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## **BARRIERS TO DEVELOPMENT OF ENTREPRENEURIAL SPIRIT AMONG AGRICULTURAL MSc STUDENTS OF ISLAMIC AZAD UNIVERSITY IN KHUZESTAN PROVINCE**

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### **ABSTRACT**

The purpose of this research was identified barriers to the development of entrepreneurial spirit among MSc students of Islamic Azad University in Khuzestan province, Iran. This research was an applied study and the research method was descriptive. Agricultural MSc students Islamic Azad University in Khuzestan province considered as statistical population. The sample size was 290 students based on Krejcie & Morgan table. The return rate was 97.93% (n=284). After designing and validating the questionnaire, the questionnaire was pre-tested among 30 people and Cronbach alpha was determined between 0.69 to 0.81. The main tool was a questionnaire. All data processing and statistical analysis was performed using the software SPSS<sup>19</sup>. Based on the results, most important barriers, respectively, include: a) economical barriers: 1-Lack of capital or personal savings, 2-Inability to obtain financing, 3-Inability to accept financial risk, b) educational barriers: 1-Lack of advice, 2-Lack of attention to the education of students in the field of entrepreneurship, 3-Inability to providing new ideas, c) communicational barriers: 1-Low level of communication skills, 2-Poor interaction between universities and research centers, 3-Poor interaction between industry and universities, d) and structural barriers: 1-Strict rules as banks, private and public institutions, for short and long-term loans, 2-Legal and administrative restrictions, 3-Lack of awareness of the opportunities and areas of employment and labor market.

**Keywords:** Barriers, Entrepreneurial Spirit, MSc Students, Islamic Azad University in Khuzestan Province

### **INTRODUCTION**

Entrepreneurship plays an important role in the economy of countries through innovation development, sound competition, creating jobs and furtherance economic richness (Guasch *et al.*, 2002; Holmgren & From, 2005). Sadi *et al.*, (2013) revealed that lack of entrepreneurial module in various field of agriculture, lack of government support for the agricultural sector jobs, lack of interest in agricultural employment and lack of incentives as the main obstacles to agricultural entrepreneurial intention. Ardekani *et al.*, (2008) in a study on the "barriers to entrepreneurship in the cooperative" identified the barriers for the entrepreneurship and providing solutions to remove these barriers and develop the entrepreneurial opportunities in cooperatives. They found that the barriers for the entrepreneurship in Iran is completely different from that of the developed countries and the corrupted bureaucracy serves as the most important impediments for cooperatives and the faults and defects in tax and tariffs rules are the second most important barriers and the lack of financial support for the newly established cooperative is the third most important hurdles on the success of the cooperatives. Akbar and Dabaghi (2009) and Zamani and Jannesari (2009) argue that economic factors affect the incidence of Entrepreneurship. Azizi (2003), Harandizadeh (2010), Ghiasvand *et al.*, (2009) believe that educational factors affect the development of entrepreneurship. Also, Harandizadeh (2010), and Ghiasvand *et al.*, (2009) argue that psychological - personality factors are effective in the development of the entrepreneurship. Mirakzadeh and Ghiasvand (2011) believe that organizational factors affect the incidence of entrepreneurship. Entrepreneurship is the stimulus engine of economic development and creating occupation and reforming society (Gurol & Astan, 2006). Economists and business people differ in their definitions of entrepreneurship. Most, however, agree that entrepreneurship is vital for stimulating economic growth

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and employment opportunities in all societies. In fact entrepreneurship is important and inexhaustible source in all human societies. Source is concerned to power of human creativity and real entrepreneurship when occurs people discards ordinary and usual ways of thinking and acting and with look at new and different to apply ways and new ideas (Jamshidifar *et al.*, 2010). Entrepreneurship is a process of innovation, hard work and perseverance in using the opportunities and accepting the associated with financial, psychological and social risks which would generate financial benefits personal satisfaction and independence (Histrich and Peters, 2002).

Lashgarara *et al.*, (2014) indicated that entrepreneurship spirit of most students (54.6%) was high. Moreover regression results indicated that individual skills and psychological features explained 30% of variance in improving entrepreneurship spirit of students. It is concluded that individual skills and psychological features are considered as critical factors in in improving entrepreneurship spirit.

Harandizadeh (2010) concluded that psychological, personality, training and socio-cultural factors influence entrepreneurship development, respectively.

Qasemi *et al.*, (2008) in an article entitled "studying influential factors of creating entrepreneurship sprit among M.A students of Agriculture and Natural Resources of Tehran University" indicated there is a positive and significant relationship between variables of age, psychological factors, training and educational factors and creating entrepreneurship sprit among University students.

### MATERIALS AND METHODS

The purpose of this research was identifying barriers to the development of entrepreneurial spirit among MSc students of Islamic Azad University in Khuzestan province, Iran. This research is an applied study and the research method was descriptive. Agricultural MSc students Islamic Azad University in Khuzestan province considered as statistical population. The sample size was 290 people based on Krejcie & Morgan table. The return rate was 97.93% (n=284). After designing and validating the questionnaire, the questionnaire was pre-tested among 30 people and Cronbach alpha was determined between 0.69 to 0.81. The main tool was a questionnaire. In this study, after the collection and classification of data, 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 SPSS<sub>19</sub>.

### RESULTS AND DISCUSSION

#### Results

##### Demographic Profile

Table 1 shows the demographic profile and descriptive statistics. The results of descriptive statistics indicated that the majority of students were 30-36 years old (37.7%) and without income in month (62.7%). Also the majority of them were female (65.8%).

**Table 1: Demographic Characteristics of Agricultural Students**

Age (Year)	f	%	
23-29	101	35.6	Mean=34.07
30-36	107	37.7	SD=7.08
37-43	14	4.9	Min=23
44-50	62	21.8	Max=50
<b>Gender</b>			
Male	97	34.2	
Female	187	65.8	
<b>Income (Million Rials in Month)</b>			
0	178	62.7	Mean=0.312, SD=1.31
0.1-10	69	24.3	Min=0
10.1-20	37	13	Max=2

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**Economical Barriers to Development of Entrepreneurial Spirit**

The economical barriers to development of entrepreneurial spirit were assessment with a Likert scale (1=very low, 2=low, 3=moderate, 4=high, 5= very high). Based on the table 2, most important items, respectively, include: 1-Lack of capital or personal savings, 2-Inability to obtain financing, 3-Inability to accept financial risk, 4-Unfavorable economic environment for business, 5- High risk of investment in the agricultural sector and 6-Lack of job opportunities. Based on the results of Table 3, according to the majority of respondents (81.7%), the level of economic barrier was very high.

**Table 2: Frequency of Agricultural Students Regarding Attitude about Economical Barriers to Development of Entrepreneurial Spirit**

Items of Economical Barriers to Development of Entrepreneurial Spirit.	1		2		3		4		5		Mean	sd	CV
	f	%	f	%	f	%	f	%	f	%			
Lack of capital or personal savings	0	0	0	0	0	0	52	18.3	232	81.7	4.81	0.38	0.07
Inability to obtain financing	0	0	0	0	0	0	235	82.7	49	17.3	4.17	0.37	0.08
Inability to accept financial risk	0	0	0	0	46	16.2	150	52.8	88	31	4.14	0.67	0.16
Unfavorable economic environment for business	0	0	0	0	46	16.2	82	28.9	156	54.9	4.38	0.75	0.17
High risk of investment in the agricultural sector	0	0	1	0.4	122	43	89	31.3	72	25.4	3.81	0.81	0.21
Lack of job opportunities	0	0	0	0	46	16.2	11	3.9	227	79.9	4.47	1.1	0.24

*1=very low, 2=low, 3=moderate, 4=high, 5= very high*

**Table 3: Level of Economic Barriers to Development of Entrepreneurial Spirit**

Level of Economic Barriers	f	%	Cumulative %
Moderate	46	16.2	16.2
High	6	2.1	18.3
Very High	232	81.7	100
Total	284	100	

**Educational Barriers to Development of Entrepreneurial Spirit**

The educational barriers to development of entrepreneurial spirit were assessment with a Likert scale (1=very low, 2=low, 3=moderate, 4=high, 5= very high). Based on the table 4, most important items, respectively, include: 1-Lack of advice, 2-Lack of attention to the education of students in the field of entrepreneurship, 3-Inability to providing new ideas, 4-Lack of skilled and creative teachers, 5-Ineffectiveness and inefficiency of entrepreneurship education and 6-Lack of information about starting a business.

Based on the results of Table 5, according to the majority of respondents (56.3%), the level of educational barriers was high.

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**Table 4: Frequency of Agricultural Students Regarding Attitude about Educational Barriers to Development of Entrepreneurial Spirit**

Items of Educational Barriers to Development of Entrepreneurial Spirit.	1		2		3		4		5		Mean	sd	CV
	f	%	f	%	f	%	f	%	f	%			
Lack of advice	0	0	1	0.4	32	11.3	215	75.7	36	12.7	4	0.50	0.12
Lack of attention to the education of students in the field of entrepreneurship	0	0	0	0	51	18	166	58.5	67	23.6	4.05	0.64	0.16
Inability to providing new ideas	0	0	0	0	74	26.1	148	52.1	62	21.8	3.95	0.69	0.17
Lack of skilled and creative teachers	0	0	0	0	46	16.2	136	47.9	102	35.9	4.19	0.69	0.18
Ineffectiveness and inefficiency of entrepreneurship education	0	0	47	16.5	119	41.	118	41.5	0	0	3.75	0.73	0.19
Lack of information about starting a business	0	0	0	0	120	42.3	115	40.5	49	17.3	3.72	0.72	0.22

*1=very low, 2=low, 3=moderate, 4=high, 5= very high*

**Table 5: Level of Educational Barriers to Development of Entrepreneurial Spirit**

Level of Educational Barriers	f	%	Cumulative %
Moderate	47	16.5	16.5
High	160	56.3	72.9
Very High	77	27.1	100
Total	284		

**Communicational Barriers to Development of Entrepreneurial Spirit**

The communicational barriers to development of entrepreneurial spirit were assessment with a Likert scale (1=very low, 2=low, 3=moderate, 4=high, 5= very high). Based on the table 6, most important items, respectively, include: 1-Low level of communication skills, 2-Poor interaction between universities and research centers, 3-Poor interaction between industry and universities, 4- Poor interaction between teachers and students, 5- Non-membership in networks and groups related to business. Based on the results of Table 7, according to the majority of respondents (56%), the level of communicational barriers was high.

**Table 6: Frequency of Agricultural Students Regarding Attitude about Communicational Barriers to Development of Entrepreneurial Spirit**

Items of Communicational Barriers to Development of Entrepreneurial Spirit.	1		2		3		4		5		Mean	sd	CV
	f	%	f	%	f	%	f	%	f	%			
Low level of communication skills	0	0	0	0	67	23.6	217	56.4	0	0	3.9	0.32	0.08
Poor interaction between universities and research centers	0	0	0	0	37	13	248	87	0	0	3.86	0.33	0.08
Poor interaction between industry and universities	0	0	0	0	16	5.6	227	79.9	41	21.8	4.08	0.44	0.11
Poor interaction between teachers and students	0	0	0	0	41	14.4	229	80.6	14	35.9	3.09	0.43	0.11
Non-membership in networks and groups related to business	0	0	0	0	63	22.2	214	75.4	7	0	3.08	0.45	0.12

*1=very low, 2=low, 3=moderate, 4=high, 5= very high*

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**Table 7: Level of Communicational Barriers to Development of Entrepreneurial Spirit**

Level of Communicational Barriers	f	%	Cumulative %
Moderate	47	16.5	16.5
High	160	56.3	72.9
Very High	77	27.1	100
Total	284		

**Structural Barriers to Development of Entrepreneurial Spirit**

The structural barriers to development of entrepreneurial spirit were assessment with a Likert scale (1=very low, 2=low, 3=moderate, 4=high, 5= very high). Based on the table 8, most important items, respectively, include: 1-Strict rules as banks, private and public institutions, for short and long-term loans, 2-Legal and administrative restrictions, 3-Lack of awareness of the opportunities and areas of employment and labor market, 4-Disability evaluation of entrepreneurial projects, 5- Disappointment due to lack of support entrepreneurship, and 6-Lack of appropriate government policies to support entrepreneurs. Based on the results of Table 9, according to the majority of respondents (61.6%), the level of structural barrier was very high.

**Table 6: Frequency of Agricultural Students Regarding Attitude about Structural Barriers to Development of Entrepreneurial Spirit**

Items of Structural Barriers to Development of Entrepreneurial Spirit.	1 f	2 %	3 f	4 %	5 f	6 %	Mea n	sd	CV				
Strict rules as banks, private and public institutions, for short and long-term loans	0	0	0	0	0	49	17.3	235	82.7	4.82	0.37	0.07	
Legal and administrative restrictions	0	0	0	0	0	73	25.7	211	74.3	4.72	0.43	0.09	
Lack of awareness of the opportunities and areas of employment and labor market	0	0	0	0	1	0.4	223	78.5	60	21.1	4.20	0.41	0.09
Disability evaluation of entrepreneurial projects	0	0	0	0	8	2.8	224	78.9	52	18.3	4.15	0.43	0.10
Disappointment due to lack of support entrepreneurship	0	0	0	0	70	24.6	122	43	92	32.4	4.07	0.75	0.18
Lack of appropriate government policies to support entrepreneurs	0	0	0	0	58	20.4	107	37.7	97	41.9	3.48	1.94	0.55

*1=very low, 2=low, 3=moderate, 4=high, 5= very high*

**Table 7: Level of Structural Barriers to Development of Entrepreneurial Spirit**

Level of Structural Barriers	f	%	Cumulative %
Moderate	57	20.1	20.1
High	52	18.3	38.4
Very High	175	61.6	100
Total	284	100	

**Conclusion and Recommendation**

The results of descriptive statistics indicated that the majority of students were 30-36 years old (37.7%) and without income in month (62.7%). Also the majority of them were female (65.8%). Based on the results, according to the majority of respondents (81.7%), the level of economic barrier was very high. This result confirmed by Akbar and Dabaghi (2009) and Zamani and Jannesari (2009). Also based on the results the economical barriers to development of entrepreneurial spirit, respectively, include: 1-Lack of

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capital or personal savings, 2-Inability to obtain financing, 3-Inability to accept financial risk, 4-Unfavorable economic environment for business, 5- High risk of investment in the agricultural sector and 6-Lack of job opportunities. Based on the results, according to the majority of respondents (56.3%), the level of educational barrier was high. This result confirmed by Harandizadeh (2010), Ghiasvand *et al.*, (2009).

According to results, most important educational barriers, respectively, include: 1-Lack of advice, 2-Lack of attention to the education of students in the field of entrepreneurship, 3-Inability to providing new ideas, 4-Lack of skilled and creative teachers, 5-Ineffectiveness and inefficiency of entrepreneurship education and 6-Lack of information about starting a business. Also based on the results, according to the majority of respondents (56%), the level of communicational barrier was high. According to the results, most important communicational barriers, respectively, include: 1-Low level of communication skills, 2-Poor interaction between universities and research centers, 3-Poor interaction between industry and universities, 4- Poor interaction between teachers and students, 5- Non-membership in networks and groups related to business. Based on the results, according to the majority of respondents (61.6%), the level of structural barrier was very high. According to results, most important structural barriers, respectively, include: 1-Strict rules as banks, private and public institutions, for short and long-term loans, 2-Legal and administrative restrictions, 3-Lack of awareness of the opportunities and areas of employment and labor market, 4-Disability evaluation of entrepreneurial projects, 5- Disappointment due to lack of support entrepreneurship, and 6-Lack of appropriate government policies to support entrepreneurs.

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