

Analyzing of Economic Factors on Improvement of Entrepreneurship Management of Firms Quick Impact at Agriculture Department for Poverty Alleviation in Alborz County

Mohammad Sadegh Sabouri and Rasoul Safarpour

Department of Agricultural Extension and Education Garmsar Branch,
Islamic Azad University, Garmsar, Iran

Department of Agricultural Extension and Education,
Faculty of Agriculture, Islamic Azad University, Garmsar Branch, Garmsar, Iran.

Corresponding Author: Mohammad Sadegh Sabouri

Abstract

This paper purpose is to investigate on of **economic** factors on improvement of entrepreneurship management of firm's quick impact at agriculture department in Alborz County –Iran-This study was an applied on and ISO consignor relationship type research tools was an another made questionnaire. Which we have used of supervisors, advisor and experts in agriculture development & education and also Alborz county credit funds authorities. Statistical society included all members of economical quick impact enterprises in Alborz county being 1200 persons (N= 1200). We have distributed 30 questionnaire before test and dependent variable (standard variance) meaning entrepreneurship management was calculated -0.37 (S= 0.37). Approved error equals 0.5 (d= 0.5) and sample volume was 179 whom were selected using class sampling by proportional assignment. Krunbach α coefficient was totally 0.87 percent which shows that question air has validity. To analyze investigation dates, we used of regression analysis. Using results achieves from viewpoints of firms quick impact members of agriculture department we step by step inserted economic respectively at first we inserted Microcredit system to provide facilities to the entrepreneurs, such as the establishment of rural banks variable to regression equation ant could to explained %18 of variance variation of dependent variable. In second steps Provide banking facilities to entrepreneurs variable along with last variable explained % 32.3 of variations in 3rd steps Financial resources needed by entrepreneurs, investors, banks and variable along with other variable factor predicted % 44.8 of dependent variable variations. In 4th step, Lending and banking facilities for small producers' variable along with structural, economic and environmental on predicted % 54.7 of dependent variable variations. In 5th step, Forming groups to meet the needs of the financial savings Authority variable along with others predicted% 58.9 of dependent variable variations, totally with insertion of this variables, we have achieved modified determination factors equal to 0.78.1 ($R^2= 0.589$).This coefficient shows that%58.9of entrepreneurship management variance variations relate to this5 variable and remaining (% 41.1) relate to other factors. Regression significance was determined by Calculated which is significance in%99level (sig=0.000).

Keywords: entrepreneurship, management, entrepreneur's properties, Economic Factors, firms quick impact of agriculture department, Alborz County

INTRODUCTION

Different transformation and alterations in socio-economic systems at present, is rooted in advances and changes in science and technology. It is no doubt that current organizations in our country are encountered with extensive changes in inside the country and also in international level. Hence, ensuring the life and the survival of organizations require solutions and new ways of dealing with problems that depends on creativity and innovation in methods, processes and new products. So, entrepreneurship is believed to be as engine for development and progress (Rafe et al., 2012).

In fact, in each organization, they are potential entrepreneurs, but it is necessary to cultivate their potential and more important, existing structures let them to show themselves and have an opportunity to apply their abilities. (Pardakhtchi et al., 2009).

Entrepreneurship as an engine for economic and social development, has a crucial role in society's progress. Small businesses are the best haven for entrepreneurship activities and this is upon this fact that small business owners have entrepreneurship abilities and skills (Moghimi and Ahmadpour, 2008).

The word “entrepreneurship” derived from French word “Entreprendre” which means commitment. In Webster’s dictionary, entrepreneur is the one who organizes, runs and commit an economic activity. (Hezar Jeribi, 2004).

Today, entrepreneur is a innovative or progressive person which identifies opportunities and catch them, make those opportunities into practical ideas and qualified for selling. This could be done through money, skill and adding value. (Malek pour & Ali Ahmadi, 2011).

Today, attending to various terms and factors which causes better efficiency in various affairs in governmental and private organization, have such importance that many specialists in management science pay attention to it. Many experts believe that small economic unit’s progress specially small and medium industries, are the best possible state for reaching appropriate level of efficiency (Shafii, 2009).

These industries could play an important role in reducing Poverty in rural communities.

Smallbone (2007) believed that the major problems in front of Small and medium enterprises in rural areas, could be accounted in seven factors which are: mismanagement, restrictions in labor, improper access to business premises, poor communication and transport infrastructure, lack of access to information and services related to business consulting, lack of access to adequate financial resources and inadequate institutional environment. Juhany (2010) stated some other factors such as deficiency in providing labor and lack of skilled managers, deficiency in harvesting, packaging technologies as main problems.

Moshabaki and Fathi (2009), regarding growing unemployment rate and challenges in front of employment matte, presented entrepreneurship as most important way for answering these challenges and take advantage of these ways.

Nasution et al., (2011) stated that, entrepreneurship as a modern phenomenon in economy, has a major role in economic progress and develop in all countries. In a dynamic economy, ideas, products and services are always changing. In this way, this is entrepreneur that bring a new pattern for confronting and adopting with new situations. Generally entrepreneurship is an ability for successful use of innovative ideas in competitive commercial markets. (Dem et al., 2010).

Small and medium enterprises have unique traits in size and development stages. This traits moreover of separating proper marketing form traditional marketing

trends in large enterprises, also have some limitations as follows:

Resource limitations like financial resources, time, marketing knowledge, etc.

Small and medium enterprises marketing does not follow common properties in marketing theories and determined by limitation, which stated above. This enterprise’s marketing is totally unofficial, casual, free, un-structured, spontaneously, passive and adoptive with industrial regulations. Generally, in entrepreneurship management, applying ideas, innovation and opportunism are the matters. Experience show that, those organization who rely on these principals, have more success in long term. Briefly, in every organization, there are people which use human, technology and financial resources better than others. Organization management, show strive to identify these people and support them for growing and activity. So, creating proper space and base for grow and cultivating of entrepreneurship, is a considerable matter. (Pardakhtchi et al., 2008).

Survey on quick impact enterprises in our country shows that, their problems which conducted to short carrier and broking and destroying country’s human and financial resources could be divided on two internal and external parts. In internal part, small enterprises and institutes have naturally human and financial resources problem. Small and medium enterprises, in fact born from new and fresh ideas for producing which activated by some entrepreneur persons who have some special abilities. These enterprises have broad girth in manufacturing and promotion of products, but for work continuity, they need a homogenous set of marketing, management, capital increase, technology promotion, etc., which these items are accounted as their structural limitations. In part of external problems, these days there is a deep gap between small and large industries which causes to elimination of small and medium enterprises for manufacturing circle. In spite of potential capacities of these enterprises, such as their attachment to a specific economic field, low costs, increasing social wealth, etc., these enterprise’s share in country’s production process are inconspicuous. This enterprise’s limitation are major obstacle for resisting against market fluctuations. In Alborz County, also, quick impact enterprises confronting those issues which mentioned before; marketing for these companies does not follow the rules of common marketing and determined by limitations. . This enterprise’s marketing is totally unofficial, casual, free, un-structured, spontaneously, passive and adoptive with industrial regulations.

Due to large benefits and abilities of small and medium cities and their distinct role in economy of country and regarding with the problems and issues which these type of companies are dealing with, in advanced countries, there are various kind of support to these companies which cause improvements in their efficiency, in a way the we observe the increasing number of these enterprises in these countries (Zein Oldin, 2010).

Because in development process, quick impact enterprises have substantial place, these enterprises managers are obligated by devising some proper solution, adopt themselves to current situation. In this study, the main question and problem is that basically what elements can influence on improvement in economic entrepreneurship management in quick impact agricultural enterprises? Some related studies are shown in following chart:

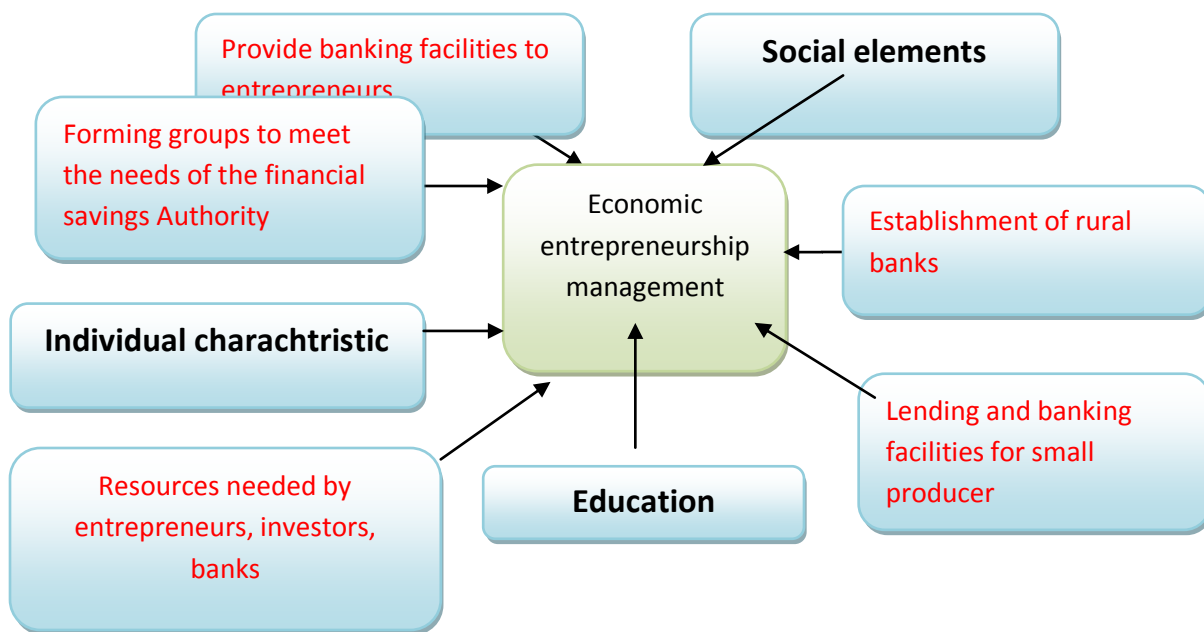


Chart 1, Theory Framework

METHODS AND MATERIALS

The present study, regarding type, is applicable and regarding method is descriptive (non-experimental) and tries to investigate relation between variables in a scientific communication. Statistical population in this study are all member of quick impact enterprises in Alborz County which number of them are 1200 person (N=1200). In order to calculation of sample volume, 30 questionnaires’ was prepared and distribution and Standard deviation of the dependent variable pre-test (entrepreneurship management) calculated, S=-0.37 and by admissible error d=0.5, the sample volume determined as 179 person which these people were chosen by stratified sampling with appropriate ordination. In this study in order to evaluating level of authenticity of the research tool, the questionnaires’ handed over to tutors and supervisors for editing and after proper investigations and gathering their ideas and final modifying, the questionnaires’ were ready to distribute. For evaluating sustainability of these questionnaires’’, a researcher had done some preliminary

research with 30 copies in Varamin city, which gave Alfa Kronbach coefficient totally equal to 0.93-0.76. dependent variable in this survey, was peoples point of view about financial entrepreneurship management, which with 6 question in form of 5 choice (Likert scale) were evaluated and independent variables in this research were as follows: provide banking facilities to entrepreneurs, forming groups to meet the needs of the financial savings authority, social elements, lending and banking facilities, resources need by entrepreneurs, investors, banks establishing of rural banks, small produces, educational elements, individual characteristic. In this study, we used 3 methods including documental study, library study and searching trough electronic resources and field investigation for gathering information.

RESEARCH FINDINGS

Regarding the results, the average age of employed people in quick impact agricultural enterprises was 42 years and the youngest was 28 years old and the oldest

one was 52 years old. Regarding education level, 14.5% had high school degree, 19.7 had post-diploma, 53.4 BC, and 12.7 had MS degree. Regarding the results, the average tenure of these people in quick impact

enterprises, active in agriculture sector, was 5 years, with minimum of 1 year and the maximum of 12 years.

Table 1: abundance distribution of farmers individual characteristics

Cumulative percentage	Valid percentage	Abundance (persons)	stairs	Individual characteristics
2.9	2.9	5	28-34	Age n=226 Lowest=28 Max=52 Variance=52.2 Average=42 year
44.6	41.7	73	35-41	
78.9	34.3	60	42-48	
100	21.1	37	49-51	
-	-	4	No answer	Education level
14.5	14.5	25	Diploma	
34.1	19.7	34	Post-Diploma	
87.3	53.2	92	Bachelor	
100	12.7	22	Masters	
-	-	6	Unanswered	BACKGROUND: Posts: 5 SD: 81/2 Minimum: 1 year Maximum: 12 years
16.2	16.2	29	4-1	
60.9	44.7	80	8-5	
92.7	31.8	57	12-9	
100	-	13	Unanswered	

In order to knowing people viewpoint working in quick impact enterprises active in agricultural sector about entrepreneurship management, we used 6 choice questionnaires' (Likert Scale). The result of this survey

conducted that most of these people (45.8%) are agree with terms of entrepreneurship management and 33.7% have no idea about it and 20.5 are totally agree with this matter.

Table 2: viewpoints of people who work in quick impact enterprises active in agricultural sector about entrepreneurship management (n=179)

Evaluation spectrum	Abundance	Percent	Valid Percent	Cumulative percentage
No comment (22-17)	56	31.1	33.7	33.7
Agree (28-23)	76	42.5	45.8	79.5
Strongly agree (34-29)	34	19	20.5	
Unanswered	13	7.3	-	-
Sum	179	100	100	-

Mean: agree perspective: agree

and 0.133 are respectively for these matters: being an entrepreneur give a satisfactory feeling which they can continue their work and they are familiar with risks in their business and know how to handle it

By Prioritizing viewpoints of people who work in quick impact enterprises active in agricultural sector about their entrepreneurship management showed that most of the viewpoint with Coefficient of Variation 0.171, 0.128

Table 3: prioritizing of viewpoints of people who work in quick impact enterprises active in agricultural sector about economic entrepreneurship management

priority	answers	average	Standard deviation	Coefficient of Variation
1	Being an entrepreneur feels me good	3.84	0.66	0.171
2	I can handle my job	4.20	0.54	0.128
3	I am familiar with risk in my business and know how to handle it	4.48	0.60	0.133
4	I'll take risk in order to improvement my job situation	4.01	0.84	0.209
5	Being an entrepreneur is attractive to me	4.16	0.92	0.221
6	I can met others to entrepreneur activities	4.13	0.98	0.237

Evaluation spectrum:
1=totally disagree 2=disagree 3=no comment 4=agree 5=totally agree

relationship between psychological elements, social elements, environmental element, structural elements,

The results of consistency between variables of this research showed there is a positive and significant

economical elements and educational elements with trust distance of 0.99. The results also conducted that

between age and tenure and entrepreneurship management there is no significant relationship, but there was positive and significant relationship between for education with trust distance of 0.99

Table 4: consistency between research variables and entrepreneurship management

#	First variables	Second variable	r	p
1	establishment of rural banks		0.457**	0.000
2	Provide banking facilities to entrepreneurs		0.397**	0.000
3	Financial resources needed by entrepreneurs, investors, banks and variable		0.353**	0.000
4	Lending and banking facilities for small producer	Entrepreneurship management	0.297**	0.001
5	Forming groups to meet the needs of the financial savings Authority		0.264**	0.002
7	age		0.80	0.307
8	tenure		0.031	0.389

(*) significance level: 0.95

(**) significance level: 0.99

In order to determining the role of each independent variables in dependent variable in research, we used step by step method which variable are entered in equation with following order: first step variable of establishment of rural banks inserted, that means this variable has the most effect on entrepreneurship management. Coefficient of determination was $R^2=0.18$ and Adjustment factor was $R^2=0.174$. in second step variable, provide banking facilities to entrepreneurs entered in equation and R^2 was 0.323 and determination coefficient was $R^2=0.309$, the financial resources

needed by entrepreneurs, investors, banks, variable entered in equation which $R^2=0.449$. in forth step “lending and banking facilities for small produces” entered in and $R^2=0.547$ and determination coefficient was $R^2=0.529$. in last step “forming group to meet the needs of the financial savings authority” entered and R^2 was 0.589 and also adjustment factor was $R^2=0.539$. So according to these finding variables “structural, economic, environmental, psychological and social element” were responsible for 58.9% of variable changes and 41.1% were caused by other elements.

Table 5: various steps of entering independent variables into regression analysis

Steps	Variables	R	R ²	R ² _{Ad}	Std
1	establishment of rural banks	0.421	0.18	0.174	0.3895
2	Provide banking facilities to entrepreneurs	0.568	0.323	0.309	0.6042
3	Financial resources needed by entrepreneurs, investors, banks and variable	0.669	0.448	0.452	0.6742
4	Lending and banking facilities for small producer	0.741	0.547	0.529	0.7119
5	Forming groups to meet the needs of the financial savings Authority	0.767	0.589	0.539	0.7429

Table 6: variable coefficients, entered into regression equation

Variables	B	Standard error B	Beta	T	Sig.
establishment of rural banks	0.214	0.042	0.467	10.275	0.000
Provide banking facilities to entrepreneurs	0.198	0.037	0.309	8.097	0.000
Financial resources needed by entrepreneurs, investors, banks and variable	0.176	0.031	0.297	7.821	0.001
Lending and banking facilities for small producer	0.168	0.027	0.249	7.099	0.001
Forming groups to meet the needs of the financial savings Authority ₂) x(0.152	0.22	0.219	6.834	0.003
Fixed digit	0.364	0.011	-	-	-

So, regression line ($Y = a + b_1 x_1 + b_2 x_2 + \dots$) based on B and β are as follows

Based on B: $Y = 0.364 + 0.214x_1 + 0.198x_2 + 0.176x_3 + 0.168x_4 + 0.152x_5$

Based on β : $Y = 0.219x_1 + 0.249x_2 + 0.297x_3 + 0.309x_4 + 0.467x_5$

DISCUSSION AND CONCLUSION

Form members which are active in quick impact agricultural enterprises, “establishment of rural banks”, “provide banking facilities to entrepreneurs”, “forming groups to meet the needs” and “lending and banking facilities for small produces” and also “banks of financial savings authority” are entered into the equation step by step. In first step variable “structural element” entered into the regression equation and defined 18% of total variances of dependent variable. In second step variable “provide banking facilities to entrepreneurs” along with last variable, determined 32.3% of changes. In third step, variable “financial resources need by entrepreneurs, investors and banks” along with other variables, determined 44.8% of changes and in the fourth step variable “lending and banking facilities for small producers” along with previous variables, determined 54.7% of changes and in the fifth step, variable “forming groups to meet the needs of the financial savings authority” finally determined 58.9% of total changes. In general by entering these variables, determination coefficient reached $R^2=0.589$. this coefficient (R^2) shows that 58.9% of variance of entrepreneurship management is related to these variables and rest of them (41.1%) related to some other variables. Significance of regression calculated by F which is 99% (Sig=0.000).

This finding according to findings of Shafii (2011), Divandari et al., (2011), Abtin et al., (2011), Nasution *et.al*, (2011), Juhany, (2010), Rae (2007), Smallbone, (2007), Moshbaki and Fathi (2012) and Tambunan (2009) researches.

SUGGESTIONS

Regarding the priority results it is suggested that:

- Small crediting system in order to giving facilities to entrepreneurs, like rural banks could cultivate entrepreneurship management
- Long term loans and with first payment after at least one year after using that, granted to members of enterprises, so they could able for repayment.

Regarding prioritizing of educational elements, these suggestions could be made:

- Experts using communication channels related to entrepreneurship, increase knowledge of members.
- By using IT technology such as giving educational CD's, prepare a base for accessing to information about agricultural crops.

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