



Does Entrepreneurial Orientation Shape SME Tax Compliance Intentions? Evidence from Tanzania

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Abstract

This study examines the determinants of tax compliance behavioural intentions among small and medium enterprises (SMEs) in Tanzania and the moderating role of entrepreneurial orientation (EO). Drawing on the Theory of Planned Behaviour, data were collected from 210 food-processing SMEs in Dar es Salaam and analysed using hierarchical multiple regression. Findings show that attitude was positively associated with behavioural intention, whereas subjective norm and perceived behavioural control were not significant predictors. EO had no significant direct effect on behavioural intention. However, EO significantly moderated the relationship between attitude and behavioural intention, but in the opposite direction to that hypothesised, indicating that the positive association between attitude and intention weakened as EO increased. EO did not significantly moderate the effects of subjective norm or perceived behavioural control. Overall, the findings show that tax compliance intentions among SMEs are shaped primarily by attitudes toward tax compliance, while the influence of these attitudes varies with entrepreneurial orientation. The study extends the Theory of Planned Behaviour to SME taxation by showing that entrepreneurial characteristics can condition, rather than uniformly strengthen, the relationship between tax attitudes and compliance intentions.

Keywords: Behavioural Intention; Entrepreneurial Orientation; SMEs; Tax Compliance; Theory Of Planned Behaviour

1. Introduction

Tax compliance among small and medium-sized enterprises (SMEs) remains an important policy and research concern, particularly in developing economies where governments depend on domestic revenue to finance public services and development priorities. Recent evidence from Tanzania shows that several factors shape SME tax compliance, including tax knowledge, tax-system complexity, public service provision, tax morale, and taxpayers' perceptions of enforcement (Mwandu et al., 2024; Rwabunywenge et al., 2024). Munguasifiwe et al. (2025), for example, found that perceived penalties influence some dimensions of tax compliance among Tanzanian SMEs, although their effects vary across compliance decisions. These findings suggest that enforcement considerations alone cannot adequately explain SME tax compliance.

Behavioural perspectives offer a complementary explanation by focusing on the psychological processes underlying taxpayers' decisions. The Theory of Planned Behaviour (TPB) proposes that behavioural intention is

determined by attitude, subjective norm, and perceived behavioural control (Ajzen, 1991). Recent empirical evidence supports the continued relevance of these constructs in tax-compliance research. Bani-Khalid et al. (2022) found that attitude, subjective norm, and perceived behavioural control significantly predicted tax-compliance intentions among SME owner-managers. More recent TPB-based research similarly demonstrates the relevance of attitudes, social expectations, and perceived control in explaining tax-compliance intentions (Mulatsih et al., 2024). In Tanzania, research has also increasingly recognised the importance of behavioural and institutional mechanisms in explaining SME tax-compliance intentions (Amani, 2024).

Despite this progress, the relationships proposed by TPB need not operate uniformly across SME owner-managers. SMEs differ in their strategic orientations and in how their owners approach opportunities, uncertainty, competition, and managerial discretion. Entrepreneurial orientation (EO) provides a useful framework for capturing such differences. In contemporary SME research, EO is commonly represented through innovativeness, proactiveness, risk-taking, competitive aggressiveness, and autonomy, although the contribution of individual dimensions may vary across contexts (Ringo et al., 2023). Evidence from Tanzanian manufacturing SMEs confirms that these EO dimensions do not exert uniform effects, highlighting the importance of considering entrepreneurial orientation within its specific institutional and business context (Ringo et al., 2023).

This heterogeneity raises an important question for tax-compliance research. If owner-managers differ in their entrepreneurial orientation, the effects of attitude, subjective norm, and perceived behavioural control on compliance intentions may also differ. Recent evidence has begun to connect EO directly with SME tax compliance. For example, Musah et al. (2026) show that EO can moderate relationships between tax-related organisational factors and SME tax compliance. This emerging evidence supports examining EO not simply as a predictor of entrepreneurial outcomes, but as a potential boundary condition that may alter how other determinants translate into compliance behaviour (Musah et al., 2026).

Against this background, the present study integrates TPB and EO to examine tax-compliance behavioural intentions among food-processing SMEs in Dar es Salaam, Tanzania. Specifically, it examines the effects of attitude, subjective norm, and perceived behavioural control on tax-compliance intentions and assesses whether EO moderates these relationships. This approach extends a conventional direct-effects TPB model by recognising that behavioural determinants may operate differently across firms with different entrepreneurial orientations.

The study contributes to the literature in three ways. First, it provides evidence on the relative roles of attitude, subjective norm, and perceived behavioural control in explaining tax-compliance intentions among SMEs in Tanzania, extending the application of TPB within an under-researched emerging-economy setting. Second, it connects the tax-compliance and entrepreneurship literatures by examining EO as a moderator of behavioural relationships rather than restricting it to its more established role in explaining entrepreneurial and firm-level outcomes. Third, by testing EO's moderating effects across all three TPB relationships, the study offers a more contingent explanation of SME tax-compliance intentions and helps determine whether entrepreneurial orientation is a meaningful boundary condition for TPB's explanatory power.

2. Theoretical Review and Hypotheses

This section develops the theoretical basis for examining tax-compliance behavioural intentions among SMEs. It first outlines the Theory of Planned Behaviour (TPB) as the framework for explaining how attitude, subjective norm, and perceived behavioural control affect behavioural intention. It then considers entrepreneurial orientation (EO) as a potential boundary condition that may alter these relationships. Drawing on theoretical arguments and relevant empirical literature, the study develops hypotheses on the direct effects of the three TPB antecedents and the moderating role of EO.

2.1 Theory of Planned Behaviour and Tax-Compliance Intention

The Theory of Planned Behaviour (TPB) provides a well-established framework for explaining how individuals form intentions to perform a particular behaviour. According to Ajzen (1991), behavioural intention is determined by three conceptually distinct factors: attitude toward the behaviour, subjective norm, and perceived behavioural control. Attitude represents an individual's favourable or unfavourable evaluation of performing the behaviour, whereas subjective norm reflects perceived social pressure from important referents to perform or avoid it. Perceived behavioural control concerns the extent to which individuals believe that performing the behaviour is within their capability and control (Ajzen, 1991). Recent applications demonstrate that these mechanisms remain relevant to tax-compliance decisions, particularly where taxpayers exercise discretion in interpreting and fulfilling their obligations (Bani-Khalid et al., 2022; Mulatsih et al., 2024).

The TPB is particularly relevant to SMEs because owner-managers often make tax decisions, and their personal evaluations, social environment, and perceived capacity to meet tax requirements can shape organisational compliance intentions. Bani-Khalid et al. (2022), for example, found that attitude, subjective norm, and perceived behavioural control significantly influenced sales-tax compliance intentions among SME owner-managers. Similarly, recent evidence indicates that TPB variables remain useful for explaining compliance intentions among smaller businesses, although the magnitude and significance of individual relationships vary across settings (Hikmah et al., 2024; Subandi & Tjaraka, 2023). Such variation suggests that TPB relationships may depend partly on the organisational context within which owner-managers make tax decisions.

2.2 Attitude and Behavioural Intention

Attitude captures the extent to which an owner-manager evaluates tax compliance positively or negatively. Within the TPB, a more favourable evaluation of a behaviour is expected to strengthen the intention to perform it (Ajzen, 1991). Applied to taxation, owner-managers who regard compliance as appropriate, beneficial, or consistent with their responsibilities should therefore exhibit stronger compliance intentions. Conversely, favourable evaluations of tax evasion or non-compliance should weaken those intentions. Recent evidence supports the importance of attitude in explaining tax-compliance intentions. Bani-Khalid et al. (2022) found a significant association between attitude and sales-tax compliance intention among manufacturing SMEs, while Subandi and Tjaraka (2023) similarly reported a positive relationship between attitude and behavioural intention among MSME taxpayers. More recent TPB-based evidence also identifies attitude as an important antecedent of taxpayers' compliance intentions (Mulatsih et al., 2024). Accordingly, the following hypothesis is proposed:

H1: *Attitude toward tax compliance has a positive effect on behavioural intention to comply with tax payment.*

2.3 Subjective norm and behavioural intention

Subjective norm reflects the perceived expectations of people or groups whose opinions matter to the decision-maker (Ajzen, 1991). For SME owner-managers, these referents may include family members, business associates, professional advisers, peers, customers, and other actors within their business networks. Where such referents are perceived to support honest tax reporting and payment, the resulting social pressure may strengthen the intention to comply. Empirical findings, however, suggest that normative influence is context-dependent. Bani-Khalid et al. (2022) found that subjective norm significantly predicted tax-compliance intention among Jordanian SMEs, and Subandi and Tjaraka (2023) reported a positive influence of subjective norm on MSME taxpayers' behavioural intentions. Hikmah et al. (2024) likewise identified subjective norms as relevant to compliance intention among SMEs. These findings suggest that social expectations can influence tax decisions, although their importance may depend on the visibility of compliance behaviour and the salience of reference groups. Thus:

H2: Subjective norm is positively related to behavioural intention to comply with tax payment.

2.4 Perceived behavioural control and behavioural intention

Perceived behavioural control concerns an individual's assessment of whether sufficient capability, resources, and opportunities exist to perform a behaviour (Ajzen, 1991). Tax compliance can require taxpayers to understand regulatory requirements, maintain appropriate records, complete returns, access filing systems, and meet payment obligations. Consequently, owner-managers who perceive greater control over these requirements should be more likely to develop an intention to comply. Contemporary evidence generally supports this reasoning. Bani-Khalid et al. (2022) found perceived behavioural control to be a significant determinant of SME tax-compliance intention, while Subandi and Tjaraka (2023) reported a positive association between perceived behavioural control and behavioural intention among MSME taxpayers. Nevertheless, recent studies also show that TPB relationships are not necessarily uniform across settings, reinforcing the need to examine perceived control within specific SME environments (Hikmah et al., 2024). Therefore:

H3: *Perceived behavioural control is positively related to behavioural intention to comply with tax payment.*

2.5 Entrepreneurial orientation as a moderator

Entrepreneurial orientation (EO) describes the strategic orientation through which firms identify opportunities, make decisions, and compete. In its multidimensional formulation, EO encompasses innovativeness, proactiveness, risk-taking, autonomy, and competitive aggressiveness. Contemporary research continues to support the relevance of these dimensions while showing that they need not exert identical effects across organisational settings (Ringo et al., 2023; Shayo & Uiso, 2019). Evidence from Tanzanian manufacturing

SMEs, for example, shows that individual EO dimensions can relate differently to organisational outcomes, reinforcing the value of treating entrepreneurial orientation as context-sensitive rather than assuming uniform effects (Ringo et al., 2023).

This contingency perspective provides the basis for examining EO as a moderator of TPB relationships. Owner-managers with stronger entrepreneurial orientations may approach decisions with greater autonomy, proactiveness, risk tolerance, and an emphasis on strategic opportunities. These tendencies may influence how strongly attitudes, social expectations, and perceived control translate into behavioural intentions. Recent research provides direct evidence that EO can function as a contingent factor in SME tax compliance: Musah et al. (2026) found that EO significantly moderated relationships involving digital transformation, corporate tax reputation, and tax compliance among SMEs. Although that study did not test the TPB relationships examined here, it supports the broader proposition that EO can alter how organisational and behavioural antecedents translate into tax-compliance outcomes.

Accordingly, this study proposes that EO strengthens the translation of favourable attitudes into compliance intention because entrepreneurially oriented owner-managers may act more decisively on their evaluations. EO may similarly strengthen normative influence where proactive firms remain attentive to salient stakeholders and external expectations. Finally, autonomy and proactiveness may strengthen the extent to which perceived capability is translated into intended action. These arguments lead to the following moderation hypotheses:

H4: *Entrepreneurial orientation positively moderates the relationship between attitude toward tax compliance and behavioural intention to comply with tax payment.*

H5: *Entrepreneurial orientation positively moderates the relationship between subjective norm and behavioural intention to comply with tax payment.*

H6: *Entrepreneurial orientation positively moderates the relationship between perceived behavioural control and behavioural intention to comply with tax payment.*

3. Methods

3.1 Research design, population, and sampling

The study adopted a quantitative cross-sectional survey design. The population comprised SMEs operating in the food-processing industry in Dar es Salaam, Tanzania, and the unit of analysis was the SME represented by an owner-manager or responsible, knowledgeable tax-filing employee. The final analytical sample comprised 210 SMEs. We used stratified sampling to represent relevant SME categories, followed by systematic random selection within the sampling frame. Data were collected through a structured self-administered questionnaire.

Of the 210 participating firms, 154 (73.3%) were small, and 56 (26.7%) were medium-sized. Business age was concentrated in relatively young firms: 35 firms (16.7%) had operated for fewer than three years, 107 (51.0%) for three to five years, 42 (20.0%) for six to ten years, 17 (8.1%) for 11–20 years, and nine (4.3%) for more than 20 years.

3.2 Sample Adequacy and Statistical Power Analysis

The final moderation model contains seven predictors: attitude, subjective norm, perceived behavioural control, EO, and three EO interaction terms. Under a conventional medium effect assumption ($f^2 = .15$), $\alpha = .05$, and power = .90, an F-test for a fixed multiple-regression model with seven predictors requires approximately 130 observations. For the incremental moderation block, an R^2 -increase test with three tested interaction terms and seven total predictors requires approximately 99 observations. The achieved $N = 210$ therefore exceeds both benchmarks.

3.3 Measures

The questionnaire measured attitude with seven items adapted from Bobek and Hatfield (2003), subjective norm with four items from the same behavioural tax tradition, and perceived behavioural control with three items drawing on Bobek and Hatfield (2003) and related tax-compliance measures. Behavioural intention was measured with three items. EO was represented by five dimensions, namely innovativeness, proactiveness, risk-taking, employee autonomy, and competitive aggressiveness, using items grounded in Lumpkin and Dess (1996). All constructs were measured using multi-item Likert-type scales.

3.4 Reliability Analysis

The internal consistency of the measurement scales was assessed using Cronbach's alpha. As shown in Table 1, all constructs and dimensions recorded coefficients above the commonly accepted threshold of .70, indicating satisfactory internal consistency. The coefficients ranged from .794 for autonomy to .969 for both subjective

norm and innovativeness, while the overall 41-item instrument yielded a Cronbach's alpha of .826. These results indicate that the measures demonstrated adequate reliability for subsequent analysis.

Table 1
Internal Consistency Reliability of the Study Constructs

Construct	Number of items	Cronbach's alpha
Attitude	7	.961
Subjective norm	4	.969
Perceived behavioural control	3	.945
Behavioural intention	3	.925
Innovativeness	5	.969
Proactiveness	5	.838
Risk taking	5	.900
Autonomy	4	.794
Competitive aggressiveness	5	.920
Overall instrument	41	.826

3.5 Assessment of Common Method Bias

We assessed common method bias (CMB) using Harman's single-factor test, following the approach commonly used to diagnose potential method-related variance in self-reported data (Podsakoff et al., 2003). All measurement items were entered simultaneously into an unrotated exploratory factor analysis. The analysis extracted multiple factors, with the first factor accounting for only 15.9% of the total variance, well below the commonly applied 50% threshold. This result indicates that no single factor accounted for most of the covariance among the measures, suggesting that CMB was unlikely to pose a substantial concern in the study.

3.5 Construct Assessment and Regression Diagnostics

We assessed the data's suitability for dimension-reduction analysis before regression. The Kaiser-Meyer-Olkin statistic was .798, and Bartlett's test of sphericity was significant, $\chi^2(861) = 10,234.559$, $p < .001$. We used a principal-component procedure with oblique (Oblimin) rotation and a nine-component solution. Regression diagnostics indicated no problematic multicollinearity: in the main-effects model, VIF values ranged from 1.005 to 1.064, and VIFs remained low after introducing the interaction terms. Inspection of the normal P-P plot and residual-versus-predicted scatterplot indicated no material violations of residual normality or homoscedasticity.

3.5 Data Analysis

Hierarchical multiple regression examined the direct effects of attitude, subjective norm, and perceived behavioural control on behavioural intention and tested the moderating role of entrepreneurial orientation (EO). The regression model was specified as follows:

$$BI_i = \beta_0 + \beta_1 AT_i + \beta_2 SN_i + \beta_3 PBC_i + \beta_4 EO_i + \beta_5 (AT_i \times EO_i) + \beta_6 (SN_i \times EO_i) + \beta_7 (PBC_i \times EO_i) + \varepsilon_i$$

Where BI denotes behavioural intention, AT attitude, SN subjective norm, PBC perceived behavioural control, and EO entrepreneurial orientation. β_0 represents the intercept, β_1 – β_7 are the regression coefficients, and ε_i is the error term. We entered the main effects (Model 1) first, followed by the three interaction terms in the second step (Model 2), to assess the incremental explanatory contribution of the moderating effects. Model 1 entered attitude (AT), subjective norm (SN), perceived behavioural control (PBC), and EO. Model 2 added $AT \times EO$, $SN \times EO$, and $PBC \times EO$. We mean-centred continuous predictors before computing the product terms. We evaluated moderation using interaction coefficients and the incremental change in R^2 after adding the interaction block. We assessed statistical significance at $\alpha = .05$.

4. Results

This section presents the study's empirical findings. It begins with a description of the sampled SMEs, followed by an assessment of the regression models and hypothesis testing. The analysis focuses on the direct effects of attitude, subjective norm, and perceived behavioural control on behavioural intention, as well as the moderating role of entrepreneurial orientation in these relationships.

4.1 Sample Characteristics

Table 2 presents the characteristics of the 210 SMEs included in the study. Most were small enterprises (73.3%), while medium enterprises accounted for 26.7% of the sample. In terms of business age, slightly more than half (51.0%) had operated for three to five years, followed by those operating for six to ten years (20.0%) and less than three years (16.7%). Relatively few firms had been in operation for more than ten years. Overall, the sample was therefore dominated by small and relatively young enterprises.

Table 2
Sample Characteristics

Characteristic	Category	Frequency (n)	Percentage (%)
Firm size	Small enterprise	154	73.3
	Medium enterprise	56	26.7
	Total	210	100.0
Business age	Less than 3 years	35	16.7
	3–5 years	107	51.0
	6–10 years	42	20.0
	11–20 years	17	8.1
	More than 20 years	9	4.3
	Total	210	100.0

Note. N = 210.

4.2 Model Explanatory Power

Hierarchical multiple regression was used to examine the explanatory contribution of the main effects and the additional contribution of the interaction terms. As shown in Table 3, adding the three interaction terms improved the model's explanatory power. The change in explained variance was statistically significant, indicating that the interaction block contributed additional explanatory information beyond the main effects.

Table 3
Hierarchical Regression Model Summary

Model	R	R ²	Adjusted R ²	ΔR^2	F / ΔF	p
1: Main effects	.326	.107	.089	—	F(4, 205) = 6.114	< .001
2: Main effects + interactions	.413	.170	.142	.064	$\Delta F(3, 202) = 5.177$	.002

Note. N = 210. Model 1 includes attitude (AT), subjective norm (SN), perceived behavioural control (PBC), and entrepreneurial orientation (EO). Model 2 additionally includes AT × EO, SN × EO, and PBC × EO. The full Model 2 was statistically significant, $F(7, 202) = 5.926$, $p < .001$.

Although the interaction block significantly improved the model, this result does not indicate that every interaction term was individually significant. The individual regression coefficients presented in Table 4 were therefore examined to determine which direct and moderating relationships accounted for the observed effects.

4.3 Direct and Moderating Effects

As reported in Table 4, attitude was the only TPB predictor with a statistically significant direct relationship with behavioural intention. Subjective norm and perceived behavioural control were not statistically significant, nor was EO's direct effect. Regarding moderation, only the interaction between attitude and EO was statistically significant. However, the interaction was negative, contrary to the positive moderating effect proposed in H4. The interactions involving subjective norm and perceived behavioural control were not statistically significant.

Table 4
Regression Estimates for Direct and Moderating Effects

Predictor	B	SE	β	t	p
Attitude	.290	.055	.372	5.280	< .001
Subjective norm	.039	.045	.058	.881	.379
Perceived behavioural control	.038	.043	.057	.879	.381
Entrepreneurial orientation	-.148	.135	-.075	-1.099	.273
Attitude $\times$ EO	-.651	.185	-.256	-3.513	.001
Subjective norm $\times$ EO	.183	.119	.103	1.538	.125
PBC $\times$ EO	.162	.106	.101	1.522	.130

Note. B = unstandardised regression coefficient; SE = standard error; β = standardised regression coefficient; EO = entrepreneurial orientation; PBC = perceived behavioural control.

The negative coefficient for the Attitude $\times$ EO interaction indicates that the positive relationship between attitude and behavioural intention weakened as EO increased. This finding is substantively important because it is opposite to the direction predicted in H4. By contrast, there was insufficient statistical evidence that EO altered the relationships between subjective norm and behavioural intention or between perceived behavioural control and behavioural intention. The decisions concerning all six hypotheses are summarised in Table 5.

4.4 Hypothesis Testing

The hypothesis decisions distinguish between statistical significance and the originally proposed direction. This distinction matters most for H4. Although the Attitude $\times$ EO interaction was statistically significant, its negative coefficient contradicted the hypothesised positive moderation. H4 was therefore not supported. Table 5 presents the complete hypothesis-testing summary.

Table 5
Summary of Hypothesis Testing

Hypothesis	Proposed relationship	Decision
H1	Attitude $\rightarrow$ behavioural intention (+)	Supported
H2	Subjective norm $\rightarrow$ behavioural intention (+)	Not supported
H3	Perceived behavioural control $\rightarrow$ behavioural intention (+)	Not supported
H4	EO positively moderates attitude $\rightarrow$ behavioural intention	Not supported; significant moderation was negative
H5	EO positively moderates subjective norm $\rightarrow$ behavioural intention	Not supported
H6	EO positively moderates PBC $\rightarrow$ behavioural intention	Not supported

Note. EO = entrepreneurial orientation; PBC = perceived behavioural control; (+) indicates the hypothesised positive direction.

Overall, the results support the direct effect of attitude on behavioural intention but do not support the hypothesised direct effects of subjective norm and perceived behavioural control. The findings also challenge the expectation that EO uniformly strengthens the TPB relationships. Its only statistically significant moderating effect occurred in the attitude–intention relationship, where the effect was negative. The discussion section further explores this unexpected pattern.

5. Discussion

5.1 Attitude as the Dominant TPB Predictor

Attitude was the only TPB predictor that had a significant positive relationship with behavioural intention in the full model. This finding is consistent with the central proposition of the Theory of Planned Behaviour (TPB) that favourable evaluations of a behaviour strengthen the intention to perform it (Ajzen, 1991). It also accords with recent evidence from SMEs showing that attitude is an important determinant of tax-compliance intention. Bani-Khalid et al. (2022), for example, found that attitude significantly predicted sales-tax compliance intentions among owner-managers of manufacturing SMEs in Jordan. Similarly, Subandi and Tjaraka (2023) reported a positive relationship between attitude and tax-compliance intention among MSME taxpayers in Indonesia. These

findings reinforce the relevance of taxpayers' evaluations of compliance in explaining their behavioural intentions.

In the present study, attitude remained significant after including EO and the interaction terms in the model. This indicates that its relationship with behavioural intention persists after accounting for entrepreneurial orientation. However, the significant Attitude $\times$ EO interaction shows that this relationship is conditional. Rather than strengthening the positive effect of attitude as hypothesised, higher EO weakened the relationship between attitude and behavioural intention. This finding contributes not only by confirming the importance of attitude but also by showing that its association with compliance intention varies with the SME's entrepreneurial orientation. The finding also reinforces the need to avoid assuming that EO operates uniformly across contexts or outcomes. Evidence from Tanzania has shown that individual EO dimensions can differ in their relationships with firm-level outcomes (Shayo & Uiso, 2019). Although the present study examines EO as an aggregate construct, the negative interaction observed here suggests that particular EO dimensions may account for the weakening of the attitude–intention relationship.

5.2 Subjective Norm and Perceived Behavioural Control

Contrary to H2, subjective norm was not significantly related to behavioural intention. This finding differs from recent SME evidence reported by Bani-Khalid et al. (2022), who found subjective norm to be a significant determinant of tax-compliance intention. Subandi and Tjaraka (2023) similarly reported a positive relationship between subjective norm and behavioural intention among MSME taxpayers. The difference suggests that the influence of perceived social expectations on tax-compliance intentions may not be uniform across settings. In the present sample, owner-managers' perceptions of approval or disapproval from important referents did not contribute independently to behavioural intention once the other variables were considered. The finding should therefore be interpreted as evidence of the limited explanatory role of subjective norm in this context rather than evidence against its relevance to tax compliance generally.

Perceived behavioural control was also unrelated to behavioural intention, providing no support for H3. This result contrasts with studies in which perceived behavioural control significantly predicted tax-compliance intention among SMEs (Bani-Khalid et al., 2022; Subandi & Tjaraka, 2023). Within TPB, perceived behavioural control reflects an individual's perception of the ease or difficulty of performing a behaviour (Ajzen, 1991). The present findings indicate that perceiving greater control over tax-related behaviour was not sufficient to explain variation in owner-managers' compliance intentions after accounting for the other predictors. Taken together, the results for subjective norm and perceived behavioural control show that the three TPB antecedents did not contribute equally to intention formation in this sample. Attitude provided the strongest evidence of a direct association with behavioural intention.

5.3 The Moderating Role of Entrepreneurial Orientation

The most notable moderation result concerns the interaction between attitude and EO. H4 proposed that EO would strengthen the positive relationship between attitude and behavioural intention. Although the interaction was statistically significant, its coefficient was negative. Thus, the hypothesis was not supported in the predicted direction: as EO increased, the positive relationship between attitude and behavioural intention became weaker.

This result requires careful interpretation. EO encompasses several strategic tendencies, including innovativeness, proactiveness, risk-taking, competitive aggressiveness, and autonomy. Evidence from Tanzanian manufacturing SMEs shows that these dimensions can be associated with organisational outcomes in different ways rather than operating uniformly (Ringo et al., 2023). Against this background, the negative interaction observed in the present study suggests that stronger entrepreneurial orientation may alter the extent to which favourable tax attitudes translate into compliance intentions. However, the analysis does not establish which EO dimension accounts for this pattern or the mechanism through which the attenuation occurs. These possibilities therefore require further investigation rather than causal interpretation.

The finding should also not be taken to mean that EO promotes tax non-compliance. EO had no significant direct relationship with behavioural intention, and the dependent variable captures intention rather than verified compliance behaviour. The evidence is therefore more specific: EO conditioned the relationship between attitude and behavioural intention, with the association becoming weaker at higher levels of EO. This distinction is important because a significant interaction effect does not establish that entrepreneurially oriented firms are inherently less tax compliant.

The remaining moderation hypotheses were not supported. Neither the Subjective Norm $\times$ EO nor the Perceived Behavioural Control $\times$ EO interaction was statistically significant. Thus, the results provide no evidence that EO altered the relationship between subjective norm and behavioural intention or between

perceived behavioural control and behavioural intention. Although the interaction block produced a significant increase in explained variance, this improvement should not be interpreted as general support for EO's moderating role across all TPB relationships. At the individual-coefficient level, only the Attitude $\times$ EO interaction was significant, and it ran contrary to the hypothesis. Overall, the findings therefore suggest a more selective moderating role for EO than originally proposed.

5.4 Theoretical Implications

The findings suggest that the Theory of Planned Behaviour does not explain SME tax-compliance intentions uniformly across its three antecedents. Attitude was the only significant direct predictor of behavioural intention, while subjective norm and perceived behavioural control were not significant in the full model. More importantly, the moderating effect of entrepreneurial orientation (EO) shows that attitude's influence is not constant. The positive relationship between attitude and behavioural intention weakened as EO increased. Incorporating EO therefore adds to the TPB framework by identifying an organisational characteristic that conditions the attitude–intention relationship.

The findings also broaden EO's relevance beyond its conventional use in explaining entrepreneurial and firm outcomes. In the context of tax compliance, a stronger entrepreneurial orientation did not reinforce the positive relationship between attitude and compliance intention; instead, it weakened it. This suggests that the implications of EO may depend on the behavioural context in which it operates. However, because the present study examined EO as an overall construct, it cannot establish which dimension accounts for the observed interaction. Future research could examine innovativeness, proactiveness, risk-taking, autonomy, and competitive aggressiveness separately to determine whether specific dimensions drive the moderating effect.

5.5 Practical Implications

For tax administrators, the results suggest that interventions directed at SMEs should give greater attention to attitudes toward taxation. Communication strategies that improve perceived legitimacy, fairness, usefulness, and the business relevance of tax compliance may be more effective than relying exclusively on generic social-pressure messages. However, the significant EO interaction implies that a single attitudinal intervention may not work equally well for all SMEs. Highly entrepreneurially oriented owner-managers may require approaches that link compliance to strategic business interests, formal market access, financing, procurement opportunities, reputation, and long-term growth rather than relying only on civic or moral appeals.

The non-significant subjective norm result also suggests caution in assuming that peer influence alone will shift SME intentions. Norm-based interventions would need credible and salient reference groups and observable evidence of compliant business practice. Likewise, the non-significant PBC effect indicates that simplifying procedures and improving taxpayer capability, while valuable for administrative reasons, should not automatically be expected to change intention unless motivational and attitudinal barriers are also addressed.

5.6 Limitations and Future Research

This study has several limitations that also provide directions for further research. First, the cross-sectional design captures tax-compliance intentions at a single point in time and therefore does not establish causal relationships among the variables. Longitudinal research could examine whether changes in attitudes and entrepreneurial orientation are associated with subsequent changes in compliance intentions and, ultimately, actual tax behaviour.

Second, the study relies on self-reported behavioural intentions rather than observed tax-compliance behaviour. Although intention is central to the Theory of Planned Behaviour, intending to comply does not necessarily result in actual compliance. Future studies could complement survey responses with longitudinal data or objective indicators of tax behaviour, where available.

Third, the study focuses on food-processing SMEs in Dar es Salaam. The findings should therefore be generalised cautiously to SMEs operating in other industries or geographical settings. Replicating the study across sectors and regions of Tanzania, as well as in other institutional contexts, would help establish whether the observed relationships are context-specific or more broadly applicable.

Finally, the moderation analysis examined entrepreneurial orientation as an overall construct. This approach does not reveal whether the significant negative moderation of the attitude–intention relationship is attributable to particular dimensions of EO. Future research could examine innovativeness, proactiveness, risk-taking, autonomy, and competitive aggressiveness separately as moderators. This would provide a more precise understanding of which entrepreneurial tendencies, if any, account for the weakening of the relationship between favourable tax attitudes and compliance intentions.

6. Conclusion

This study examined tax-compliance behavioural intentions among 210 food-processing SMEs in Dar es Salaam by integrating the Theory of Planned Behaviour (TPB) with entrepreneurial orientation (EO). Of the three TPB predictors, only attitude was significantly associated with behavioural intention, while subjective norm and perceived behavioural control were not significant. Including the EO interaction terms improved the model's explanatory power, although this improvement did not reflect a consistent moderating effect across all three TPB relationships. Only the attitude $\times$ EO interaction was significant, and its effect was negative. Thus, as EO increased, the positive relationship between attitude and behavioural intention became weaker.

These findings show that attitude plays an important role in explaining tax-compliance intentions among SMEs, but its influence may vary with the firm's entrepreneurial orientation. This suggests that understanding SME tax compliance requires attention not only to behavioural factors but also to differences in how firms approach entrepreneurial decision-making. From a practical perspective, initiatives designed to strengthen favourable attitudes towards tax compliance may therefore need to recognise that highly entrepreneurially oriented SMEs may respond differently to conventional compliance interventions. Future research examining the individual dimensions of EO could clarify the entrepreneurial characteristics underlying this relationship.

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