

THE EFFECT OF LONG-TERM ORIENTATION, POWER DISTANCE, AND UNCERTAINTY AVOIDANCE ON YOUTH ENTREPRENEURIAL ORIENTATION IN BANDAR LAMPUNG

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ABSTRACT

Background: As Indonesia's economy is increasingly driven by youth entrepreneurship and innovation, it requires examination of cultural factors and government support to foster entrepreneurial spirit among young people.

Purpose: This research empirically investigates the relationship between long-term orientation, power distance, and uncertainty avoidance and how these factors influence the entrepreneurial orientation of young individuals in Bandar Lampung, with the perception of government regulations playing a mediating role.

Design/methodology/approach: The study used a quantitative research approach, employing Structural Equation Modeling. The sample consisted of 200 respondents, young entrepreneurs from Bandar Lampung, selected through a simple random sampling method. The analysis was conducted using the Structural Equation Modeling (SEM) approach with the Partial Least Squares (PLS-SEM) technique.

Findings/Result: The study found that long-term orientation significantly impacts entrepreneurial orientation. Additionally, it found that power distance and uncertainty avoidance are significant factors in shaping entrepreneurial orientation. Testing the mediating effect of the perception of government regulations indicates a significant role in the relationship between the independent variables and entrepreneurial orientation. The findings of this research indicate that the entrepreneurial mindset of the young generation in Indonesia is moderately influenced by a well-organized environment.

Conclusion: The findings underscore the importance of a supportive regulatory environment in fostering entrepreneurial mindset among the youth, prompting policymakers to focus on enhancing regulations to incentivize innovation and streamline procedures for young entrepreneurs.

Originality/value (State of the art): The originality of this research lies in its exploration of the interplay between cultural dimensions and government regulations on entrepreneurial orientation, which contributes to the understanding of how socio-cultural factors and regulatory perceptions influence entrepreneurial behavior in emerging economies.

Keywords: entrepreneurial orientation, long-term orientation, power distance, uncertainty avoidance, perception of government regulations

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INTRODUCTION

Entrepreneurship holds increasing significance for young people in Indonesia as they navigate the dynamic economy. Indonesia is home to a substantial youth population, and they are increasingly exploring entrepreneurial opportunities. However, the journey to becoming an entrepreneur is not solely about financial gains; it hinges on cultivating a specific orientation (Wardana et al. 2020; Kuratko et al. 2021). This orientation is profoundly influenced by factors such as the individual values held and their access to Perception of government regulations. Perception of government regulations plays a pivotal role in realizing entrepreneurial orientation (Nakku et al. 2020). These resources can originate from personal savings, loans, or investment opportunities, and their significance cannot be overstated. In Indonesia's rapidly evolving economic landscape, securing access to the perception of government regulations presents both opportunities and challenges for aspiring entrepreneurs (Amalia & von Korfflesch, 2021). The dynamic nature of the economy offers various avenues for funding, from traditional sources to emerging investment opportunities. However, navigating this complex terrain demands a nuanced understanding of financial mechanisms and the ability to harness them effectively. Entrepreneurs must not only identify and access these resources but also deploy them strategically to transform their ideas into thriving ventures (Kromidha et al. 2023; Jamaludin et al. 2023).

Government regulations and cultural principles of a country have the potential to influence entrepreneurial activities (Atiase et al. 2018). However, previous research tends to view them as separate factors that only directly impact Entrepreneurial Orientation (EO) without considering the potential synergy and interaction between them in a holistic manner (Chowdhury et al. 2019; Saka-Helmhout et al. 2020). This research employs an institutional perspective to address these limitations, recognizing the significant role of culture and regulations in shaping the values and behavior of entities in society. The focus is particularly on the interactive impact of EO, especially among Small and Medium Enterprises (SMEs) (Urban, 2019; Chew et al. 2022). An integrative method is proposed to understand how rules and culture mutually influence each other (Fernández-Serrano & Romero, 2014). By considering cultural values and internal perceptions of government regulations by decision-makers, this

perspective provides new insights into the differences in EO among companies operating within the same institutional framework (Rosmasari et al. 2019; Matahari et al. 2020).

The integrative approach proves effective in identifying entrepreneurial companies compared to non-entrepreneurial ones, especially in countries with significant cultural diversity at the regional level but lacking a strong national entrepreneurial culture (Morales et al. 2019). This is highly relevant to our research focus in Bandar Lampung, where there is no formal support from government institutions and no prominent national entrepreneurial culture. The main goal of this research is to make a significant contribution to the field of entrepreneurship, particularly by emphasizing the role of institutions and the influence of government regulations on business development (Gieure et al. 2020). This approach addresses the need to consider the social and cultural context in which entrepreneurs operate when conceptualizing Entrepreneurial Orientation (EO). By adopting a micro-foundation perspective, this research provides new insights into how institutional impact can be mediated through the perceptions and values internalized by key decision-makers, ultimately influencing the Entrepreneurial Orientation of the company.

The findings presented make a cutting-edge contribution to increasing the theoretical understanding of the complex interactions between cultural factors and entrepreneurial orientation. By examining the influence of cultural factors such as entrepreneurial orientation, power distance, and uncertainty avoidance, this study adds to our knowledge and highlights the nuanced relationships in the entrepreneurial environment. One of the most important features of this study is the finding of a strong positive relationship between cultural factors and entrepreneurial orientation. These fundamental insights dramatically advance our understanding of how culture shapes entrepreneurial behavior and strategy. It is worth noting that this study acknowledges the complexity of the relationship between cultural aspects and perceptions of government regulation in the context of entrepreneurship while emphasizing the need for more sophisticated theories that take into account the simultaneous influence of various cultural factors. From a practical perspective, our findings provide actionable insights with far-reaching implications for business and policymakers. Entrepreneurs and business leaders can use these insights to improve

their strategic decision-making processes and adapt their approaches to different cultural contexts. For companies seeking to expand internationally, this study provides useful guidance in understanding how cultural factors influence entrepreneurial behavior and promote effective adaptation of market entry and growth strategies. Policymakers and government agencies are expected to greatly benefit from the implications of this study as it demonstrates the importance of developing systems and policies that encourage entrepreneurship globally. By incorporating cultural considerations into the policy-making process, governments can create an environment conducive to the success of entrepreneurs. Additionally, this study highlights the need to integrate cultural aspects into training and development programs for entrepreneurs. This comprehensive approach allows individuals interested in entrepreneurship to gain a comprehensive understanding of how culture shapes entrepreneurial orientation across diverse cultural settings. Ultimately, this research not only adds to theoretical knowledge, but also provides businesses, policymakers, and aspiring entrepreneurs with concrete tools to navigate and succeed in an increasingly global and multicultural entrepreneurial ecosystem.

METHODS

This study employs a quantitative research design to analyze the relationships among latent constructs, such as long-term orientation, power distance, Uncertainty avoidance, Perception of government regulations, and entrepreneurial orientation. This research adopts the thinking framework of Chew et al. (2022) in assessing factors such as long-term orientation, power distance, and uncertainty avoidance towards entrepreneurship. The population in this study consists of young individuals aged 18 to 35 who are involved in their businesses or are entrepreneurs in the small and medium-sized enterprise sector in Bandar Lampung. The sample for this research was determined by referring to the sample size guidelines provided by Kline (2005) for analyzing structural equation models, which suggest that a sample of 100 is considered small, a sample between 100 and 200 is considered moderate, and a sample over 200 is considered large. Additionally, the sample size should be adequate for a reasonably simple model; a sample size of 200 is sufficient for a simple model (Memon et al. 2020).

The institutional perspective involves formal elements, such as recorded and officially enforced regulations, and informal elements, including values, norms, and shared knowledge. Entrepreneurial actions and behaviors are widely believed to be influenced by the institutional context in which an entity operates (Chowdhury et al. 2019). However, the specific role played by certain institutions in fostering entrepreneurial orientation within companies remains an area of research that has not been fully explored (Urban, 2019; Chew et al. 2022). Entrepreneurship fundamentally involves individual efforts, emphasizing the importance of considering the level of individual heterogeneity in a national context. It is crucial to acknowledge that institutions, as reflected in the cultural values internalized and the perception of government regulations by key decision-makers, have a significant impact on the Entrepreneurial Orientation (EO) of a company. Serving as primary determinants in shaping the environment in which entrepreneurship thrives, institutions play a critical role in shaping the strategies and business practices adopted by an entity (Contractor et al. 2019).

Entrepreneurial actions have long been influenced by culture, an informal institution that plays a crucial role in shaping the behavior of individuals and groups in society. However, culture and country are often considered synonymous, overlooking significant differences between them. For instance, Tehseen et al. (2021) argue that understanding subcultures in heterogeneous societies is often hindered by broad national cultural perspectives. Moore (2020) further explains that individuals with the same national culture may interpret it differently, indicating that relying solely on the framework of the same national culture can impede understanding in a multicultural context. In the entrepreneurial world, individuals have the freedom to question and shape their own identities, even deviating from existing national cultural standards. This can significantly influence entrepreneurial behavior and processes (Nikolaev et al. 2017; Stephan, 2022). Therefore, to comprehend a company's entrepreneurial orientation, it is crucial to gain a profound understanding of culture at the individual level. This is particularly relevant for understanding the factors influencing key decision-makers, who play a pivotal role in shaping entrepreneurship policies and practices within an entity (Kirkman et al. 2017).

Adopting a long-term cultural orientation often cultivates values and pragmatic attitudes commonly

associated with entrepreneurial orientation. When key decision-makers choose to embrace a long-term cultural orientation, the values and pragmatic attitudes typically linked to entrepreneurial orientation are further strengthened (Bogatyreva et al. 2019). The decision to focus on long-term aspects reflects a readiness to engage in innovation that requires sustained planning and efforts. The innovative process often involves stages such as incubation, experimentation, development, and commercialization over an extended period (Muehlfeld et al. 2017). Engaging in innovative initiatives, especially those with the potential to disrupt industries, entails significant risks and often yields substantial results after a prolonged period. Furthermore, in adopting a long-term approach to entrepreneurial orientation, perseverance and patience are necessary (Tehseen et al. 2021). Key decision-makers need to actively anticipate how markets and businesses will undergo changes and continuously allocate resources to address uncertainties. The ability to effectively scan the environment, forecast future trends, and capitalize on opportunities before competitors is a crucial skill in managing the long-term aspects of entrepreneurial orientation (Caliendo et al. 2020).

Tehseen et al. (2023), a positive correlation was found between low tolerance for power distance and a tendency to engage in entrepreneurial activities. The low tolerance for power distance reflects dominant cultural principles, including the adoption of flexible control mechanisms and an even hierarchical structure (Xia & Liu, 2021). Understanding and appreciating the freedom and autonomy of each individual regardless of their status or position of power is crucial. Cultural values like these inherently support attitudes and behaviors that promote entrepreneurial orientation (EO). Therefore, the general view suggests that companies led by key decision-makers with a low tolerance for power distance tend to have a stronger EO (Suharnomo & Syahruramdhan, 2018). It is essential to recognize that cultural principles emphasizing equality and individual freedom can shape an environment where entrepreneurship is valued and strengthened. By placing value on the concepts of freedom and autonomy, organizations led by individuals with low tolerance for power distance can provide an extra boost to develop and encourage entrepreneurial initiatives, with the hope of enhancing performance and business growth (Stephan, 2022).

Avoidance of uncertainty is a psychological concept related to individuals' discomfort levels in uncertain or ambiguous situations. Individuals with a high level of uncertainty avoidance tend to find it challenging to respond to unclear or unpredictable situations (Kalasin, 2021). This discomfort may arise from concerns about the risks associated with uncertainty and the inability to control or predict the outcomes of unclear circumstances. In the realm of business and organizational decision-making, the level of uncertainty avoidance can influence how individuals or groups within an organization respond to changes, innovations, or strategic decisions that involve factors that are not entirely predictable (Zaman & Abbasi, 2020; Cowden et al. 2022). The impact of uncertainty avoidance can affect various aspects of an organization, ranging from decision-making processes to the ability to adapt to changes in the market. On one hand, excessive uncertainty avoidance can hinder an organization's ability to innovate and take risks that may bring long-term benefits (Brenk et al. 2019). On the other hand, too low a level of uncertainty avoidance can lead to organizations not adequately considering risks and being unprepared for sudden changes. Therefore, understanding and managing uncertainty avoidance become crucial in the context of organizational management and leadership to achieve an optimal balance between stability and adaptability (Glazer, 2021; Chew et al. 2022). The relationship between internalized cultural values and the entrepreneurial orientation of a company is believed to be largely influenced by the perceptions of key decision-makers regarding government regulations. The success of entrepreneurship can be enhanced by government support and internal cultural values that encourage recognition of entrepreneurial opportunities (Nakku et al. 2020; Ratten & Usmanij, 2021). Conversely, strict or unsupportive government regulations can hinder entrepreneurship, especially if these regulations do not align with the cultural values of those involved. Therefore, the hypotheses proposed in this study are as follows:

- H1. Youth with higher levels of long-term orientation tend to possess a stronger entrepreneurial orientation.
- H2. Youth with higher levels of power distance tolerance tend to possess a stronger entrepreneurial orientation.
- H3. Youth with lower levels of uncertainty avoidance tend to possess a stronger entrepreneurial orientation.

- H4. Perception of government regulations moderates the relationship between long-term orientation and entrepreneurial orientation.
- H5. Perception of government regulations moderates the relationship between power distance and entrepreneurial orientation.
- H6. Perception of government regulations moderates the relationship between uncertainty avoidance and entrepreneurial orientation.

The sample collection technique involved using a simple random sampling method by distributing questionnaires to small and medium-sized business owners in various food centers in the city of Bandar Lampung, Indonesia from March to April 2023. Out of the 200 questionnaires distributed, the research received 168 completed questionnaires, resulting in an 84% response rate. From this total, a screening process identified 11 incomplete or improperly filled-out questionnaires. The final result was that 157 questionnaires met the criteria for further analysis. The survey includes validated scales to measure long-term orientation, work ethics, Uncertainty avoidance, access to Perception of government regulations, and entrepreneurial orientation. Respondents rate their agreement with statements related to these constructs using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Given the central emphasis on employing SmartPLS (Partial Least Squares) in the context of Structural Equation Modeling (SEM), the choice of SmartPLS is based on its appropriateness for analyzing intricate relationships among latent constructs. Additionally, SmartPLS streamlines the process of data analysis, allowing for the investigation of both direct and indirect effects. This capability contributes to a

holistic comprehension of the interactions between long-term orientation, power distance, uncertainty avoidance, perception of government regulations, and entrepreneurial orientation. Research framework in Figure 1.

RESULTS

The structural model explains the effect between hidden variables, while structural equation modeling (SEM) examines the effect between constructs and their corresponding indicator variables. In this study, SmartPLS was utilized for the analysis of tests.

Table 1 presents the results of reliability and validity tests for the examined variables. The internal consistency of the variables is robust, as indicated by their Cronbach's Alpha values. Long-term orientation exhibits a Cronbach's Alpha of 0.663, power distance attains 0.868, uncertainty avoidance records 0.941, perception of government regulations reaches 0.911, and Entrepreneurial Orientation achieves 0.860. All these values surpass the threshold of 0.60, signifying strong internal consistency. Additionally, the validity of the variables is confirmed through the Average Variance Extracted (AVE) values, all of which exceed the minimum threshold of 0.50. Long-term orientation has an AVE of 0.597, a power distance score of 0.658, an uncertainty avoidance measure of 0.850, a perception of government regulations reaches 0.761, and Entrepreneurial Orientation attains 0.757. These results establish the credibility and validity of all variables in the study.

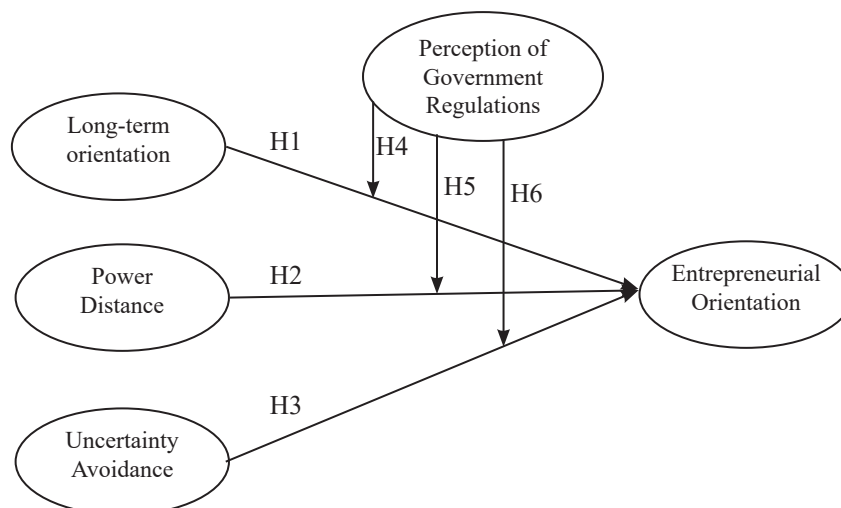


Figure 1. Research framework

Table 2 presents the results of a discriminant validity analysis among the study's variables. The diagonal values represent the square root of the Average Variance Extracted (AVE) for each variable, indicating how much variance each variable explains to its items. The off-diagonal values signify the correlations between different pairs of variables. In assessing discriminant validity, these off-diagonal correlations must be generally lower than the square root of the AVE for each variable, demonstrating that the variables are distinct constructs. Additionally, the off-diagonal correlations, such as the 0.546 correlation between power distance and uncertainty avoidance, are consistently lower than the respective diagonal AVE values, supporting the conclusion that the variables in the study represent different and distinguishable aspects or concepts.

Table 3 presents the results of hypothesis testing, specifically examining the influence of particular factors on Entrepreneurial Orientation. The first hypothesis aims to investigate the impact of long-term orientation on entrepreneurial orientation. The analysis reveals a positive path coefficient of 0.070. With a T statistic of 3.260 and a p-value of 0.004 below the significance level of 0.05, it is evident that the relationship between long-term orientation and entrepreneurial orientation is statistically significant. In simpler terms, there is strong evidence supporting the notion that long-term orientation positively affects entrepreneurial

orientation among the study participants. These findings are in line with previous research suggesting a positive link between long-term cultural orientation and entrepreneurial behavior. For instance, Bogatyreva et al. (2019) demonstrated that long-term orientation fosters pragmatic values and attitudes often associated with entrepreneurial orientation. Furthermore, Zaman & Abbasi (2020) emphasized the importance of long-term planning and sustained effort in fostering innovation, a key element of entrepreneurial orientation.

The second hypothesis delves into the connection between power distance and entrepreneurial orientation. The analysis yields a positive path coefficient of 0.069. With a T statistic of 5.012 and an extremely low p-value of 0.000, it becomes evident that the relationship between power distance and entrepreneurial orientation is highly statistically significant. This implies that power distance has a substantial and positive influence on entrepreneurial orientation among youth. The strong positive influence of power distance on entrepreneurial orientation aligns with prior studies. These findings are consistent with the research conducted by Glazer (2021), both of which proposed a positive correlation between reduced power distance and entrepreneurial tendencies. These studies underscore the importance of cultural values such as flattened hierarchies and autonomy in fostering entrepreneurial behavior.

Table 1. Reliability and validity test results

Variable	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
Power distance	0.868	0.899	0.658
Uncertainty avoidance	0.941	0.963	0.850
Long-term orientation	0.663	0.808	0.597
Perception of government regulations	0.911	0.935	0.761
Entrepreneurial Orientation	0.860	0.898	0.757

Table 2. Discriminant validity

Variables	Power distance	Uncertainty avoidance	Long-term orientation	Entrepreneurial Orientation	Perception of Govt Regulations
Power distance	0.810				
Uncertainty avoidance	0.546	0.864			
Long-term orientation	0.049	0.483	0.852		
Entrepreneurial orientation	0.447	0.695	0.449	0.873	
Perception of government regulations	0.249	0.236	0.378	0.518	0.861

The third hypothesis scrutinizes the role of uncertainty avoidance in shaping entrepreneurial orientation. The analysis reveals a positive path coefficient of 0.166. With a T statistic of 3.734 and a p-value of 0.000, it is evident that this relationship is statistically significant. This indicates that Uncertainty avoidances significantly and positively impact the entrepreneurial orientation of the participants. The substantial positive influence of uncertainty avoidance on entrepreneurial orientation is well-supported by previous research. These results align with established theoretical connections between a firm's tolerance for uncertainty and entrepreneurial orientation, as highlighted in studies by Amalia & von Korfflesch (2021). These studies emphasize that individuals or firms comfortable with ambiguity are more likely to perceive and seize entrepreneurial opportunities, demonstrating greater enthusiasm and motivation for innovation and risk-taking. The empirical findings in the table reinforce this perspective by demonstrating that youth with lower uncertainty avoidance tend to possess a stronger entrepreneurial orientation, thereby strengthening the link between cultural factors and entrepreneurial behavior as suggested in previous research.

Table 4 presents the findings related to the indirect effects of independent variables on entrepreneurial orientation through the mediation of Perception of government regulations. For the fourth hypothesis,

exploring the indirect influence of long-term orientation on entrepreneurial orientation through Perception of government regulations, the results indicate a significant effect. The T-statistics value of 2.893 and a P-value of 0.001 suggest that long-term orientation affects entrepreneurial orientation indirectly through its impact on the perception of government regulations.

Moving to the fifth hypothesis, which examines the role of power distance on entrepreneurial orientation through Perception of government regulations, yields significant results. The T-statistics value of 3.934 and a P-value of 0.000 indicate a meaningful indirect effect. This finding supports the notion that power distance plays a role in shaping entrepreneurial orientation, partially through its effect on the perception of government regulations. The path coefficient of 0.026 signifies a positive relationship between this interaction and Entrepreneurial Orientation. When individuals or firms have both a lower tolerance for power distance and a favorable perception of government regulations, their entrepreneurial orientation tends to be stronger. For the sixth hypothesis, the T statistic of 2.706 and the associated p-value of 0.005 indicate that this interaction effect is statistically significant. This shows that entrepreneurial orientation is significantly influenced by a combination of reduced uncertainty and positive perceptions of government regulations.

Table 3. Path Coefficients Test Results

Hypothesis	Path Coefficient	T Statistics	P Values
Long-term orientation → Entrepreneurial Orientation	0.070	3.260	0.004
Power distance → Entrepreneurial Orientation	0.069	5.012	0.000
Uncertainty avoidance → Entrepreneurial Orientation	0.166	3.734	0.000

Table 4. Indirect Effect Test Results

Hypothesis	Path Coefficient	T Statistics	P Values
Long-term orientation* Perception of government regulations → Entrepreneurial Orientation	0.018	2.893	0.001
Power distance* Perception of government regulations → Entrepreneurial Orientation	0.026	3.934	0.000
Uncertainty avoidance* Perception of government regulations → Entrepreneurial Orientation	0.049	2.706	0.005

The result of this study aligns with the perspectives of Shattuck (2021), emphasizing the crucial role of key decision-makers perceptions of government regulations in shaping the relationship between a company's entrepreneurial orientation and internalized cultural values. This is rooted in the concepts proposed by Nikolaev et al. (2017) and Brenk et al. (2019), asserting that the success of entrepreneurship can be significantly enhanced with government support and internal cultural values that foster recognition of entrepreneurial opportunities. According to Raza et al. (2018), stringent or unsupportive government regulations can hinder entrepreneurship, especially when these regulations do not align with the cultural values of the individuals involved. In such situations, unfair regulations can impede entrepreneurial efforts. Therefore, the researchers anticipate that the relationship between entrepreneurial orientation and cultural values will be strengthened when key decision-makers perceive government regulations that align with and support their cultural values. This study provides a theoretical foundation for understanding how the interplay between cultural values, perceptions of government regulations, and entrepreneurial orientation can have a significant impact on the entrepreneurial landscape. The interaction between cultural dimensions and regulatory perceptions, as demonstrated in prior studies, highlights the importance of considering external factors, such as government regulations, in addition to internal cultural values when assessing their combined influence on entrepreneurial behavior.

Managerial Implications

The research findings have several managerial implications for leaders aiming to foster an entrepreneurial culture within their organizations. Firstly, acknowledging the positive impact of long-term orientation, managers should encourage a forward-thinking perspective among their teams. By aligning organizational goals with sustainable, future-focused objectives, leaders can instill a mindset that values enduring success over short-term gains. This strategic approach can be reinforced through goal-setting, performance evaluations, and organizational communications that emphasize the importance of long-term planning.

Secondly, the recognition of power distance as a catalyst for entrepreneurial orientation suggests that managers

should cultivate an inclusive and empowering work environment. Flattening hierarchies and promoting autonomy can foster a culture where employees feel empowered to take initiative and contribute to innovation. Open communication channels, transparent decision-making processes, and opportunities for cross-functional collaboration can enhance the positive influence of power distance on entrepreneurial behavior, creating an atmosphere conducive to creative thinking and proactive problem-solving.

Lastly, the research underscores the significance of addressing the perception of government regulations. Managers should stay informed about regulatory changes and actively work to create a positive perception of government support within the organization. This involves transparent communication about government incentives, simplified procedures, and support programs that can boost employees' confidence in pursuing entrepreneurial initiatives. By strategically integrating these managerial implications, leaders can shape a dynamic organizational culture that values long-term vision, embraces diversity, encourages innovation, and navigates regulatory landscapes with confidence, ultimately fostering entrepreneurial success.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The research findings conclude that long-term orientation, power distance, uncertainty avoidance, and entrepreneurial orientation all have a significant positive influence on entrepreneurial orientation. Long-term orientation, power distance, and uncertainty avoidance each exhibit a statistically significant positive effect on entrepreneurial orientation. These findings imply that higher levels of long-term orientation, power distance, and uncertainty avoidance correspond to higher levels of entrepreneurial orientation. Additionally, the indirect effect test investigates how the interactions between these factors and perceptions of government regulations impact entrepreneurial orientation. The results show that each interaction has a statistically significant positive indirect effect. The conclusion of the study highlights the positive impact of the interaction between cultural factors on entrepreneurial orientation, especially through individual perceptions of government regulations.

Recommendations

Based on the significant positive influence identified between long-term orientation, power distance, uncertainty avoidance, and entrepreneurial orientation, this study provides practical advice. Given the observed correlations, businesses and entrepreneurs can consider developing long-term thinking, embracing power distance, and managing uncertainty effectively to strengthen their entrepreneurial orientation. Recognizing the influence of these cultural factors can guide strategic decisions and the development of organizational culture. In addition, policymakers may find value in understanding the indirect influence of these cultural factors on entrepreneurial orientation through the perception of government regulations. Establishing policies to accommodate cultural dynamics can create an environment conducive to increased entrepreneurial activity. As practical advice, organizations and policymakers should continue to adapt to these cultural elements and integrate them into strategic planning and policy-making processes for a more profitable entrepreneurial ecosystem.

While providing important insights, this study acknowledges certain limitations, particularly focusing only on young individuals in small and medium enterprises (UMKM) in Bandar Lampung, Indonesia. This limits the generalizability of the results to a wider context of different situations and cultures. To overcome these limitations, we recommend that future research expand the scope of the study by including participants from different demographics, industries, and geographic locations. In addition, the reliance on self-reported responses through questionnaires has raised concerns about potential bias, prompting recommendations for alternative data collection methods, such as interviews or observations, to increase the validity of the results. Combining multiple samples and using multiple data collection approaches in future research efforts is encouraged to provide a more comprehensive and generally applicable understanding of how cultural factors influence entrepreneurial orientation.

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