatory power. R square simply explains how much one or more independent variables can account for change in the dependent variable. The value for  $R^2$  should be equal to 0.1 or above (Raithel, Sarstedt, Scharf, & Schwaiger, 2012). The results in Table 4.13 show that  $R^2$  for innovativeness is 0.481 and for opportunity exploitation is 0.495. The values are greater than the recommended threshold of above 0.1; hence, the model's explanatory power is established.

$Q^2$  measures whether or not the structural model has predictive relevance.  $Q^2$  establishes the predictive relevance of the endogenous constructs.  $Q^2$  greater than 0 indicates that the model has predictive relevance (Hair *et al.*, 2019). Table 4.13

shows that innovativeness has Q square value of 0.264 and opportunity exploitation 0.324. The model has predictive relevance since  $Q^2$  values are above the recommended threshold value of greater than 0.

**Table 4. 13:  $R^2$  and  $Q^2$**

	$R^2$	$Q^2$
INN	0.481	0.264
OE	0.495	0.324

**Source:** Field data (2022)

#### 4.4.2.3 Path Coefficients

Various paths have been assessed to establish their significance. This involved the assessment of total effects, direct effects and specific indirect effects. P value less than 0.05 indicates that the path is significant (Hair et al., 2019). PLS-SEM simultaneously analyses the total, direct, indirect effects unlike the Barony and Kenny (1986) approach in which effects are analysed separately.

##### 4.4.2.3.1 Total Effects

Total effects measure the effect of cultural values on entrepreneurial opportunity exploitation without the presence of a mediator variable. Recommended threshold for p-values is less than 0.05 (Hair et al., 2019). Results in table 4:14 show that the influence of indulgence (IN) on entrepreneurial opportunity exploitation (OE) has a p-value of 0.026; individualism (IND) influence on entrepreneurial opportunity exploitation (OE) has a p-value of 0.0000; masculinity (MA) influence on entrepreneurial opportunity exploitation has a p-value of 0.003; power distance (PD) influence on entrepreneurial opportunity exploitation has a p-value of 0.0000.



On the other hand, Table 4.14 results show long term orientation (LO) influence on entrepreneurial opportunity exploitation (OE) has a p-value=0.997; uncertainty avoidance (UA) influence on opportunity exploitation (OE) has a p-value=0.748.

**Table 4.14: Total Effects**

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>
<b>IN -&gt; OE</b>	0.132	0.128	0.059	2.218	<b>0.026</b>
<b>IND -&gt; OE</b>	0.393	0.392	0.06	6.557	<b>0.000</b>
<b>LO -&gt; OE</b>	0.000	-0.003	0.048	0.004	<b>0.997</b>
<b>MA -&gt; OE</b>	0.184	0.187	0.062	2.981	<b>0.003</b>
<b>PD -&gt; OE</b>	0.213	0.215	0.06	3.557	<b>0.000</b>
<b>UA -&gt; OE</b>	0.019	0.025	0.06	0.323	<b>0.748</b>

Source: Field data (2022)

#### 4.4.2.3.2 Direct Effect of Cultural Values on Entrepreneurial Opportunity

##### Exploitation

This assessed the direct effect of cultural values on entrepreneurial opportunity exploitation in the presence of innovativeness as a mediator variable. The accepted threshold p-value is less than 0.05 (Hair *et al.*, 2019). Results in table 4.15 show that the direct influence of indulgence on entrepreneurial opportunity exploitation on the presence of a mediator has a p-value of 0.145. The direct influence of long-term orientation on entrepreneurial opportunity exploitation on the presence of a mediator has a p-value of 0.438.

The direct influence of uncertainty avoidance on entrepreneurial opportunity exploitation on presence of innovativeness as a mediating variable has a p-value of 0.086. Also, table 4.15 shows that the direct influence of individualism on entrepreneurial opportunity exploitation on the presence of mediating variable has a

p-value of 0.000; the direct influence on entrepreneurial opportunity exploitation on the presence of mediating variable has a p-value of 0.004 and lastly the direct influence of power distance on entrepreneurial opportunity exploitation on the presence of a mediator has a p-value of 0.012.

**Table 4.15: Direct Effect of Presence of a Mediating Variable**

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>
<b>IN -&gt; OE</b>	0.091	0.088	0.063	1.451	<b>0.145</b>
<b>IND -&gt; OE</b>	0.296	0.294	0.066	4.471	<b>0.000</b>
<b>LO -&gt; OE</b>	-0.036	-0.04	0.046	0.775	<b>0.436</b>
<b>MA -&gt; OE</b>	0.169	0.173	0.059	2.848	<b>0.004</b>
<b>PD -&gt; OE</b>	0.151	0.155	0.06	2.536	<b>0.012</b>
<b>UA -&gt; OE</b>	-0.097	-0.092	0.055	1.773	<b>0.086</b>

**Source:** Field data (2022).

#### **4.4.2.3.3 Specific Indirect Effect**

The specific indirect effect is concerned with effects of independent variables on a dependent variable through the mediator. The path is considered significant if p-value is less than 0.05 (Hair, *et al.*, 2019). Results in Table 4.16 show that the mediating effect of innovativeness on the relationship between indulgence (IN) and entrepreneurial opportunity exploitation has a p-value of 0.036. The mediating effect of Innovativeness on the relationship between individualism (IND) and entrepreneurial opportunity exploitation has a p-value of 0.000. The mediating effect of innovativeness on the relationship between power distance (PD) and entrepreneurial opportunity exploitation has a p-value of 0.002.

Also, the mediating effect of innovativeness on the relationship between uncertainty avoidance (UA) and entrepreneurial opportunity has a p-value of 0.000. Moreover, the mediating effect of innovativeness on the relationship between long-term orientation (LO) and entrepreneurial opportunity exploitation has a p-value of 0.053. Lastly, the mediating effect of Innovativeness on the relationship between masculinity (MA) and entrepreneurial opportunity exploitation has a p-value of 0.432.

**Table 4.16: Specific Indirect Effects**

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>
<b>IN -&gt; INN -&gt; OE</b>	0.04	0.041	0.019	2.071	<b>0.036</b>
<b>IND -&gt; INN -&gt; OE</b>	0.097	0.098	0.028	3.485	<b>0.000</b>
<b>LO -&gt; INN -&gt; OE</b>	0.036	0.037	0.019	1.875	<b>0.053</b>
<b>MA -&gt; INN -&gt; OE</b>	0.015	0.014	0.019	0.776	<b>0.432</b>
<b>PD -&gt; INN -&gt; OE</b>	0.062	0.061	0.02	3.034	<b>0.002</b>
<b>UA -&gt; INN -&gt; OE</b>	0.117	0.117	0.029	3.974	<b>0.000</b>

**Source:** Field data (2022).

#### 4.4.2.4 Mediation Effect Analysis

The mediation analysis assesses whether mediation effects are complete, partial or there is no mediation effect. Complete mediation occurs when the indirect effect is significant while the direct effect is insignificant, partial mediation occurs when both the indirect and direct effect is significant and no mediation when the indirect effect is insignificant (Hair, et al., 2019). Mediation effects were conducted transmittal approach advocated by Zhao et al., (2010).

Table 4.17 shows that mediation effect of innovativeness on the relationship between indulgence and entrepreneurial opportunity exploitation has p-value of 0.026 for total effect, p-value of 0.145 for direct effect and p-value of 0.036 for

indirect effect; mediation effect of innovativeness on the relationship between individualism and entrepreneurial opportunity exploitation has a p-value of 0.000 for total effect, p-value of 0.000 for direct effect and p-value of 0.000 for indirect effect; mediation effect of innovativeness on the relationship between long term orientation.

Moreover, entrepreneurial opportunity exploitation has a p-value of 0.997 for total effect, p-value of 0.436 for direct effect and a p-value of 0.053 for indirect effect; mediation effect of innovativeness on the relationship between masculinity and entrepreneurial opportunity exploitation has a p-value of 0.003 for total effect, p-value of 0.004 for direct effect and p-value of 0.432 for indirect effect; mediation effect of innovativeness on the relationship between power distance and entrepreneurial opportunity exploitation has a p-value of 0.000 for total effect, p-value of 0.002 for direct effect and p-value of 0.002 for indirect effect; mediation effect of innovativeness on the relationship between uncertainty avoidance and entrepreneurial opportunity exploitation has p-value of 0.748 for total effect, p-value of 0.086 for direct effect and p-value of 0.000 for indirect effect.

**Table 4. 17: Mediation Effect Analysis**

<b>Total effects</b>		<b>Direct effects</b>		<b>Indirect effects</b>	
	P values		P Values		P Values
IN -> OE	0.026	IN -> OE	0.145	IN -> INN -> OE	0.036
IND -> OE	0.000	IND -> OE	0.000	IND -> INN -> OE	0.000
LO -> OE	0.997	LO -> OE	0.436	LO -> INN -> OE	0.053
MA -> OE	0.003	MA -> OE	0.004	MA -> INN -> OE	0.438
PD -> OE	0.000	PD -> OE	0.012	PD -> INN -> OE	0.002
UA -> OE	0.748	UA -> OE	0.086	UA -> INN -> OE	0.000

**Source:** Field data (2022).

## **CHAPTER FIVE**

### **DISCUSSION OF FINDINGS**

#### **5.1 Overview**

Chapter five presents the discussion of the key findings presented in Chapter Four. This chapter interprets, compares and contrasts the findings presented in Chapter Four alongside theoretical postulations and other relevant empirical studies. The essence is to evaluate the consistency and deviations of the study findings with existing theoretical and empirical findings. Lastly, this chapter confirms the hypotheses used in this study.

#### **5.2 Descriptive Statistics**

Descriptive statistics discusses sex of the respondents, age, education attainment, marital status, experience, number of employees and capital investment. Understanding the demographic information of the owners of SMEs in the study area is very important because they influence the findings.

##### **5.2.1 Sex of Respondents**

The study aimed at understanding sex composition among SME owners in Tanzania. Table 4.1 shows that 56.5% of the respondents were males while 43.5% were females. The difference in SME ownership between males and females is 13%. Fewer female participants in small and medium enterprises ownership may be attributed to several factors. Factors affecting women's participation in SME ownership include lack of capital and financial illiteracy (Were, Odongo & Israel, 2021). Mori (2014) asserts that lack of collateral due to restrictive rights to property,

less mobility, sexual harassment and lack of necessary capacities affects female entrepreneurship.

Additionally, cultural values are important in hindering women to start and run enterprises based on traditional reproductive roles assigned to women and power relations (Mori, 2014). Policies contrast the sociocultural values and institutions in Tanzania; thus, new policies should be developed (Geers, 2018). To bridge the existing gap SME policy should address cultural values that affect female access to resources, skills and education, access to networks. However, results indicate that despite the factors hindering female entrepreneurship, females have not remained far back in exploiting entrepreneurial opportunities.

### **5.2.2 Age group of Respondents**

The study aimed to examine age distribution among SME owners in Tanzania. Findings in Table 4.2 indicate that a large number of SME owners belonged to 20-29 age group (47.9 %), 30-39 age group (33%), and 40-49 age group (11.1%). Interestingly, 80.9 percent of the owners of SMEs were youth and adults between 20 and 39 years old. 92 percent of all owners of SMEs aged below 50 years. Therefore, the results imply that information was obtained from matured population with interest and commitment to exploit entrepreneurial opportunities. The results also suggest that 20-49 age group is an appropriate age for business undertakings and hence should be the focus of policymakers, government and non-government stakeholders to provide them with conducive social, cultural and economic environment for entrepreneurial opportunity exploitation.

### **5.2.3 Marital Status**

The study aimed to understand the marital status of SME owners in Tanzania. The results in Table 4.3 indicates that 64.5 percent of the respondents were married, 21.9 percent single, 8.6 percent divorced, 3 percent separated, 1.7 percent widows and 0.3 percent were widowers. The results imply that entrepreneurial opportunity exploitation can be undertaken regardless of one's marital status as a means of meeting financial and non-financial rewards. That is the reason the respondents with marital status like single, divorced, separated and widow were reflected in the findings. Over representation of respondents who were married could have been caused by the age structure of respondents studied of which 92 percent were between 20 and 49 years. The age group 20-49 are the adults who are socially expected to be in marriage. This again suggests that most SME owners are married and hence have higher ambitions to expand their income through exploiting entrepreneurial opportunities to meet the needs of their families.

### **5.2.4 Education Level of Respondents**

The study aimed to understand the education level of SME owners in Tanzania. The results show that the majority owners of SMEs (47.4%) had attained secondary school education were followed by owners who had attained primary school education (23.8%). A low number of graduates owning SMEs concurs with Mangasini (2015) who found that few graduates ran businesses.

This means that graduates have failed to seriously utilize opportunities to invest in SMEs despite the prevailing state of unemployment in public and private sectors. It is surprising that despite the efforts to foster entrepreneurship skills amongst the

graduates in colleges; many graduates are unable to employ themselves. Also, it has been witnessed that a large number of graduates are being shortlisted for job interviews that are not proportionate to the number of vacancies advertised. The reasons why people with higher education do not opt for entrepreneurial opportunity exploitation include the mismatch between the education attained and what is required in the market place (Mangasini, 2015).

The mismatch has been caused by a lack of industry and higher education partnerships, a lack of alignment of higher education programmes and government development plans, poor quality systems and outdated curricula (Mgaiwa, 2021). Therefore, the results imply that entrepreneurship education provided by higher learning institutions has not managed to transform graduates from being job seekers to job creators through entrepreneurial opportunity exploitation. Lastly, the general implication is that a large number of respondents had some form of educational attainment and hence contributed valuable and useful information for this study.

#### **5.2.5 SME Owners' Experience**

The study examined the SME owners' experience. The results show that the majority of the respondents (65.9%) had been in the business for long time – five years, followed by 13 percent with more than ten years' experience, 11.1 percent between six and ten years' experience and 9.7 percent with less than one-year experience. The results indicate that the majority of SME owners have long experience in running businesses. The results concur with Pellissier and Nenzhelele (2013) who point out that long experience in business influences their awareness and modality of doing businesses. Therefore, having enough experience in running SME enabled the SME



owners to have rich knowledge on the influence of cultural values on innovativeness and entrepreneurial opportunity exploitation, thus contributed right information for this study.

### **5.2.6 Number of Employees**

The study aimed to know the number of employees working in each business studied. The results in Table 4.6 show that a large number of SMEs (62.0%) had number of employees between 5 and 49 followed by SMEs with less than five employees (35.7%) and SMEs with employees between 50 and 99 (2.2%). According to URT (2002), SMEs with employees between 5 and 49 are categorized as Small Enterprises, SMEs with less than five employees are categorized as Micro Enterprises and SMEs with employees between 50 and 99 are categorized as Medium Enterprises.

The findings depict that 99.9 percent of SMEs had some employees and thus contributed significantly to employment creation. Also, the results imply that the presence of employees in SMEs was helpful in getting practical information about SME owners' attitudes and perceptions towards specific values like the involvement of employees in decision making, delegation of tasks and interaction with employees.

### **5.2.7 Capital Investment into SMEs**

The study aimed to understand the amount of capital invested into businesses. Using capital investment as criteria for classifying SMEs, results in Table 4.7 show that a large number of SMEs were Small Enterprises (77%) followed by Micro Enterprises

(21.6%) and Medium Enterprises (1.4 %) based on capital investment and Tanzania SMEs policy (URT, 2003). These findings are consistent with SMEs categorization using number of employees in Table 4.6 which shows that SMEs are predominantly small or micro enterprises. Findings are consistent with Nkwabi and Mboya (2019) who found that financial and capital constraints are among the major problems affecting SMEs growth in Tanzania. The findings reflect Xuhui et al. (2018) who point out that the entrepreneurs in Tanzania are constrained by the lack of capital. The results imply that many enterprises do not have enough funds to exploit entrepreneurial opportunities.

### **5.3 Discussion of the Findings of each Tested Hypothesis of the Study**

This section discusses the results of the direct and indirect hypotheses, the implications of the findings and compares the findings with other studies in the past. Lastly, the chapter provides a summary of results for all hypotheses and presents the revised conceptual model of the study.

#### **5.3.1 Masculinity and Entrepreneurial Opportunity Exploitation**

The study's first objective was to assess the influence of masculinity on entrepreneurial opportunity exploitation among SME owners in Tanzania. To assess this objective, it was hypothesized that masculinity positively and significantly influences entrepreneurial opportunity exploitation among SME owners in Tanzania.

The findings suggest that masculinity has a positive and statistically significant influence on entrepreneurial opportunity exploitation as indicated in Table 4.15,

hence the hypothesis is accepted. The findings imply that masculinity increases entrepreneurial opportunity exploitation among SME owners. The more SME owners embrace masculine values the more entrepreneurial opportunity exploitation is enhanced. The findings concur with Munyanyi *et al.* (2018) who found a positive and significant relationship between masculinity as an internally oriented cultural dimension and entrepreneurship performance in Zimbabwe.

Although studies share similar results, there are differences in indicators used to measure masculinity. While Munyanyi, *et al.*, (2018) measured masculinity using hard work, self-control and high ambition for success; this study measured masculinity by hard work, independence and preference for material rewards. Preference for material rewards is one of the indicators with higher factor loading through which masculinity influences entrepreneurial opportunity exploitation. However, this aspect was not studied by Munyanyi, *et al.*(2018). To emphasize the importance of material success as one of the factors influencing entrepreneurial opportunity exploitation, Radsiszewska (2014) asserts that entrepreneurs who achieve material success due to entrepreneurial activities are respected and recognized in their societies. Although there are variations on items, both studies confirm the positive significant influence of masculinity on entrepreneurial activities.

The results also are in line with Mkasanga (2015) who found a significant influence of masculinity on the performance of women entrepreneurial enterprises in Mvomero District. Mkasanga (2015) measured masculinity influence on women performance in entrepreneurial initiatives based on gender roles differences like

making various decisions and distribution of duties which are different from the one studied in this study. Also, Mkasanga (2015) used multiple linear regression to analyse the relationship, while this study used PLS-SEM to analyse the relationship. Despite the differences in items of the analytical methods used, the study confirms the hypothesized relationship between masculinity and entrepreneurial opportunity exploitation stated in this study.

Also, the results are in line with Odzemir, *et al.*, (2018) who found a significant positive effect of masculinity on entrepreneurship. Even though this study used primary data collected from SME owners and examined the relationship using PLS-SEM, Odzemir, *et al.*, (2018) used regression analysis to analyse the effects of masculinity on entrepreneurship using secondary data obtained from 56 countries listed Global Entrepreneurship Monitor 2017 and Hofstede insight 2017. Despite the differences in design, the similarity of results strengthens the set hypothesis and findings obtained.

The findings are also aligned to Bugaje (2023) who found positive effect of masculinity on entrepreneurial activities. The study focused on a single country unlike several studies which compared the influence of culture in two or more countries. This study also focused on a single country. Consistent findings on the influence of masculinity from different related studies suggest that masculine values are essential in influencing entrepreneurial opportunity exploitation among SME owners. Therefore, masculinity values like hard work, independence and preference for material rewards should be encouraged among SME owners to increase their capability to exploit entrepreneurial opportunity.

### 5.3.2 Long-term Orientation and Entrepreneurial Opportunity Exploitation

The study's second objective was to assess the influence of long-term orientation on entrepreneurial opportunity exploitation among SME owners in Tanzania. To assess this objective, it was hypothesized that long-term orientation positively and significantly influences entrepreneurial opportunity exploitation among SME owners in Tanzania.

The findings from this study suggest that long-term orientation has an insignificant influence on entrepreneurial opportunity exploitation among SME owners in Tanzania (See Table 4.15), hence the hypothesis is not fully supported. The findings imply that long-term orientation values such as thrift, persistence, future planning and stability do not influence entrepreneurial opportunity exploitation among SME owners. The results of this investigation are contrary to the hypothesis. However, the results are somewhat consistent and; at the same time, inconsistent with the past studies. The findings from this study are consistent with Ozdemir *et al.* (2018) who found insignificant relationship between long-term orientation and entrepreneurship.

However, Odzemir, *et al.* (2018) used secondary data and regression analysis to analyse the effects of long-term orientation on entrepreneurship from 56 selected countries listed in Global Entrepreneurship Monitor 2017 and Hofstede insight 2017. This study used primary data and PLS- SEM to analyse the hypothesized relationship in Tanzania. Hence similarity of the findings between the two studies may not be strongly justified because of the differences in the type of data used and analytical methods employed in testing hypotheses.

On the other hand, the findings are inconsistent with Cellikol, *et al.*, (2019), who found the supportive influence of long-term orientation on entrepreneurial success and interaction with economic development. Conflicting findings from the current study may have resulted from various factors. Firstly, Cellikol *et al.* (2019) used a consecutive five-year longitudinal design to analyse the relationship, hence they were able to capture long-term orientation values while this study used cross-section survey design. Second, the differences in analytical methods in which the current study employs PLS-SEM while the past study used longitudinal random effect regression analysis. Also, the past study was conducted using secondary data from 81 countries, while this study was conducted only in one country and used primary data in one region.

Results are also inconsistent with Schepers, Voordeckers, Steijvers and Laveren (2020) who point out that family firm's long-term orientation can be an essential resource that increases firm-level entrepreneurial orientation. Moreover, the results are not in line with Magana (2019) who found that long-term orientation positively related to entrepreneurship intention, which results into actual entrepreneurial behavior.

However, Magana (2019) contends that long term orientation values influence entrepreneurship in developed countries rather than developing countries. Entrepreneurs have low income and the desire to make money is higher (Achim *et al.*, 2019). People with a high desire to make money are likely to focus on immediate solutions to their financial problems rather than saving money for long-term investment. Since, Tanzania is not a developed country, therefore the results of this

study are in line with Magana (2019) assertion that long-term orientation influence is predominant in developing countries.

The presence of both consistent and inconsistent findings in relation to the findings of this study and the existence of differences in population studied, study design and analytical method employed; the results of this study precipitate the need for further studies on the influence of long-term orientation on entrepreneurial opportunity exploitation.

### **5.3.3 Indulgence and Entrepreneurial Opportunity Exploitation**

The third objective of this study was to assess the influence of indulgence on entrepreneurial opportunity exploitation among SME owners in Tanzania. To assess this objective, it was hypothesized that indulgence positively and significantly influences entrepreneurial opportunity exploitation among SME owners in Tanzania. The results of this study suggest that indulgence insignificantly influence entrepreneurial opportunity exploitation among SME owners as indicated in Table 4.15, hence the hypothesis is not supported. The findings suggest that the perceptions towards control of life, freedom and fulfilment of human desires do not influence entrepreneurial opportunity exploitation among SME owners in Tanzania.

The findings of this study are inconsistent with Ozdemir, *et al.*, (2018) who assert that indulgence has a significant positive influence on entrepreneurship. However, Ozdemir, *et al.*, (2018) used secondary data which were collected from 56 countries while this study used primary data collected in Tanzania. The identified differences in the findings between this study and Ozdemir, *et al.*, (2018) could emanate from different contexts in which the studies were carried out. It has been asserted that

cultural values which influence entrepreneurial practices vary among different countries (Achim, *et al.*, 2019). While in some countries people's freedom, control over life and fulfilment of human desires motivate them to undertake entrepreneurship activities, Tanzanians are likely to be affected by strict government regulations and procedures for starting businesses.

The findings are also inconsistent with Çelikkol, *et al.*, (2019) who contend that indulgence is one of the determinants of entrepreneurial success. Indulgence oriented people are optimistic with more perception of personal life control, contrary to restraint-oriented societies in which people have perceptions of helplessness (Koc *et al.*, 2017). Indulgent people have great freedom to think independently and act independently hence increases their potential to exploit entrepreneurial opportunities (Bate, 2023). Contradiction in the findings among scholars results from cultural differences among countries in which studies were conducted.

While indulgence might be fostering people to pursue entrepreneurship to maintain happiness (Celikkol, *et al.*, 2019); are also likely to be hindering entrepreneurial opportunity exploitation among SME owners since it may encourage them to remain in their perceived comfort zones while entrepreneurship needs risk taking propensity. Moreover, indulgence is likely to result into mismanagement of money which could be used as capital for further exploitation of identified entrepreneurial opportunities.

#### **5.3.4 Individualism and Entrepreneurial Opportunity Exploitation**

The fourth objective of the study was to assess the influence of individualism on entrepreneurial opportunity exploitation among SME owners in Tanzania. To assess



this objective, it was hypothesized that individualism positively and significantly influences entrepreneurial opportunity exploitation among SME owners in Tanzania.

The findings in this study suggest that individualism positively and significantly influences entrepreneurial opportunity exploitation among SME owners in Tanzania as indicated in Table 4.15, hence the results support the hypothesis. Individualism emphasizes individual independence, personal achievement and change, thus increasing the possibility of entrepreneurial exploitation (Assman & Ehrl, 2021). The results imply that people who focus on their own entrepreneurial goals rather than depending on the goals of the group to which they belong are more likely to exploit entrepreneurial opportunities.

Results are consistent with Liu et al. (2019) who found that individualism positively and significantly influences entrepreneurs' opportunities exploitation of new venture activities in Tanzania. The past studies used covariance based structural equation modelling (CB-SEM) in analysing results while this study has used PLS-SEM. Also, Liu et al. (2019) focused solely on small and medium enterprises, excluding micro enterprises. This study has incorporated micro, small and medium enterprises in examining the relationship. Despite the differences identified above, both studies found significant influence of individualism on entrepreneurial opportunity exploitation, thus supporting the hypothesized theoretical relationship proposed before testing the hypothesis.

The findings of this study are also aligned with Xuhui, *et al.*, (2018) who found that level of individualism was positively associated with opportunity exploitation

decisions. The study included SME owners who were in businesses for at least three years, while this study investigated owners of SMEs who have been in businesses from one year. Despite the existing difference in the experience of SME owners, the results from both studies are related. Similar findings confirm the significant positive influence of individualism in enhancing entrepreneurial opportunity exploitation.

Findings are also related to Assmann and Ehrl (2021) who found that individualism has a positive and highly significant effect on entrepreneurship. Furthermore, Cellikol, *et al.*, (2019) posit that Cultural dimensions of individualism influence entrepreneurship in a supportive manner. Findings also concur with Bugaje *et al.* (2023) who found positive influence of individualism on entrepreneurial activity. However, the study was conducted on informal sector unlike this study which focused on formal SMEs owners. Also the findings are in line with Bate (2023) who found positive relationship between individualism and entrepreneurship. The study was conducted through systematic literature review unlike this study which tested the relationship using primary data.

However, findings were inconsistent with Ozdemir *et al.*, (2018) who found that individualism has no effects on entrepreneurial motivational levels. Inconsistent findings may have resulted from methods used in conducting the study. Although the findings are widely supported in extant studies, individualism may hinder access to important financial resources required for entrepreneurial opportunity exploitation (Jenssen & Kristiansen, 2004). Lack of capital has been acknowledged as one of the several challenges hindering entrepreneurial opportunity exploitation in Tanzania (Kwabi & Mboya, 2019 & Xuhui, *et al.*, 2018). Apart from individualist values like

self-determination, uniqueness and achievement orientation which are key characteristics of entrepreneurs, some form of collectivism could be required in order to raise capital from family and friends for the exploitation of entrepreneurial opportunities.

### **5.3.5 Power Distance and Entrepreneurial Opportunity Exploitation**

The fifth objective of the study was to assess the influence of power distance on entrepreneurial opportunity exploitation among SME owners in Tanzania. To assess this objective, it was hypothesized that power distance positively and significantly influences entrepreneurial opportunity exploitation among SME owners in Tanzania. This study finding suggest that power distance positively and significantly influences entrepreneurial opportunity exploitation among SME owners in Tanzania as indicated in Table 4.15; hence the hypothesis is supported. The findings imply that socialization, delegation of autonomy, flexible controls among SME owners provides conducive grounds for identifying and exploiting entrepreneurial opportunities.

However, there are both consistent and inconsistent results from other studies on the influence of power distance on entrepreneurship activities. The observed differences in the findings could be explained in terms of contexts where different studies were conducted. The findings are aligned to Bugaje, et al., (2023) who found positive effect of power distance on entrepreneurship activity in Nigeria. However, this study examined the relationship in informal sector while this study is based on formal sector. The findings are consistent with Tang, et al., (2020) who found that participatory decision making, less controls, delegation of duties and socialization

among employee of firms accelerate innovation and entrepreneurial opportunity exploitation

However, the results of this study do not concur with Ozdemir *et al.* (2018) who did not find the effects of power distance on entrepreneurial motivational levels. The results are also inconsistent with Liu, *et al.*, (2019) who found that power distance has no significant impact on entrepreneurial opportunity of new ventures in Tanzania. The findings are also inconsistent with Xuhui, *et al.*, (2018) who found that power distance has no significant impact on entrepreneurial opportunity decision in Tanzania. Inconsistent findings of this study from other studies conducted in Tanzania by Liu, *et al.* (2019) and Xuhui, *et al.* (2018) may be due to the nature of the SMEs owners who were studied.

This study used only Tanzanian SMEs owners who had different opinions about power distance and its influence on entrepreneurial opportunity exploitation, while other mentioned studies paid less attention to the issue of nationality of the SMEs owners. For instance, Tehseen, *et al.* (2021) found different impacts of cultural values on entrepreneurial innovativeness among Chinese, Indian and Malays ethnic groups in Malaysia. Moreover, the differences in the findings may have resulted from indicators used in measuring power distance. While indicators of this study measured low power distance, items of other studies measured higher power distance among SME owners. Therefore, the findings from this study imply that lower power distance among SMEs owners positively and significantly influences entrepreneurial opportunity exploitation through participative decision making, proper delegation of tasks and good social interaction among SME owners and their employees.

### **5.3.6 Uncertainty Avoidance and Entrepreneurial Opportunity Exploitation**

The sixth objective of the study was to assess the influence of uncertainty avoidance on entrepreneurial opportunity exploitation among SME owners in Tanzania. To assess this objective, it was hypothesized that uncertainty avoidance positively influences entrepreneurial opportunity exploitation among SMEs owners. The results of this study suggest that uncertainty avoidance has insignificant influence on opportunity exploitation as shown in Table 4.15, thus the hypothesis is not supported. The findings imply that strict observation of laid rules, orders, regulations and instructions hinders entrepreneurial opportunity exploitation among SMEs owners in Tanzania. There are mixed results from various past studies that related uncertainty avoidance with entrepreneurial activities.

Findings are consistent with Xuhui, *et al.*, (2018) who found that greater uncertainty avoidance was associated with less participation in entrepreneurial opportunity exploitation. However, the past study involved only small and medium enterprise owners while this study included micro, small and medium enterprise owners. The results are also aligned with Liu *et al.* (2019), who asserts that culture of uncertainty threaten entrepreneurial opportunity exploitation of new venture activities. Moreover, the results are aligned with Celikkol *et al.* (2019) who found insignificant influence of uncertainty avoidance on entrepreneurship rates.

However, the findings are inconsistent with Odzemir (2018), who found that uncertainty avoidance significantly and positively influences entrepreneurship. Odzemir (2018) conducted his study in different countries while Liu, *et al.*, (2019) and Xuhui *et al.* (2028) conducted their studies in one country, hence inconsistency

in the results among studies are likely to be caused by the differences in the cultural environment among countries in which studies were undertaken. People's behaviors are influenced by the cultural values of the environment in which they live (Mueller & Thomas, 2001).

SMEs in Tanzania experience unstable tax policies and business regulations hence creating fearful business environment (Liu, *et al.*, 2019). Thus, the higher the uncertainty; the lower the entrepreneurial opportunity exploitation of SME owners. The findings from this study imply that SME owners who strictly observe instructions, rules, procedures and regulation in order to minimize various kinds of risks are less likely to exploit entrepreneurial opportunities.

### **5.3.7 Mediation effect of Innovativeness on the Relationship between Cultural values and Entrepreneurial Opportunity Exploitation among SME owners in Tanzania**

The seventh objective of the study was to assess the mediating effect of innovativeness on the influence of cultural values on entrepreneurial opportunity exploitation among SME owners in Tanzania. Mediation effects can be complete, partial or no mediation (Hair, *et al.*, 2019). Complete mediation occurs when the indirect effect is significant and the direct effect is insignificant, partial mediation occurs when indirect and direct effect are both significant and lack of mediation occurs when indirect effect is insignificant (Zhao, *et al.*, 2010). To achieve the seventh objective of the study, six research hypotheses were formulated which are discussed hereunder.

### **Innovativeness Positively Mediates the Relationship between Masculinity and Entrepreneurial Opportunity Exploitation among SME Owners in Tanzania**

The findings suggest that innovativeness has no mediation effect on the relationship between masculinity and entrepreneurial opportunity exploitation since the direct influence is significant while indirect effect is insignificant as indicated in Table 4.17, hence the hypothesis is not supported. Although there is a positive and significant direct influence of masculinity on entrepreneurial opportunity exploitation, the established influence does not pass through innovativeness of SME owners, thus the indirect effect is insignificant. The results are consistent with Andrijauskiene & Dumciuviene (2017) who found the insignificant influence of masculinity on innovativeness. The results also reflect Manshad (2017) who did not find the impact of masculinity on innovativeness. The results are also in line with Kose and Ugurlu (2022) who found insignificant influence of masculinity on innovativeness. The findings imply that the influence of masculinity on entrepreneurial opportunity exploitation does not pass through the innovativeness of SME owners

### **Innovativeness Positively Mediates the Relationship between Long Term Orientation and Entrepreneurial Opportunity Exploitation among SME Owners in Tanzania**

The results suggest that innovativeness does not mediate the relationship between long-term orientation (LO) and entrepreneurial opportunity exploitation. The direct relationship in the presence of a mediator is insignificant while the indirect relationship is also insignificant (EO) as indicated in Table 4.17; hence the

hypothesis is not supported. The influence of long-term orientation on entrepreneurial opportunity exploitation does not pass through innovativeness.

The findings are inconsistent with Prim, et al., (2016) who assert that long-term orientation is a relevant cultural value for fostering innovation. The findings are also inconsistent with Tehseen, *et al.* (2021) findings that long-term orientation significantly influences Malaysian Chinese innovativeness. However, the level of significance decreases with the introduction of mediating variable from p-value of 0.438 of the direct relation to p-value of 0.061 after the introduction of innovativeness to mediate the relation. Therefore, the influence of long-term orientation on entrepreneurial opportunity exploitation increases in the presence of innovativeness although they are not yet statistically significant.

**Innovativeness Positively mediates the Relationship between indulgence and Entrepreneurial Opportunity exploitation among SMEs owners in Tanzania**

The findings suggest that innovativeness fully mediates the relationship between indulgence and entrepreneurial opportunity exploitation since the direct relationship in the presence of a mediator is insignificant while the indirect relationship is significant as shown in Table 4.17, hence the hypothesis is supported.

These findings imply that the influence of indulgence on entrepreneurial opportunity exploitation wholly passes through innovativeness. The results are consistent with the already found positive influence of indulgence on entrepreneurial innovativeness (Andrijauskiene & Dumciuviene, 2017; Prim *et al.*, 2016) as well as established influence of innovativeness on entrepreneurial opportunity exploitation (Mircevska,



2015). Therefore, the results imply that indulgence values influence SME owner's innovativeness which in turn influences them to exploit entrepreneurial opportunities.

**Innovativeness Positively mediates the relationship between Individualism and Entrepreneurial Opportunity exploitation among SME owners in Tanzania**

The findings suggest that innovativeness partially mediates the relationship between individualism and entrepreneurial opportunity exploitation because the direct relationship in the presence of mediator is significant and indirect relationship is also significant as indicated in Table 4.17, hence the hypothesis is supported. The results imply that some effects of individualism pass through innovativeness while some go directly to entrepreneurial opportunity exploitation.

These findings reflect the already explained positive direct significant influence of individualism on entrepreneurship which is consistent with Manshadi (2017) who asserts that individualism positively influence organization innovativeness and Prim, *et al.* (2016) who found that individualism is an important factor for fostering innovation. Chen, Podolski and Veeraraghavan (2017) also found that innovativeness is positively related to country's higher levels of individualism. Additionally, the results are related to Andriauskiene and Dumciuviene (2017) who found that the dimension of individualism positively relates to the level of innovativeness. On the other hand, the findings are consistent with Mircevska (2015) who found positive influence of innovativeness on entrepreneurial opportunity exploitation. Therefore, innovativeness is influenced by individualism values which ultimately influence entrepreneurial opportunity exploitation.

**Innovativeness Positively mediates the Relationship between Power Distance and Entrepreneurial Opportunity exploitation among SME owners in Tanzania**

The findings suggest that innovativeness partially mediates the relationship between power distance and entrepreneurial opportunity exploitation since the direct relationship in the presence of a mediator is significant and the indirect relationship is significant as indicated in Table 4.17, hence the hypothesis is supported. Results imply that in the presence of innovativeness some effects of power distance pass through innovativeness while some go directly to entrepreneurial opportunity exploitation. The findings are consistent with Manshadi (2017) who asserts that power distance strongly and positively influence organization innovativeness. The findings also are in line with Mircevska (2015) who found positive influence of innovativeness on entrepreneurial opportunity exploitation. Therefore, the influence of power distance on entrepreneurial opportunity exploitation among SME owners becomes more significant when mediated by innovativeness.

**Innovativeness Positively mediates the Relationship between Uncertainty avoidance and Entrepreneurial Opportunity exploitation among SMEs owners in Tanzania**

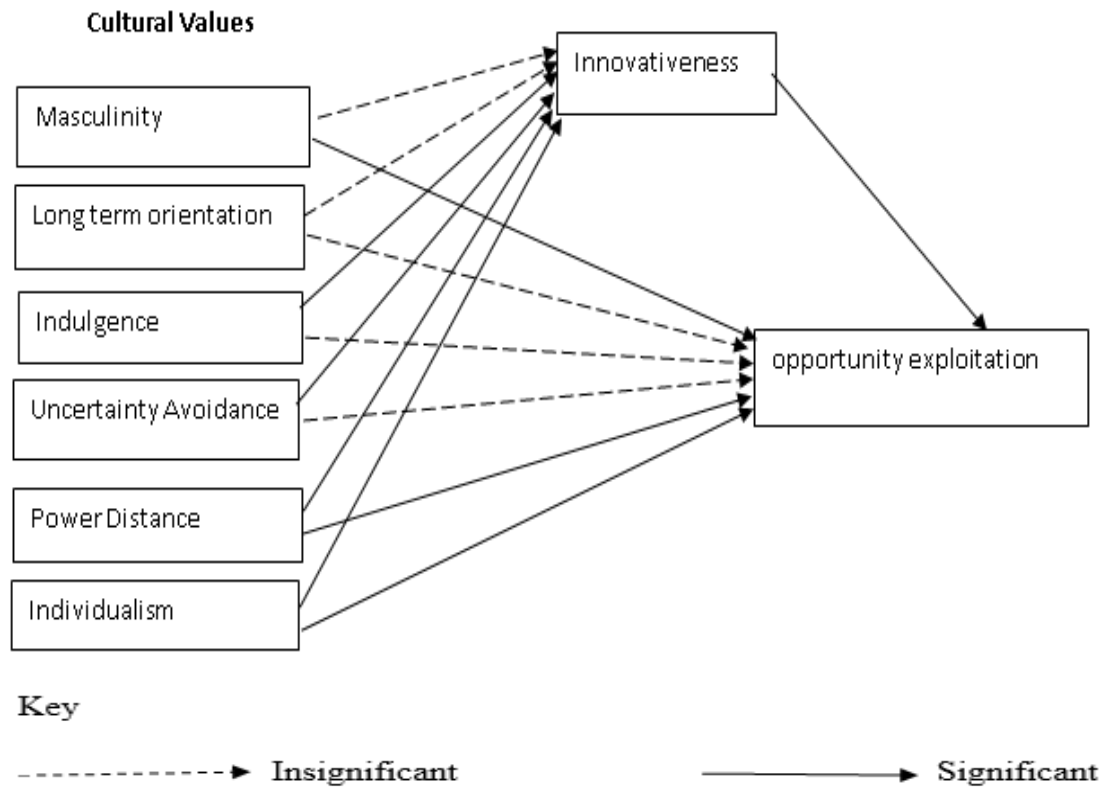
The findings in Table 4.17 suggest that innovativeness (INN) fully mediates the relationship between uncertainty avoidance (EA) and entrepreneurial opportunity exploitation since the direct relationship in the presence of mediator is insignificant while the indirect relationship is significant, hence the hypothesis is supported. The findings imply that all influences of uncertain avoidance on entrepreneurial opportunity exploitation bring effects through innovativeness.

The findings are consistent with Manshadi (2017) who asserts that uncertainty avoidance positively influences organization innovativeness. Mircevska (2015) also found positive influence of innovativeness on entrepreneurial opportunity exploitation. Although uncertainty avoidance values have no direct influence on SME owner's entrepreneurial opportunity exploitation, there are indirect effects on opportunity exploitation through the mediation effect of innovativeness. The summary of this discussion of hypotheses is presented in Table 5.1 and Figure 5.1 presents the revised hypothesized model of the relationships among the constructs.

**Table 5.1: Summary of Discussion of Hypotheses**

SN	Hypothesis	Result status
1	Masculinity positively influences entrepreneurial opportunity exploitation among SMEs owners in Tanzania.	Supported
2	Long-term orientation positively influences entrepreneurial opportunity exploitation among SMEs owners in Tanzania.	Not supported
3	Indulgence positively influences entrepreneurial opportunity exploitation among SMEs owners in Tanzania.	Not supported
4	Individualism positively influences entrepreneurial opportunity exploitation among SMEs owners in Tanzania.	Supported
5	Power distance positively influences entrepreneurial opportunity exploitation among SMEs owners in Tanzania.	supported
6	Uncertainty avoidance positively influences entrepreneurial opportunity exploitation among SMEs owners in Tanzania.	Not supported
7	Innovativeness positively mediates the relationship between masculinity and entrepreneurial opportunity exploitation among SMEs owners in Tanzania..	Not supported
8	Innovativeness positively mediates the relationship between long term orientation and entrepreneurial opportunity exploitation among SMEs owners in Tanzania.	Not supported
9	Innovativeness positively mediates the relationship between indulgence and entrepreneurial opportunity exploitation among SMEs owners in Tanzania.	supported
10	Innovativeness positively mediates the relationship between individualism and entrepreneurial opportunity exploitation among SMEs owners in Tanzania.	supported
11	Innovativeness positively mediates the relationship between power distance and entrepreneurial opportunity exploitation among SMEs owners in Tanzania.	supported
12	Innovativeness positively mediates the relationship between uncertainty avoidance and entrepreneurial opportunity exploitation among SMEs owners in Tanzania.	supported

**Source:** Field data (2022).



**Figure 5.1: Revised Hypothesized Model of the Relationships among Constructs**

## **CHAPTER SIX**

### **CONCLUSION AND RECOMMENDATIONS**

#### **6.1 Overview**

Chapter six presents the conclusion, theoretical implications, policy implications and practical implications. It finally presents various study limitations and offers multiple suggestions for further research.

#### **6.2 Conclusion**

This study aimed to examine the influence of cultural values on entrepreneurial opportunity exploitation among SME owners in Tanzania. Both direct and indirect influences were critically examined. Indirect influences were examined using innovativeness as a mediating variable between cultural values and entrepreneurial opportunity exploitation. Direct influence revealed that Masculinity, individualism and power distance positively significantly influence entrepreneurial opportunity exploitation. Long-term orientation, indulgence and uncertainty avoidance insignificantly influence entrepreneurial opportunity exploitation among SME owners in Tanzania. Liu et al. (2019) and Xuhui et al. (2018) found only a positive and significant influence of individualism on entrepreneurial opportunity exploitation but this study found a positive and significant influence of masculinity, individualism and power distance on entrepreneurial opportunity exploitation.

The study has found that innovativeness positively and significantly mediates the relationship between indulgence, individualism, power distance, uncertainty avoidance cultural values and entrepreneurial opportunity exploitation in Tanzania. Individualism and power distance had partial mediation effect which means they

have both direct and indirect effects on entrepreneurial opportunity exploitation. Indulgence and uncertainty avoidance had complete or full mediation effects which imply that their effects are significant only when they are mediated with innovativeness. Moreover, innovativeness has no mediation influence on the relationship between long term orientation, masculinity, cultural values and entrepreneurial opportunity exploitation. Therefore, the results reveal that mediation effects of innovativeness on the influence of cultural values on entrepreneurial opportunity exploitation is through only selected Hofstede cultural values which are individualism, power distance, uncertainty avoidance and indulgence.

### **6.3 Implications of the Study**

The study presents several implications for the theory, policy and practice of entrepreneurial opportunity exploitation. This section presents the theoretical implications, policy implications and the practical implications of this study.

#### **6.3.1 Theoretical Implications**

First, the results imply that the influence of cultural values on entrepreneurial opportunity exploitation is not direct and straight forward rather it is through the mediation effects of innovativeness. Therefore, innovativeness is an important factor that helps to explain the mechanism by which cultural values exert influence on the entrepreneurial opportunity exploitation among SME owners. For instance, the results imply that individualism, power distance, uncertainty avoidance and indulgence affect innovativeness which, in turn, affects entrepreneurial opportunity exploitation of SME owners. More findings imply that the mediation effect of innovativeness is not uniform across all cultural values; there are partial mediation

effects for individualism and power distance and compete or fully mediation effects for uncertainty avoidance and indulgence. The mediation effects of innovativeness were not significant on long-term orientation and masculinity cultural values; this implies that these factors are likely to be mediated by other factors.

### **6.3.2 Policy implications**

The findings are useful to policymakers, government authorities and educational institutions during the formulation of plans, strategies and interventions aimed at improving the growth and development of entrepreneurship and business environment. The results have shown that the masculine values such as achievement oriented, individualistic values which are geared towards internal locus of control are suitable in enhancing entrepreneurial opportunity exploitation. The results have also revealed indulgence values that promote freedom are suitable in enhancing innovativeness and entrepreneurship.

Therefore, the findings from this study provide policy makers with an understanding of cultural values that support SME owner's innovativeness and exploitation of entrepreneurial opportunities. This can help policy makers to develop appropriate and relevant business policies that take into consideration and incorporate masculine, indulgent individualist and low power distance cultural values, which are favourable in stimulating innovativeness and entrepreneurial opportunity exploitation. Zainuddin *et al.* (2018) contend that disregarding cultural values when formulating policies results into policies that are not consistent with the values of the people. Therefore, appropriate business policies, plans and strategies that enhance innovativeness and entrepreneurial opportunity exploitation of SME owners should

result from better understanding of the policy makers on how the cultural values influence people's innovativeness and in turn entrepreneurial opportunity exploitation.

### **6.3.3 Implication for SME owners**

Finally, the study is an eye-opener for SME owners to understand how masculinity, individualism, power distance, uncertainty avoidance and indulgence cultural values positively influence their innovative behaviour and exploitation of entrepreneurial opportunities. The study highlights the relevant and appropriate cultural values that are favourable for promoting innovativeness and entrepreneurial opportunity exploitation. For instance, this study has revealed that SME owners who have low power distance values which include socialization with subordinates, fewer controls on subordinates, involving them in decisions tend to stimulate knowledge and information sharing which in turn stimulates innovativeness and exploitation of opportunities.

The study also implies that SME owners should incorporate masculinity values such as competitiveness and struggling for material success since these stimulate innovativeness and entrepreneurial opportunity exploitation. Further, the results from individualism imply that self-autonomy, initiatives, decisions are important values that enhance SME owner's innovativeness and entrepreneurial opportunity exploitation. Finally, indulgence values, power distance values like freedom and preference for enjoyment stimulate SME owners to innovate and exploit business opportunities. Therefore, the findings imply that cultural values such as individualism, masculinity, indulgence, low power distance have a positive and



significant contribution in influencing SME owner's innovativeness exploitation of entrepreneurial opportunities.

#### **6.4 Limitations and Suggestions for Future Research**

This study employed the cross section time horizon which involves studying a phenomenon at a specific period of time. The researcher suggests future studies to employ longitudinal research design to examine the relationship among cultural values, innovativeness and entrepreneurial opportunity exploitation over a longer period of time in order to expand understanding of the phenomena.

This study was mainly quantitative in nature. The researches in future might mix quantitative and qualitative methods to deepen the understanding of the existing relationship between cultural values and entrepreneurial opportunity exploitation.

Also, future studies can examine the influence of cultural values on entrepreneurial opportunity exploitation among informal entrepreneurs. This study examined the relationship among formal entrepreneurs who have business Tax Payer Identification Numbers (TINs) and formal licenses.

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## APPENDICES

### Appendix I: Questionnaire for survey

Dear Respondent,

I am Baraka Hebron Kamwela, a Ph.D. Candidate at the Open University of Tanzania. Currently I am doing a Ph.D. on the influence of cultural values on entrepreneurial opportunity exploitation among Tanzanian SME owners in Dar es salaam Region.

You have been selected to participate in this study. Kindly respond to the questions as carefully as possible. Answers remain anonymous and confidential.

#### Part A: General information

Please put a tick  where appropriate

1) What is your sex <input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/>
2) Which of the following categories describes your age in years? Less than 20 <input type="checkbox"/> , 20 – 29 <input type="checkbox"/> , 30 – 39 <input type="checkbox"/> , 40 – 49 <input type="checkbox"/> , 50– 59 <input type="checkbox"/> , 60 or above <input type="checkbox"/>
3) What is your marital status? Single <input type="checkbox"/> , Married <input type="checkbox"/> , Divorce <input type="checkbox"/> , Separated <input type="checkbox"/> , widow <input type="checkbox"/> widower <input type="checkbox"/>
4) What is your highest level of education? Not attended any school <input type="checkbox"/> , Primary education <input type="checkbox"/> Secondary education <input type="checkbox"/> , Technical education <input type="checkbox"/> , University Education <input type="checkbox"/>
5) How long has your business existed Less than one year <input type="checkbox"/> , 1-5 years <input type="checkbox"/> , 6 -10 Years <input type="checkbox"/> , More than ten years <input type="checkbox"/>
6) which of the following describe total number of employees in your business 1-4 <input type="checkbox"/> , 5-49 <input type="checkbox"/> , 50-99 <input type="checkbox"/> , More than 100 <input type="checkbox"/>
7) Which of the following describe the size of capital invested in your business (in Tanzania shillings) up to 5 million <input type="checkbox"/> , above 5- 200 million <input type="checkbox"/> , above 200-800 million <input type="checkbox"/> , More than 800 million <input type="checkbox"/>

#### Part B: Influence of Cultural Values on Entrepreneurial Opportunity Exploitation among SME owners in Dar es Salaam Region

Please read the statements and tick the appropriate number reflecting the extent of your agreement or disagreement. The response scale is as follows: 1. Strongly

disagree 2. Disagree 3. Somewhat disagree 4. Neither agree or disagree 5. Somewhat agree 6. Agree 7. Strongly agree

<b>ENTREPRENEURIAL OPPORTUNITY EXPLOITATION</b>								
1	I have set up a business organization to act on a business opportunity i discovered	1	2	3	4	5	6	7
2	Based on a business opportunity i discovered I have established a new market	1	2	3	4	5	6	7
3	I have approached investors to get funds for establishing a business	1	2	3	4	5	6	7
4	I have put together a team to pursue an identified business opportunity	1	2	3	4	5	6	7
<b>MASCULINITY</b>								
1	I do whatever I have to do in order to work towards business success	1	2	3	4	5	6	7
2	I am very ambitious in the pursuit of a success-oriented business	1	2	3	4	5	6	7
3	Solving difficult problems usually requires an active, forcible approach.	1	2	3	4	5	6	7
4	I don't allow others to have control over what I do in my life	1	2	3	4	5	6	7
5	Attainment of material rewards motivates me to pursue my goals.	1	2	3	4	5	6	7
<b>LONGTERM ORIENTATION</b>								
1	Careful management of money is important	1	2	3	4	5	6	7
2	Going on with determination in spite of opposition is important	1	2	3	4	5	6	7
3	Personal steadiness and stability is crucial	1	2	3	4	5	6	7
4	Long-term planning is important	1	2	3	4	5	6	7
5	I work hard for success in future	1	2	3	4	5	6	7
<b>INDULGENCE</b>								
1	Taking all things together, I am very happy over the way business turns out	1	2	3	4	5	6	7
2	I have completely control over my life	1	2	3	4	5	6	7
3	Leisure time is very important despite all activities	1	2	3	4	5	6	7
4	I have freedom to pursue whatever goal I have perceived	1	2	3	4	5	6	7
<b>UNCERTAINTY AVOIDANCE</b>								
1	It is important to have instructions spelled out in detail so that I always know what I'm expected to do.	1	2	3	4	5	6	7
2	It is important to closely follow procedures in whatever I do	1	2	3	4	5	6	7
3	Rules and regulations are important because they	1	2	3	4	5	6	7

	inform me of what is expected of me.							
4	Standardized procedures are helpful .	1	2	3	4	5	6	7
<b>POWER DISTANCE</b>								
1	Business owners should make decisions relating to business after consulting people in lower positions	1	2	3	4	5	6	7
2	Business owners should encourage employees to express their disagreements.	1	2	3	4	5	6	7
3	Business owners should have social interaction with their employees	1	2	3	4	5	6	7
4	People in low positions should agree with decisions of business owners loyally without raising questions	1	2	3	4	5	6	7
5	Business owners should delegate important tasks to people in lower positions.	1	2	3	4	5	6	7
6	I easily conform to the wishes of someone in a higher position than mine	1	2	3	4	5	6	7
7	I tend to follow orders without asking any question	1	2	3	4	5	6	7
<b>INDIVIDUALISM</b>								
1	I want to decide myself about things related to my business	1	2	3	4	5	6	7
2	I do what I feel is the best for me, no matter what others say	1	2	3	4	5	6	7
3	I always want to be somehow different from others	1	2	3	4	5	6	7
4	Individual success is better than group success	1	2	3	4	5	6	7
5	Success is determined by my own decisions and choices	1	2	3	4	5	6	7
6	I would rather depend on myself than others	1	2	3	4	5	6	7
<b>INNOVATIVENESS</b>								
1	I think of new ways of running my business	1	2	3	4	5	6	7
2	I am driven by creativity	1	2	3	4	5	6	7
3	I am committed to bring improvement in my products/services	1	2	3	4	5	6	7
4	I have developed new business processes to improve productivity	1	2	3	4	5	6	7
5	I have introduced new products/services in the past	1	2	3	4	5	6	7
6	I have a commitment to introduce new markets for my products	1	2	3	4	5	6	7
7	I often surprise people with my novel ideas	1	2	3	4	5	6	7
8	I like to experiment with various ways of doing the same thing	1	2	3	4	5	6	7

Thank you very much for your participation

## Appendix 2: Tafsiri ya dodoso la utafiti

Ndugu mfanyabiashara,

Mimi ni Baraka Hebron Kamwela, mwanafunzi wa Shahada ya Uzamivu (Ph.D.) katika Chuo Kikuu Huria cha Tanzania. Kwas asa ninafanya utafiti kuhusu “Mchango wa maadili ya kitamaduni katika utumiaji wa fursa za ujasiriamali miongoni mwa wamiliki wa biashara ndogondogo na za kati katika Mkoa wa Dar es Salaam.

Umechaguliwa kushiriki katika utafiti huu. Tafadhali jibu maswali kwa uangalifu iwezekanavyo. Majibu yako hayatawekwa wazi na yatabaki kuwa siri.

### Sehemu A: Taarifa za ujumla

Kwa kila swali tafadhali jibu kwa kadiri unavyoweza kwa kuweka alama ya vema ✓ katika kisanduku kilichowazi.

2) Jinsi yako ni ipi <input type="checkbox"/> Mume <input type="checkbox"/> Mke <input type="checkbox"/>
3) Ni kundi lipi kati ya yafuatayo linawakilisha umri wako? Chini ya 20 <input type="checkbox"/> , 20 – 29 <input type="checkbox"/> , 30 – 39 <input type="checkbox"/> , 40 – 49 <input type="checkbox"/> , 50– 59 <input type="checkbox"/> , 60 au zaidi <input type="checkbox"/>
4) Hali yako ya ndoa ni ipi? Hujaoa/Hujaolewa <input type="checkbox"/> , Umeoa/Umeolewa <input type="checkbox"/> , Talaka <input type="checkbox"/> , Kutengana <input type="checkbox"/> , Mjane <input type="checkbox"/>
5) Kiwango chako cha juu cha elimu ni kipi? Sijasoma shule yoyote <input type="checkbox"/> , Elimu ya msingi <input type="checkbox"/> , Elimu ya sekondari <input type="checkbox"/> , Chuo cha ufundi <input type="checkbox"/> , Chuo Kikuu <input type="checkbox"/>
6) Biashara yako imedumu kwa muda gani Chini ya mwaka mmoja <input type="checkbox"/> , Miaka 1-5 <input type="checkbox"/> , Miaka 6 -10 <input type="checkbox"/> , Zaidi ya miaka kumi <input type="checkbox"/>
7) Ipi kati ya yafuatayo inawakilisha jumula ya idadi ya wafanyakazi katika biashara yako 1- 4 <input type="checkbox"/> , 5-49 <input type="checkbox"/> , 50-99 <input type="checkbox"/> , Zaidi ya 100 <input type="checkbox"/>
8) Ipi kati zifuatazo inawakilisha ukubwa wa mtaji uliowekeza katika biashara yako (Kwa shilingi za Kitanzania) usiozidi milioni 5 <input type="checkbox"/> , Zaidi ya milioni 5- 200 <input type="checkbox"/> , zaidin ya milioni 200-800 <input type="checkbox"/> , Zaidi ya milioni 800 <input type="checkbox"/>

**Sehemu B: Mchango wa maadili ya kitamaduni katika utumiaji wa fursa za ujasiriamali miongoni mwa wamiliki wa ndogo na za kati mkoani Dar es Salaam.**

Tafadhali soma maelezo na weka alama ya vema  $\sqrt{\quad}$  katika namba kadiri unavyoona inafaa. Kipimo cha majibu kiko kama ifuatavyo:

**1. Sikubali kabisa 2. Sikubali 3. sikubali kwa kiasi Fulani**

**4. Nakubali au sikubali 5. Nakubali kiasi 6. Nakubali 7. Nakubali sana**

<b>UTUMIAJI WA FURSA</b>								
1	Nimeanzisha asasi ya kibiashara ili kushughurikia fursa za kibiashara nilizozigundua	1	2	3	4	5	6	7
2	Kulingana na fursa ya biashara niliyoigundua nimeanzisha soko jipya	1	2	3	4	5	6	7
3	Nimewafikia wafadhili ili kupata mtaji wa kuanzisha kampuni	1	2	3	4	5	6	7
4	Nimeandaa wataalamu watakaofuatilia fursa za biashara zilizotambuliwa	1	2	3	4	5	6	7
<b>JITIHAHA</b>								
1	Ninafanya chochote ninachopaswa kufanya ili kuyafikia mafanikio ya biashara	1	2	3	4	5	6	7
2	Ninatamani sana biashara yenye mwelekeo wa mafanikio	1	2	3	4	5	6	7
3	Kutatua matatizo magumu kwa kawaida kunahitaji mbinu ya ushawishi na utendaji.	1	2	3	4	5	6	7
4	Siwaruhusu wengine kutawala kile ninachofanya maishani mwangu	1	2	3	4	5	6	7
5	Kupata motisha kunanisaidia kufikia malengo yangu.	1	2	3	4	5	6	7
<b>MWELEKEO WA MUDA MREFU</b>								
1	Usimamizi makini wa pesa ni muhimu	1	2	3	4	5	6	7
2	Kuendelea na dhamira licha ya vikwazo ni muhimu	1	2	3	4	5	6	7
3	Uadilifu na utulivu binafsi ni muhimu	1	2	3	4	5	6	7
4	Malengo ya muda mrefu ni muhimu	1	2	3	4	5	6	7

5	Ninafanya kazi kwa bidii kwa mafanikio ya baadaye	1	2	3	4	5	6	7
<b>UTULIVU</b>								
1	Kwa ujumla ninafurahia matokeo ya biashara hii	1	2	3	4	5	6	7
2	Nina udhibiti kamili wa maisha yangu	1	2	3	4	5	6	7
3	Muda wa kupumzika ni muhimu sana licha ya shughuli zote za biashara yangu	1	2	3	4	5	6	7
4	Nina uhuru wa kutekeleza lengo lolote ambalo nimeliweka	1	2	3	4	5	6	7
<b>KUEPUKA MASHAKA</b>								
1	Ni muhimu kuwa na miongozo ya kina ili nijue ninachopaswa kufanya daima	1	2	3	4	5	6	7
2	Ni muhimu kufuata taratibu kwa umakini katika kila ninachokifanya	1	2	3	4	5	6	7
3	Sheria na kanuni ni muhimu kwa sababu zinanikumbusha ninachpaswa kukifanya.	1	2	3	4	5	6	7
4	Taratibu za kawaida zinafaa.	1	2	3	4	5	6	7
<b>MAMLAKA</b>								
1	Mmiliki wa biashara anapaswa kufanya maamuzi yanayohusiana na biashara baada ya kushauriana na watu wa chini yake	1	2	3	4	5	6	7
2	Mmiliki wa biashara anapaswa kuwahimiza wafanyakazi kueleza yale ambayo hawakubaliani nayo.	1	2	3	4	5	6	7
3	Mmiliki wa biashara anapaswa kuwa na mahusiano ya kijamii na wafanyakazi wake	1	2	3	4	5	6	7
4	Watu walio kwenye nafasi za chini wanapaswa kukubali maamuzi ya mmiliki wa biashara kwa utii bila kuuliza maswali	1	2	3	4	5	6	7
5	Mmiliki wa biashara anapaswa kugawa majukumu muhimu kwa watu wenye nafasi za chini.	1	2	3	4	5	6	7
6	Nina heshimu matarajio ya mtu aliye katika nafasi ya juu zaidi yangu	1	2	3	4	5	6	7
7	Ninafuata maagizo pasipo kuuliza swali lolote	1	2	3	4	5	6	7

<b>UBINAFSI</b>								
1	Ninataka kuamua mwenyewe kuhusu mambo yanayohusiana na biashara yangu	1	2	3	4	5	6	7
2	Ninafanya kile ninachohisi ni sahihi kwangu, haijalishi wengine wanasema nini	1	2	3	4	5	6	7
3	Daima ninapenda kujitofautisha na watu wengine	1	2	3	4	5	6	7
4	Mafanikio binafsi ni muhimu kuliko mafanikio ya pamoja	1	2	3	4	5	6	7
5	Mafanikio yangu yanatemea maamuzi na uchaguzi wangu	1	2	3	4	5	6	7
6	Ni bora nijitegemee mwenyewe kuliko kuwategemea wengine	1	2	3	4	5	6	7
<b>UVUMBUZI</b>								
1	Ninafikiria njia nyingine za kuendesha biashara yangu	1	2	3	4	5	6	7
2	Ninaongozwa na ubunifu	1	2	3	4	5	6	7
3	Nimejipanga kufanya uboreshaji katika bidhaa/huduma zangu	1	2	3	4	5	6	7
4	Nimeanzisha mbinu mpya za biashara ili kuboresha uzalishaji	1	2	3	4	5	6	7
5	Nilianzisha bidhaa/huduma mpya kipindi kilichopita	1	2	3	4	5	6	7
6	Nina uthubutu wa kuanzisha masoko mapya kwa bidhaa zangu	1	2	3	4	5	6	7
7	Mara nyingi ninawashangaza watu kwa mawazo yangu mapya	1	2	3	4	5	6	7
8	Ninapenda kutafiti njia mbalimbali za kufanya jambo la aina moja	1	2	3	4	5	6	7

Asante sana kwa kushiriki katika utafiti huu

### Appendix 3: A Table showing a Summary of Empirical Literature Review

Author and Year	Study objectives	Study location	Analytical Method	Findings
Bugaje et al. (2023)	To examine the effects of individualism, masculinity, power distance and uncertainty avoidance on entrepreneurial activity in Nigeria.	Nigeria	partial least square structural equation modelling (PLS-SEM) and one-way analysis of variance (ANOVA).	Results show that masculinity, individualism, uncertainty avoidance and power distance positively affect entrepreneurship activity.
Bate (2023)	To determine effects of national cultural dimensions on entrepreneurship	Developed and developing nations	Systematic literature	Findings shows positive relationship between entrepreneurship and indulgence, longterm orientation, individualism, low power distance and low uncertainty avoidance cultural dimensions.
Cellikol et al. (2019)	To determine the role of cultural characteristics in entrepreneurial success as well as determining whether culture and economic development level interact	81 countries in six continents of the world	longitudinal effect regression analysis	Cultural dimensions of individualism, long term orientation, indulgence versus restraint influence entrepreneurship in a supportive manner and masculinity in a rendering manner. Other dimensions were found to have no significant influence
Ozdemir et al. (2018)	To investigate effects of national culture on entrepreneurship	56 countries listed in both Global entrepreneurship monitor 2017 report and scores in Hofstede insight 2017 cultural scale	Regression analysis	Masculinity, uncertainty avoidance and indulgence have significant positive effect on entrepreneurship. Individualism, power distance and long-term orientation dimensions have no effect on entrepreneurship
Assmann & Ahr1(2021)	To evaluate effect of cultural value of individualism on opportunity entrepreneurship	Cross country data from GEDI	Fractional probit regression	Number of opportunity startups is higher in individualistic countries
Lima et al.(2018)	To evaluate effect of individualistic culture on entrepreneurial opportunities	Cross country data from GEDI	Linear regression	Individualism has positive and highly significant effect on entrepreneurship
Ijaz et al., (2012)	To explore cultural factors affecting entrepreneurial behavior	Pakistan	Interview and critical analysis procedure	Finds suggests that cultural values have stronger impact on development of entrepreneurial behavior in




Author and Year	Study objectives	Study location	Analytical Method	Findings
				society
Abaho et al., (2013)	to explore the role of culture in the development of entrepreneurial values in Zanzibar	Zanzibar, Tanzania	SPSS, variable statistics, Correlations and regression analysis	No significant relationship was found between individualism, power distance and level of entrepreneurial values. Positive and significant relationship was found between cultural dimensions of masculinity and long term orientation with high levels of entrepreneurial values
Liu et al. (2019)	To empirically explore the impact of culture in entrepreneurs' opportunity exploitation decision using risk taking behavior as a mediating variable	Tanzania	Structural equation model (SEM)	culture through individualism and uncertain avoidance affect entrepreneurial opportunity exploitation decision and insignificant results for power distance
Xuhui et al. (2018)	To analyze the influence of culture on entrepreneurial opportunity exploitation of new venture activities.	Tanzania	Structural equation model (SEM)	Culture of individualism significantly and positively influence entrepreneurs' opportunity exploitation of new venture activities. Greater uncertainty avoidance was associated with less participation on entrepreneurial opportunity exploitation. Insignificant relationship was found between power distance and entrepreneurial opportunity exploitation
Andrijauskienė & Dumciuvienė (2017)	examined the effect of Hofstede's cultural values on national rates of innovation	27 European union countries	Regression analysis	Findings show that dimension of indulgence and individualism positively relates to level of innovativeness while power distance and uncertainty avoidance are negatively related to national innovation performance. Results for masculinity and long-term orientation were not significant.
Tehseen et al. (2021)	analyse How six Hofstede cultural values influence entrepreneurial innovativeness	Malaysia	Structural equation modeling	Results show positive influence of indulgence, collectivism and lower power distance on entrepreneurial innovativeness. Long term orientation exerts significant impact on Malaysian

<b>Author and Year</b>	<b>Study objectives</b>	<b>Study location</b>	<b>Analytical Method</b>	<b>Findings</b>
				Chinese, Masculinity and low uncertainty avoidance have significant impact but opposite impacts on three ethnic entrepreneurs
Espig et al. (2021).	Analysed national cultural dimensions that contribute to the country to become more innovative.		Multiple linear regression equations	Findings indicate that low power distance, low uncertainty avoidance, high individualism, high level of indulgence and long-term orientation positively affect innovation rate
Salem & Beduk (2021)	To determine the effects of creativity and innovation on entrepreneurship	Turkey	SPSS	Results indicate that innovativeness positively affects entrepreneurship by improving available products and services and producing new ones.
Juliana et al. (2021)	Investigated the relationship between creativity and innovativeness on entrepreneurship development	Nigeria	Ordinary least square method and ANOVA test.	Findings indicate that innovative ability of entrepreneurs have significant impact on entrepreneurship development
Mudura, Jagogo & Simiyu (2019)	Investigated the effects of entrepreneur's innovativeness on access to venture capital by small and medium enterprises	Kenya	Nested multinomial model	Results shows that entrepreneurs innovativeness have significant effect on access to venture capital financing

## Appendix 4: Clearance letters

**DIRECTORATE OF POSTGRADUATE STUDIES**

P.O. Box 23409  
Dar es Salaam, Tanzania  
<http://www.openuniversity.ac.tz>



Tel: 255-22-2668992/2668445  
ext.2191  
Fax: 255-22-2668759  
E-mail: [deus@out.ac.tz](mailto:deus@out.ac.tz)

Our Ref: PG2017029-6

Regional Commissioner  
Dar es Salaam Region  
P.O.Box 5429  
Mwanza

Date: March 21, 2022.

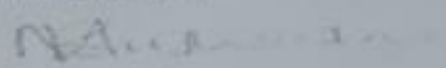
**RE: RESEARCH CLEARANCE**

The Open University of Tanzania was established by an Act of Parliament No. 17 of 1992, which became operational on the 1<sup>st</sup> March 1993 by public notice No.55 in the official Gazette. The Act was however replaced by the Open University of Tanzania Charter of 2005, which became operational on 1<sup>st</sup> January 2007. In line with the Charter, the Open University of Tanzania mission is to generate and apply knowledge through research.

To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to grant research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you Mr. KAMWELWA, Buzuka H. Reg.No: PG201702930 pursuing Doctor of Philosophy (PhD) We hereby grant this clearance to conduct a research titled **"Influence of Cultural Values on Entrepreneurial Opportunity Exploitations among Tanzania SMEs owners in Dar es Salaam Region"**. He will collect his data at your area from March 25<sup>th</sup> 2022 to May 2<sup>nd</sup> 2022.

In case you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O.Box 23409, Dar es Salaam, Tel: 022-2-2668820. We kindly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

With kind regards,



Prof. Magretta Buzubeh  
DIRECTOR OF POSTGRADUATE STUDIES

JAMHURI YA MUUNGANO WA TANZANIA  
OFISI YA RAIS  
TAWALA ZA MIKOA NA SERIKALI ZA MITAA

MIKOA WA DAR ES SALAAM  
Anwani ya Simu:  
Simu 2203156/2203158/288371  
Barua pepe: ras@rais.or.tz  
Unapojibu Tafadhali taja:



OFISI YA MKUU WA MKOA,  
3 Barabara ya Rashidi Kawawa  
S.L.P 5429,  
12880 DAR ES SALAAM.

Kumb. Na. EA.260/307/03/107

05 Aprili, 2022

Mkurugenzi wa Jiji,  
Halmashauri ya Jiji la Dar es Salaam,  
Dar es Salaam.

Wakurugenzi wa Manispaa,  
Halmashauri ya Manispaa Kinondoni,  
Kigamboni, Temeko na Ubungo,  
Dar es Salaam.

Yah: KUMTAMBULISHA BW. KAMWELA BARAKA H. KUFANYA UTAFITI

Tafadhali husika na somo tajwa hapo juu.

2. Ofisi ya Mkuu wa Mkoa imepokea barua Kumb. Na. PG201702930 ya tarehe 21 Machi, 2022 kutoka Chuo Kikuu Huria Tanzania ikimtambulisha na kumuomba kibali cha kufanya utafiti Bw. Kamwela, Baraka H. kufanya utafiti katika Halmashauri yako.
3. Mwanafunzi huyu anafanya utafiti kuhusu "*Influence of Cultural Values on Entrepreneurial Opportunity Exploitations among Tanzania SMEs Owners in Dar es Salaam Region*".
4. Kwa barua hi, kibali kimetolewa kuanzia 25 Machi, 2022 hadi 02 Mei, 2022.
5. Asante kwa ushirikiano wako.

John J. Ngonyani  
Kny. KATIBU TAWALA MKOA  
DAR ES SALAAM

Nakala: Makamu Mkuu wa Chuo,  
Chuo Kikuu Huria Tanzania,  
S.L.P 23409,  
Dar es Salaam.

Bw. Kamwela, Baraka H.

DAR ES SALAAM CITY COUNCIL  
RECEIVED

DATE: 07/04/22

12/4/22-CHRO



JAMHURI YA MUUNGANO WA TANZANIA

OFISI YA RAIS,  
TAWALA ZA MIKOA NA SERIKALI ZA MITAA

HALMASHAURI YA MANISPAA YA UBUNGO



Unapojibu tafadhali taja:  
Kumb: Na.AB.94/216/01/101

Tarehe: 19 Machi, 2022

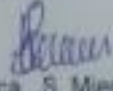
KWA YEYOTE ANAYEHUSIKA,  
Halmashauri ya Manispaa ya Ubungo,  
DAR ES SALAAM.

**KUH: UTAMBULISHO WA NDUGU KAMWELA BARAKA H. KUFANYA UTAFITI**

Husika na kichwa cha habari hapo juu.

2. Pamoja na barua hii, namtambulisha kwako ndugu mtajwa hapo juu kutoka Chuo Kikuu huria Tanzania kwa ajili ya kufanya utafiti kuhusu *'influence of Cultural Values on Entrepreneurship Opportunity Exploitations among Tanzania SMEs Owners in Dar es Salaam Region'* utafiti huo unatarajiwa kuanza tarehe 25 Machi, 2022 hadi tarehe 02 Mei, 2022.

Naomba umpokee na kumpatia ushirikiano.

  
Prisca S. Mjema  
Kny: MKURUGENZI WA MANISPAA

Kny: MKURUGENZI WA MANISPAA  
HALMASHAURI YA MANISPAA YA UBUNGO  
DAR-ES-SALAAM


**JAMUHURI WA MUUNGANO WA TANZANIA**  
**OFISI YA RAIS**  
**TAWALA ZA MIKOA NA SERIKALI ZA MTA**  
**HALMASHAURI YA JIJI LA DAR ES SALAAM**  
*(BARUA ZOTE ZIPELEKWE KWA MKURUGENZI WA JIJI)*


*Unapojibu tafadhali taja:*

Kumb.Na. DCC/BR 06/1/47 Tarehe: 21/4/2022

Afisa Mtendaji,  
 Kata ya Majohe Ukonga, Gongo la mboto, Gerezani,  
 Kitunda, Kiwalani, Segerea, Chanika, Kipawa, Chanika,  
 Kipunguni, Kivule, Kivukoni, Kanakoo, Mchikichini, Pugu station  
 Kisukuru, Buyuni, Upanga mashariki & Magahibi Zingiziwa, Kivule,  
 Vingunguti, Buyuni, Tabata, Kinyerezi, Kimanga, Minazi mirefu  
 Msongola, Kisukuru, Liwili, Mzinga na Pugu  
**Halmashauri ya Jiji la Dar es salaam**

Yah: **NDUGU BARAKA H. KAMWELA**

Rejea somo tajwa hapo juu.

Mtajwa hapo juu ni mwanachuo katika Chuo Kikuu Huria Tanzania amekubaliwa kufanya utafiti juu ya "Influence of Cultural Value on Enterpreneual Opportunity" katika Halmashauri ya Jli la Dar es salaam.

Naomba umpokee na kumpa ushirikiano ili afanikishe utafiti wake.

Ahsante.

  
 Misinzo S. Mahenge  
 Kny: **MKURUGENZI WA JIJI**

Nakala:  
 - Baraka H. Kamwela  
 Mwanachuo

# HALMASHAURI YA MANISPAA KIGAMBONI

(Barua za kufika kwa Liza Mkurugenzi wa Manispaa Kigamboni)

Simu: +255 22-2928468  
Fax: +255 22-2928469  
Barua pepe: info@kigamboni.go.tz  
Tovuti: www.kigamboni.go.tz



S.L.P. 36009,  
KIGAMBONI,  
DAR ES SALAAM,  
TANZANIA.

Kumb. Na .....

Tarehe: 14/04/2022

Mkuu wa IDARA  
YA FEDHA HA  
RIAJHARA  
DAR ES SALAAM

YAH: RUHUSA YA BWABI SACALA H. KAMWELA KUFANYA  
PROJECT/ FIELD/ RESEARCH KWA KIPINDI CHA KUENZIA  
..... 23/04/2022 HADI 10/05/2022.

Tafadhali rejea na mada tajwa hapo juu.

Mtajwa hapo juu ni mwanachuo kutoka  
CHuo KIKuu HURIA TANZANIA ambaye amekubaliwa kufanya

Project/ Field/ Research juu ya  
INFLUENCE OF CULTURAL VALUES ON ENTREPRENEURIAL  
OPPORTUNITY EXPLOITATIONS AMONG TANZANIA SME  
OWNERS IN DAR ES SALAAM.

katika ofisi yako kuanzia tarehe 23/04/2022 hadi 10/05/2022

Hivyo mpokee na kumpa ushirikiano kulingana na mahitaji yake.

Nakutakia kazi njema.

Kny. MKURUGENZI WA MANISPAA  
HALMASHAURI YA MANISPAA YA KIGAMBONI.

Nakala:  
Mkurugenzi wa Manispaa  
MANISPAA YA KIGAMBONI

- Alona kwenye jalada


**JAMHURI YA MUUNGANO WA TANZANIA**  
**OFISI YA RAISI, TAWALA ZA MIKOA NA**  
**SERIKALI ZA MITAA**  
**HALMASHAURI YA MANISPAA YA TEMEKE**


Tawala za Mikoa na Serikali za Mitaa  
 No. TMC/MD/IR.2/63/107 TARHE: 25/04/2022

HAJIAMTENDAJI KATA  
 KATA YA \_\_\_\_\_

**YAKI: KUMTAMBULISHA Bw. KAMWELA BARAKA .H. YA KUFANYA UTAFTITI KWA**  
**WAFANYABIASHARA KATIKA ENEO LAKO LA KAZI**

Tafadhali husika na somo tajwa hapo juu.


Ofisi ya Mkurugenzi Manispaa ya Temeke inempokea Bw. Kamwela Baraka .H. ikiwa ni mwanafunzi anaafanyia utafiti kutoka katika Chuo Kikuu Huria Tanzania.

Thabiti wake unahusu "Influence of Cultural Values on Entrepreneurial Opportunity Exploitation Among Tanzania SMEs Owners in Dar Es Salaam Region".

Nimote apewe ushirikiano kwa kipindi chote itakachokuwepo katika eneo lako la kazi.

  
**R. M. Gulumtwa**  
**Kny. MKURUGENZI MANISPAA**  
 Halmashauri ya Manispaa ya Temeke




 OFISI YA RAIS,  
 TAWALA ZA MIKOA NA SERIKALI ZA MITAA  
**HALMASHAURI YA MANISPAA YA KINONDONI**


---

*Unapojibu tafadhali taja:*

Kumb. Na HB 345/520/01/

Tarehe: 20 Aprili, 2022

Mkuu wa Idara ya Fedha na Biashara,  
 Manispaa ya Kinondoni,  
 S.L.P 31902  
**DAR ES SALAAM**

**YAH: KIBALI CHA KUFANYA UTAFITI NA KUMTAMBUJISHA**  
**NDUGU KAMWELA BARAKA H.**

Kichwa cha habari hapo juu cha husika.

2. Ofisi ya Mkuugenzi wa Manispaa imepokea barua yemee Kumb. Na EA 260/307/03 ya tarehe 05/04/2022 iliyohusu kuomba kibali cha kufanya utafiti kuhusu *"Influence of Cultural Values on Enterprenuer Opportnity Exploitations among Tanznania SMEs Owners in Dar es Salaam Region"*.

3. Kwa barua hii Kibali kimetolewa na Mwajiri kufanya Utafiti kuanzia tarehe 25/03/2022 – 02/05/2022. Hivyo mpokee na kumpa ushinkiano

  
 Maria Masimani  
 Kny: **MKURUGENZI WA MANISPAA**  
 Ofisi ya Mkuugenzi wa Manispaa ya Kinondoni,  
 Dar es Salaam

**Nakala:**

Chuo Kikuu Huna  
 Kamwela Baraka H.

- Amepangiwa Idara ya Fedha na Biashara  
 - Kwa taarifa

Mkuugenzi wa Manispaa Manispaa ya Kinondoni, S.L.P 31902, 2 Barabara ya Mungu,  
 Dar es Salaam. • 255 2170172 Ndugu: 217266

**Appendix 4: INVITATION TO 2<sup>nd</sup> TIA INTERNATIONAL CONFERENCE & JOURNALS**



**TANZANIA INSTITUTE OF ACCOUNTANCY  
(TIA)**

**KURASINI AT THE JUNCTION OF KILWA/  
P.O. BOX 9522,  
NELSON MANDELA ROAD  
DAR ES SALAAM.  
All Correspondences to be  
16/OCTOBER/2023  
Addressed to CEO – TIA  
TEL. No.22 2850717,  
FAX. No. 0736502630  
E-mail: [tia@tia.ac.tz](mailto:tia@tia.ac.tz)**

**TANZANIA INSTITUTE OF ACCOUNTANCY**

**P.O BOX  
SINGIDA**

To, Baraka Hebron Kamwela

**REF: INVITATION TO 2<sup>nd</sup> TIA INTERNATIONAL CONFERENCE**

We cordially invite you to our 2<sup>nd</sup> TIA International Conference on Business Management and Economic Development (ICBMED) that will take place at Hotel Verde Zanzibar on 06<sup>th</sup> - 08<sup>th</sup> of November, 2023, from 08:00 a.m. The conference aims to provide a platform for capacity building and networking among researchers and academicians and fostering economic Development through creativity, innovation, and investment. You are among the selected authors to present your submitted reviewed manuscript titled '**Effect of Power Distance on Entrepreneurial Opportunity Exploitation among Small and Medium Enterprises Owners in Tanzania. Mediation Effect of innovativeness**' at the Conference, thus helping you grow academically and professionally. Participating in this conference offer you the chance to present your findings and receive valuable feedback from the other 200 attendees. Your manuscript will also have a chance to be published in a special edition of TIA Journal AJASS. Your presence at the conference is highly appreciated.

Our best regards,

Dorah Chenyambuga

**For: Chief Executive Officer**