

Factors Affecting the Development of Entrepreneurship in Agricultural Advisory Services of Iran

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ABSTRACT

The purpose of this study is to identify factors affecting the development of entrepreneurship in the agricultural advisory services companies. The main instrument to collect the data was questionnaire and its validity of questionnaire is confirmed by experts and its reliability is measured through Cronbach's alpha (75%). The data were analyzed by SPSS software version 16. The finding showed that situation of entrepreneurship development in agricultural advisory services companies was undesirable. The results indicated the most important factors on development of entrepreneurship in the agricultural advisory companies was infrastructural, marketing and policy factors respectively.

Keywords: Entrepreneurship Development; Agricultural Advisory Companies; Members' Agricultural Advisory Companies.

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INTRODUCTION

Iran has faced a crisis of unemployment among graduates from universities in agriculture majors (Hosseini *et al.*, 2011). The other various problems which many developing countries like Iran have been faced such as population growth, lack of improvement in economy, government policies to downsize its structure (Karimi *et al.*, 2010).

One of the strategies for reducing unemployment of graduates is establishing and activating NGOs, like: agricultural advisory services companies (AASCs) and developing their entrepreneurial activities. AASC is the structure that has an independent legal system and in the non-governmental form act to the technical and advisory services in agricultural sector.

Maghsoudi and Davodi (2011) in their study entitled "Entrepreneurship Development Strategies in Agriculture Cooperatives in Iran" state that educational, motivational, investing, innovative, supportive, infrastructure factors are effective factors on entrepreneurship development.

Azizi *et al.* (2010) found out that there was a significant relationship between economical, social, technical and regulatory factors and perception of students about entrepreneurial education.

Moghimi (2004) in his study entitled "entrepreneurship and affecting environmental factors" asserts that providing underlying structures and marketing factors, especially in the field of market and demand size were influencing factors.

Briggs (2009) in his study recommended that government and public agencies in the country should initiate and implement pragmatic policies and programs to support indigenous entrepreneurs. They should develop approaches and incentives that would offer opportunities to encourage entrepreneurship. Other institutions and corporate bodies like donors, lending institutions, educational institutions and business development agencies in the country should focus attention and support

long term plans for capacity development programs for entrepreneurs.

Yaghoubi Farani *et al.* (2008) in their study entitled "Organizational Factors Affecting entrepreneurship in Agricultural Extension Organization in Iran" recommended that organizational structure and rules should be modified towards entrepreneurial organization.

The main purpose of this study is to identify effective components on development of entrepreneurship in the agricultural advisory companies in Mazandaran province.

MATERIALS AND METHODS

The research in terms of goal is applied research making, in terms of collection of data is non-experimental (descriptive) research and in terms of method is correlation. Statistical population is all agricultural advisory companies' members in Mazandaran province (N = 1221). According to Cochran formula, 154 were selected by proportional stratified sampling. Questionnaire was the main tool of the study; all questions except the personal characteristics of members were written as Likert's five-point range. For measuring study tool's validity, the questionnaire was given to professors and experts, and a primary-test by completing 30 questionnaires and for measuring reliability, computed Cronbach alpha coefficient was 80%, which indicated the questionnaire was highly reliable. In this study, descriptive statistic were calculated and reviewed. The data were analyzed through SPSS version 16 software.

RESULTS AND DISCUSSION

Research finding show the average age was 32 years and majority of them were men (64.9%). It was reported that 75.3% had bachelor degree while 22.7% had master degree. Average of working experience was 3.5 years. The rate of familiarity of majority of respondents with rules of entrepreneurship was in moderate level.

Majority of respondents (81.2%) believed that the current situation of entrepreneurship development was unsuitable (Table 1).

The results of the study show that providing costs of entrepreneurship by government was considered the most important factor (mean=4.27). It was reported that workshops about entrepreneurship was the most important

educational factor (mean=3.24). Respondents indicated that tax breaks was the most important policy making factors (mean=4.68) and spirit of collaboration was the most important social factors (mean=4.21)

Table 1: Perception of respondents about situation of entrepreneurship development (n=154)

Situation	frequency	percentage	Cumulative percent
Completely unsuitable	16	10.4	10.4
Unsuitable	109	70.8	81.2
Medium	28	18.2	99.4
Suitable	1	0.6	100.0
Completely suitable	-	-	100.0
Total	154	100.0	

Table 2: Factors affecting entrepreneurship development in AASCs

Factors	Statement	Mean	SD
Economical	Providing costs of entrepreneurship activities by government	4.27	0.74
	Obtain cheap facilities from government	3.98	0.74
	Member's income	3.10	1.16
	Member's afford	2.77	1.06
Educational- extension	workshops about entrepreneurship	3.24	0.69
	Visit to successful companies	3.12	0.79
	Contact with successful entrepreneurs	3.06	0.80
	Introducing successful companies in mass media	2.84	1.17
	Access to entrepreneurship journals	2.63	0.90
Policymaking	Tax breaks for entrepreneurship service companies	4.68	0.53
	Providing incentives by government to entrepreneurship service companies	4.44	0.65
	Reforming rules and regulations based on privatization	4.12	0.75
	Policies and allocating government duties to non-public Entities.		
	Developing and approving requirement legislation of Companies by government	3.18	0.78
	Prioritizing the implementation of agriculture projects in Advisory services companies	3.75	0.86
	Help to operating entrepreneurial advisory companies by government	3.70	0.92
	Requirement to participation members of companies in Agriculture projects	3.12	0.92
Social- cultural	Existing spirit of collaboration between members	4.21	0.73
	participation in programs and decision making between members	3.85	0.69
	Positive values and beliefs of members toward entrepreneurship	3.72	0.74
	Members participation in social activities	3.57	0.73
	Exiting competition in business between members	2.96	0.89
Psychological	Hard-working	4.27	0.66
	Self- confidence	4.20	0.71
	To be able to make decision	4.018	0.70
	Creativity	4.09	0.71
	Pioneer in doing activities	3.92	0.67
	Futurism	3.83	0.75
	Innovation	3.82	0.84
	Self- reliance	3.68	0.82
	Risk-taking	3.61	0.93
	Having entrepreneurship spirit	3.60	0.81
	Opportunism	3.52	0.89
	Independent	3.39	2.61
	Idealism	3.03	0.78
Infrastructural	Access to land	4.61	0.49
	Having the required equipment and agricultural machinery	4.44	0.49
	Access to raw materials	4.33	0.58
	Existing work force	3.71	0.84
Marketing	Existing prepare distribution channels for production	4.22	0.67
	Know members about new information of productions	4.03	0.69
	Proportion between supply and demand of productions	3.87	0.70

Completely undesirable:1; Undesirable:2 ; Moderate:3; Desirable:4 ; Completely desirable:5

CONCLUSION

This study was aimed at identifying factors affecting on entrepreneurship development in the AASCs. Most respondents (81.2%) believed situation of entrepreneurship development in AASCs was unsuitable and only (0.6%) believed that it was suitable. The results showed that providing costs of entrepreneurship activities by government; contributing workshops about entrepreneurship; providing tax breaks for entrepreneurship service companies; existing spirit of collaboration between members; being hard workers; having access to land and preparing distribution channels for production were considered the most important factors in entrepreneurship development in AASCs.

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