Entrepreneurship Development Solutions from the Viewpoint of Agricultural Production Cooperatives Managers of Hamadan Province

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Due to challenge of employment with the subject of unemployment in Iran, one of the ways for reduction of unemployment rate in Iran is to establish the production cooperatives in general and agricultural production cooperative in particular. The main purpose of this research is to identify the ways for development of entrepreneurship for Hamadan province agricultural production cooperative. In this research 108 managers of agricultural cooperative managers that at least have 3 years work background were selected as population. The current research is applied and correlation. The main tool of this research is questionnaire. Data processing and statistical analysis is done by SPSS. The regression results indicated that five solutions of economic, managerial, educational, policymaking and technical explained 94.2% variance of entrepreneurship development.

Keywords: Entrepreneurship, Solution, Agricultural production cooperatives, Manager, Hamadan province

INTRODUCTION

Employment or unemployment challenge theme is not only one of the most important social issues in the country but due to population growth in the past two decades, it can also take into account the main challenges of future decades (Zahedi Mazandarani, 2004). Population growth, low production capacities and unpleasant education in the training of skilled manpower causes of unemployment in recent decades (Ahmadpour Dariani and Erfanian, 2007).

Tackling the problem of unemployment, creating and strengthening employment and self-employment strategies toward community development, have made the need to entrepreneurship a necessity (Moghimi, 2004).

Cooperative and private sector as main custodian for creating jobs in the country are considered and the role of government as a support mechanism is considered too. In this regard, one of the proposed solutions to reduce unemployment is to establish the manufacturing organizations in general and agricultural production cooperative and development of entrepreneurial activity in particular that due to the uneven distribution of income appears to be a suitable solution. In spite of creating jobs, the manufacturing organizations create a bed in the field of creativity and
innovation for the formation and expansion of popular participation in economic and social justice. Attraction of small capital by farm cooperatives the production of public facilities and economic growth process will be accelerated. In sum cooperative institutes if have correct management can step toward in investment and tackle the unemployment problem and increase the national production that eventually lead to creating jobs and development of entrepreneurship (Jahanbani et al, 2009).

Cooperative sector as an economic approach can play an important role in economic development. According to the characteristics and advantages of cooperation in economy, employment, capital accumulation and spread of small people-centered economy, promoting the social justice and fair distribution of wealth and also reduction and poverty alleviation and on other hand, principle of 44 of the constitution which at least 25% share of the cooperative sector of the economy has been determined, it is necessary to study the problems of the cooperation sector development to be considered and by providing practical solutions and recommendations for organizations the operation with its interaction with the responsible organization based on the activity to be occurred (Ministry of Cooperation, 2009).

In terms of efficiency (2009), one of the strategies for the development of entrepreneurship policy and its relationship with functional cooperatives and cooperation ministry is one of the least expensive ways to create jobs is a cooperative type. Zarezadeh (2008) argues that entrepreneurship, collaboration and transfer of knowledge and technology are factors that are very important in rural development and agricultural cooperatives in all three of these factors have been implicated in certain capacities.

Peak & Marshal (2006) emphasized one the results of many studies on the importance of human capital in entrepreneurship education as the most important human capital to participate in the establishment of an entrepreneurial organization.

Currently, about 1,050 agricultural production cooperatives are active in the country, of which 32 have been established in the province. the province is from that type in which the establishment of cooperatives, agricultural cooperatives, especially those still are growing rapidly due to the privatization of the country's policy on the basis of principle 44 of the constitution and promotion and support of cooperative are planned and forecasted by the government in the country's development plans for the cooperative share in GDP, employment, exports and overall national economy. Therefore, the competitive in the environment created between the cooperatives to increase productivity and efficiency, the need for innovation entrepreneurship is clearly evident.

Harandizadeh in 2010 in a survey by the "Factors affecting one the development of entrepreneurship in agricultural production cooperatives in Isfahan province," concluded that marketing agents - sales and management behavior explained 30.7% of the variance by the level of entrepreneurship in agricultural production cooperatives.

In a survey by Mirdamadi and Nooroallah Nooriwandi in 2010 improvement factors toward entrepreneurship, infrastructure, social and cultural development, risk taking, success seeking and commitment, development of information systems, training, development tool support, development and expansion participation in entrepreneurial organizations, paying attention to a research-based foundation entrepreneurial and systematic nature of the activities are important.

In a study conducted by the Ahmadi in 2009 showed that the order of variables in the entrepreneurial characteristics of members' attendance at the training period, the consent of the activities carried out in cooperatives, as a group activity, service cooperatives and cooperative economic factors have played a positive role in entrepreneurship in agricultural cooperatives.

In a study by Ahmadi et al in 2009 the results indicated that trainers of university, the existing training of the university, education, extension methods implemented in the university and seeking success and creativity characteristics of students', can explain 50% of variations of promoting entrepreneurship.
The Naude (2008) suggest that the government should encourage entrepreneurial activity in cooperatives. Governments for the development of entrepreneurship have adopted many policies, including funding for education as well as its effects, all of which eventually lead to increased government support of entrepreneurship.

Given the discussion above, the main purpose of this study is to investigate and identify strategies for entrepreneurship development from the perspective of the province agricultural production cooperative managers.

**MATERIALS AND METHODS**

This study from fall 2012 to fall 2013 took place in the Hamedan province. This is an applied study and the research method is correlation. Hamadan Agricultural cooperatives that active for directors at least have 3 years’ experience were selected. Co-administration of the province's population, based on data involving 181 people is cooperative agricultural production company. Using Cochran formula, 180 samples were obtained and the 167 questionnaires were returned. After designing and validating the questionnaire, the questionnaire was pre-tested among 30 members in the distribution and variance of the dependent variable (entrepreneurship) and the Cochran formula for calculating the sample size is determined by stratified proportional sampling.

The main tool is a questionnaire. There are two sets of independent and dependent variables in this study. The dependent variable in this research is the development of entrepreneurship in agricultural production cooperatives in the form of eight questions; five-item Likert scale will be measured. This study has six independent variables that include economic strategies (11 items), educational strategies (7 items), social-cultural strategies (6 items), management strategies (8 items), policy strategies (11 items), and technical strategies (7 items).

In this study, after the collection and classification of data, data analysis and according to the type of research in two stages using descriptive statistics and inferential statistics were taken.

All data processing and statistical analysis was performed using the software spss16. For analysis data, correlative coefficients and stepwise multiple regression were used.

**FINDINGS**

This section presents the research results of descriptive and inferential statistics.

- Personal characteristics of respondents
  According to the results of the average age of CEOs in this study is 37 years. 57/5% of CEOs agricultural cooperatives had bachelor who were the most frequent. Regarding the degree of respondents it can also be said that 71% of people had master degree and in agricultural education and the rest are in other fields of study. Studies show that 73% of managers of cooperatives referred to training in the field of entrepreneurship and 27% of the respondents stated that they did not participate in training courses in the field of entrepreneurship. Based on the results co-managers average of work history were 19 years, minimum years was 3 and maximum years was 29.

- The status of entrepreneurship development in agricultural production cooperatives

In order to evaluate the development of entrepreneurship in agricultural production cooperatives in the province, the 7-item Likert 5 option is used. Given the very high score (5) and very low (1), minimum and maximum scores for each respondent were 7=1×7 and 35=5 × 7. So, all items computed, and re-coded, the scores were 12-7, so that the (very low), 19-13 (low), 26-20 (medium), 30-27 (much) and 36-31 (very much) were classified. The findings of the study indicate that the majority of the subjects (40.7 percent) believe cooperative entrepreneurship development in the province is in moderate condition (Table 1).

| TABLE 1 HERE |

In continue, prioritizing items based on the average statistic show that the greatest development of entrepreneurship in agricultural production cooperatives with an average of 3.79, 3.71, 3.71, respectively, include the development of innovative products, training, promoting
entrepreneurship and culture of innovation in manufacturing.

Pearson correlation coefficients to test hypotheses and to examine the collective impact of independent variables on the dependent variable in the multiple regression is used, the results of this test are as follows:

for research hypothesis the test Pearson correlation coefficient and for examination of collective impact of research independent variables on dependent variable the multiple regression has been used the results as followed.

The Pearson coefficient data imply that there is a positive relationship between economical educational social and cultural and technical and managerial and policy making and development of agricultural cooperative entrepreneurship development in 99 percent level.

In order to determine the mechanisms that explain the development of cooperative entrepreneurs of agriculture using stepwise regression, variables named economic strategy (the first stage), management practices (stage II), instructional strategies (the third stage), the policy approach (Stage IV) and technical guidelines (stage V) were entered into multiple regression equation, which means that the variables with have the greatest impact on the development of entrepreneurship in agricultural production cooperatives (Table 2).

**TABLE 2 HERE**

So the equation of the regression line based on \( \beta \) according to Table 3 is as follows: In terms of \( \beta \):

\[
Y = \frac{0}{290X_1} + \frac{0}{577X_2} + \frac{0}{209X_3} + \frac{0}{108X_4} - \frac{0}{064X_5}
\]

**CONCLUSION**

The majority of the subjects (40.7%) in this study consider the entrepreneurship, agricultural production cooperatives in the province moderate. Among which the development of innovative products, training and promoting entrepreneurship and innovation culture and increase of innovation in production, are first priorities.

Among the variables entered into the model, the variable named economic strategy with the \( R^2=0.876 \) the most important variable influencing on the entrepreneurship development is agricultural production cooperatives, So that this variable alone, explained about 87% of the variance of entrepreneurship development in agricultural production cooperatives).

In the research of Lashgarara et al (2011) the impact of economic factors and the development of entrepreneurial skills are reported. According to the results obtained and the results obtained from the research, the proposal for the development of entrepreneurial skills in agricultural production co-operatives can be provided as follows:

Given the significant role of entrepreneurship in economic strategies of agricultural production cooperatives and prioritizing (access to credit and loans, financial incentives for employees and market competition) it is recommended that for improvement of entrepreneurship the agricultural cooperative and responsible organization for offering loans and financial incentives to cooperatives plan very comprehensive and cooperate with the companies and also the conditions can be provided by which the agricultural cooperatives can compete with other province companies and gain more share from the target market.

The information resultant from the research about the economic factors on entrepreneurship development in agricultural cooperatives reveal the necessity of creating suitable bed and support from export of agricultural products, suitable cooperation with loan makers and loaning with low interest for entrepreneurship development in the cooperatives. It should try to make bed for access to new markets for agricultural cooperatives.

The results imply on effectiveness of education factor on entrepreneurship development. Thus it is recommended that in cooperatives the education programs using educational methods for capabilities improvement of managers and employees of cooperatives to be done and cooperative members can access to internet and computer.
REFERENCES


APPENDIX

Table 1, The status of entrepreneurship development in agricultural production cooperatives (n=181)

<table>
<thead>
<tr>
<th>Condition</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completely undesirable</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Undesirable</td>
<td>53</td>
<td>31.7</td>
<td>34.7</td>
</tr>
<tr>
<td>Moderate</td>
<td>68</td>
<td>4.7</td>
<td>75.4</td>
</tr>
<tr>
<td>Desirable</td>
<td>12</td>
<td>7.2</td>
<td>82.6</td>
</tr>
<tr>
<td>Completely desirable</td>
<td>29</td>
<td>17.4</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>181</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Mode & Median: Moderate

Table 2, Determining solutions of entrepreneurship development

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>Beta</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic factors</td>
<td>0.186</td>
<td>0.29</td>
<td>5.371</td>
<td>0.003</td>
</tr>
<tr>
<td>Managerial factors</td>
<td>0.608</td>
<td>0.577</td>
<td>12.953</td>
<td>0.025</td>
</tr>
<tr>
<td>Educational</td>
<td>0.284</td>
<td>0.209</td>
<td>6.935</td>
<td>0.000</td>
</tr>
<tr>
<td>Policymaking</td>
<td>0.092</td>
<td>0.108</td>
<td>3.45</td>
<td>0.000</td>
</tr>
<tr>
<td>Technical</td>
<td>0.07</td>
<td>0.064</td>
<td>2.165</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>-4.698</td>
<td>-</td>
<td>4.775</td>
<td>-</td>
</tr>
</tbody>
</table>

R²_AD = 0.942