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FACTOR ANALYSIS OF ORGANIZATIONAL ENTREPRENEURSHIP BARRIERS IN TECHNICAL SERVICES AND ADVISORY ENTERPRISES IN DARREHSHAHR TOWNSHIP, IRAN

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ABSTRACT

The purpose of this research is identifying barriers of organizational entrepreneurship in technical services and advisory enterprises in Darrehshahr Township, Iran. This is an applied study and the research method was descriptive correlative. Agricultural experts that were member of technical services and advisory enterprises in Darrehshahr considered as statistical population (N=100). By census method all of them were studied. After designing and validating the questionnaire, the questionnaire was pre-tested among 30 people and Cronbach alpha between 70-95 was determined. 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 SPSS₂₀. For analysis data, correlative coefficients and factor analysis were used. The barriers of organizational entrepreneurship in technical services and advisory enterprises were assessment with a Likert scale. Based on the results, most important items include: not having authority to policy making by managers of technical services and advisory enterprises, the obligation to provide periodic reports uniforms, conservative culture among managers and members of technical services and advisory enterprises, the lack of managers support of members. Based on the results of factor analysis the factors were categorized into four main components, which have been named organizational factor, supportive and financial factor, structural factor, and managerial factor. The obtained results from the factor analysis revealed that the four mentioned factors explained 68.786% of the variation of barriers of organizational entrepreneurship. The first group which is labeled organizational factor had the most eigen value (12.385). Also, this factor explained 49.541% of the total variances of the variables. The second group, labeled supportive and financial factor, with Eigen value 2.141 explained 8.564% of the total variances of the variables.

Keywords: *Factors Analysis, Barriers of Organizational Entrepreneurship, Technical Services and Advisory Enterprises*

INTRODUCTION

Organizational entrepreneurship is a process that products or innovative process are raised up by induction of entrepreneurial culture in an already been established organization. In other definition, entrepreneurial activities are activities that include resources and organizational protection in order to achieving to innovative results (Alipour, 2013). Entrepreneurship is the driving force that plays to find unused opportunities in the market and is looking to establish a new equilibrium in the market (Elenurm *et al.*, 2007).

Entrepreneurship can also occur among groups of farmers who want to form a business together. These farmers have similar goals and objectives and a willingness to share the benefits and risks. Ownership and control of the enterprise are divided among the group members. The group is the financial investor, employee and risk taker. Group entrepreneurship is particularly attractive among those farmers who would not be able to start an entrepreneurial business on their own. Often these are the poorest farmers in the community or the farmers with the weakest links to the economy. They seek security through group activities which allow them to pool their resources, share the risks and develop a social 'safety net' (Kahan, 2012). Entrepreneurial is willingness to teamwork, risk taking, creating, directing, executing,

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tracking innovations in order to maximize value from opportunities regardless of the limitations of models, structures or available resources (Weijermars, 2010; Anokhin *et al.*, 2008).

To be successful, group enterprises must have the same entrepreneurial skills and spirit as individual entrepreneurs.

Group members need to have the desire to be self-employed, the motivation to undertake something new, the willingness to take calculated risks and the mind-set of always looking for opportunities.

They must be willing to work together in a common productive activity and to take full responsibility for the outcome.

There are many advantages to group entrepreneurship. Key among them are (Kahan, 2012):

- Group solidarity
- Greater power from pooled resources
- Drawing on shared life/business experience
- Protection from shared ‘enemies’ in the form of exploitive traders and markets
- Drawing on the common desire to progress and advance economically

Berehulak (2013) revealed that 11 barriers to entrepreneurship include:

Corrupt and unsupportive business environment: Lack of supportive and market-augmenting governmental regulations serve as a barrier to entrepreneurship.

Employee related difficulties: Building an employee asset base for the enterprise is one of the more daunting and sometimes overlooked tasks. Entrepreneurs must find and select the best-qualified employees who are motivated and willing to grow with the venture. Then they must ensure the employees do not leave.

Severe market entry regulations: Governmental rules, taxation, environmental regulations, lending requirements and licensing are all barriers to entrepreneurship.

Shortage of funds and resources: Finding the money to start up an enterprise is a leading barrier to entrepreneurship. Without funds, any person cannot begin to organize, train, develop and sell product.

Lack of Entrepreneurship Opportunities: Venture creation requires existing marketplace opportunities with possibilities known to the entrepreneur and favorable odds for success for entrepreneurial “spirit” to succeed.

Lack of Entrepreneurial Capacity: Opportunities go untried until someone comes along with an eye for possibility and a can-do attitude. Some cultures may discourage entrepreneurial capacity resulting in a low rate of new firm entrance. It is like having an oil well field without knowledgeable people to mine the wells. Entrepreneurial capacity is the existence of people with entrepreneurship qualities, willingness and motivation to initiate new ventures.

Lack of Adequate Entrepreneurship Training: Training and education can be a robust incubator for new ventures. This includes training in technical skills, managerial skills, entrepreneurial skills and entrepreneurship.

Lack of Appropriate Technical and Practical Skills: People tend to use the skills they have acquired to pursue entrepreneurial initiative. Lacking the appropriate skills and knowledge inhibits economic development.

Lack of Market Experience: The essence of leadership is first learning and doing before leading. Therefore, the capability to start a business is propelled by previous education and work experience. Rushing into a new market because it looks attractive and rewarding without having some experience and background in it can be fatal. Experience in a related business before start-up is positively correlated to the probability of success.

Fear of Failure: Entrepreneurs have to decide whether to take action so they don’t miss the boat, while knowing that hasty action may cause them to sink the boat.

Aversion to Risk: A psychological barrier closely related to the fear of failure is aversion to risk. Entrepreneurs must take initiative, create structure with a social-economic mechanism and accept risk of

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failure. Entrepreneurs have to be risk takers while those who are risk averse will seek the security if an existing establishment.

MATERIALS AND METHODS

The purpose of this research is identifying barriers of organizational entrepreneurship in technical services and advisory enterprises in Darrehshahr Township, Iran. This is an applied study and the research method was descriptive correlative. Agricultural experts that were member of technical services and advisory enterprises in Darrehshahr considered as statistical population (N=100). By census method all of them were studied. After designing and validating the questionnaire, the questionnaire was pre-tested among 30 people and Cronbach alpha between 70-95 was determined. 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 SPSS₂₀. For analysis data, correlative coefficients and factor analysis were used.

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 experts were 26-30 years old (43%) and had income between 10-15 million rials in month (57%). Also the majority of them had debt between 60-80 million rials (37%).

Table 1: Demographic Characteristics of Agricultural experts

Age	f	%	
23-25	12	12	Mean=29.3
26-30	43	43	SD=13.7
31-35	28	28	Min=23
35-51	17	17	Max=51
Total	100	100	
Debt (Million rials)			
10-20	8	8	Mean=70.6
20-40	14	14	SD=27.46
40-60	23	23	Min=10
60-80	37	37	Max=180
80≤	8	8	
Total	100	100	
Income (Million Rials in Month)			
2.5-10	25	25	Mean=10.21
10-15	57	57	Min=2.5
15-20	10	10	Max=30
20-25	5	5	SD=8.47
25-30	3	3	
Total	100	100	

Barriers of Organizational Entrepreneurship in Technical Services and Advisory Enterprises in Darrehshahr Township

The barriers of organizational entrepreneurship in technical services and advisory enterprises was 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 include: not having authority to policy making by managers of technical services and advisory enterprises, the obligation to provide periodic reports uniforms, conservative culture among

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managers and members of technical services and advisory enterprises, the lack of managers support of members, the lack of taking comment of members by managers in decision making, the low level of technical knowledge in the field of information and communication technology, lack of clear objectives of technical services and advisory enterprises, lack of staff training in areas related to entrepreneurship, do not use provocative stimuli by management of technical services and advisory enterprises, lack of training in entrepreneurial skills to members of technical services and advisory enterprises .

Table 2: Frequency of members regarding barriers of organizational entrepreneurship in technical services and advisory enterprises in Darrehshahr Township

	Mea n	sd	CV
1. Not having authority to policy making by managers of technical services and advisory enterprises	3.61	1.456	0.404
2. The obligation to provide periodic reports uniforms	2.80	1.134	0.405
3. Conservative culture among managers and members of technical services and advisory enterprises	3.03	1.233	0.407
4. The lack of managers support of members	3.03	1.273	0.420
5. The lack of taking comment of members by managers in decision making	3.33	1.421	0.426
6. The low level of technical knowledge in the field of information and communication technology	3.01	1.290	0.428
7. Lack of clear objectives of technical services and advisory enterprises	2.74	1.200	0.438
8. Lack of staff training in areas related to entrepreneurship	3.24	1.443	0.445
9. Do not use provocative stimuli by management of technical services and advisory enterprises	3.11	1.399	0.450
10. Lack of training in entrepreneurial skills to members of technical services and advisory enterprises	2.82	1.273	0.452
11. Inadequate systems to encourage and provide bonuses to staff members	3.24	1.464	0.452
12. Unfamiliarity with the skills to develop business plans by members	3.49	1.580	0.452
13. Improper structure of technical services and advisory enterprises	2.94	1.346	0.458
14. Due to the short-term gains in technical services and advisory enterprises	3.13	1.447	0.462
15. Lack of belief in the power of creativity Members	2.92	1.353	0.463
16. Cumbersome procedures for obtaining banking facilities	3.07	1.423	0.463
17. Lack of state support of technical services and advisory enterprises.	2.91	1.363	0.469
18. Lack of support from banks and financial institutions of technical services and advisory enterprises	2.88	1.350	0.469
19. Appointment of weak managers in technical services and advisory enterprises	3.00	1.414	0.471
20. Underdeveloped infrastructure in information and communication technologies	2.89	1.377	0.477
21. Lack of freedom at work	2.85	1.358	0.477
22. Inflexible control systems	3.18	1.521	0.478
23. Concentration of authority and responsibility in the hands of managers of technical services and advisory enterprises	2.66	1.295	0.487
24. The absence of a competitive environment to provide services in technical services and advisory enterprises	2.92	1.433	0.491
25. Lack sufficient authorization to members to do the job	2.86	1.421	0.497

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Factor Analysis of Barriers of Organizational Entrepreneurship in Technical Services and Advisory Enterprises in Darrehshahr Township

To categorize barriers of organizational entrepreneurship in technical services and advisory enterprises in Darrehshahr township, and to determine the variance explained by each factor, an exploratory factor analysis approach was followed. Data revealed that internal coherence of the data was appropriate ($KMO = 0.902$), while the Bartlett's statistic was significant at the 0.01 level (1950.5). The four commonly used decision rules were applied to identify the factors (Hair *et al.*, 2005): 1) minimum eigenvalue of 1; 2) minimum factor loading of 0.5 for each indicator item; 3) simplicity of factor structure; and 4) exclusion of single item factors. According to Kaiser Criteria, there were four factors that their extracted eigenvalues were greater than one. Later, the items were categorized into five factors by using VARIMAX Rotation Method (Table 3).

Table 3: Percent of explained variance by factors underling barriers of organizational entrepreneurship

Factors	Eigenvalues	Percent	Cum percent
Factor 1	12.385	49.541	49.541
Factor 2	2.141	8.564	58.106
Factor 3	1.570	6.280	64.85
Factor 4	1.098	4.391	68.786

Based on the results of factor analysis the factors were categorized into four main components, which have been named organizational factor, supportive and financial factor, structural factor, and managerial factor (Table 4). The obtained results from the factor analysis revealed that the four mentioned factors explained 68.786% of the variation of barriers of organizational entrepreneurship. The first group which is labeled organizational factor had the most eigen value (12.385). Also, this factor explained 49.541% of the total variances of the variables. The second group, labeled supportive and financial factor, with Eigen value 2.141 explained 8.564% of the total variances of the variables (Table 3).

Table 4: Frequency of members regarding barriers of organizational entrepreneurship in technical services and advisory enterprises in Darrehshahr Township

Factors	Items	Factor loading
Organizational Barriers	1. Not having authority to policy making by managers of technical services and advisory enterprises	0.540
	2. The obligation to provide periodic reports uniforms	0.478
	3. Conservative culture among managers and members of technical services and advisory enterprises	0.544
	4. The lack of managers support of members	0.679
	5. The lack of taking comment of members by managers in decision making	0.634
	6. The low level of technical knowledge in the field of information and communication technology	0.540
	7. Lack of clear objectives of technical services and advisory enterprises	0.750
	8. Lack of staff training in areas related to entrepreneurship	0.726
	9. Do not use provocative stimuli by management of technical services and advisory enterprises	0.706
	10. Lack of training in entrepreneurial skills to members of technical services and advisory enterprises	0.728
Supportive And	11. Inadequate systems to encourage and provide bonuses to staff	0.814

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Financial Barriers	members	
	12. Unfamiliarity with the skills to develop business plans by members	0.566
	13. Improper structure of technical services and advisory enterprises	0.853
	14. Due to the short-term gains in technical services and advisory enterprises	0.611
	15. Lack of belief in the power of creativity Members	0.544
	16. Cumbersome procedures for obtaining banking facilities	0.743
	17. Lack of state support of technical services and advisory enterprises.	0.605
	18. Lack of support from banks and financial institutions of technical services and advisory enterprises	0.682
Structural Barriers	19. Appointment of weak managers in technical services and advisory enterprises	0.750
	20. Underdeveloped infrastructure in information and communication technologies	0.773
	21. Lack of freedom at work	0.552
	22. Inflexible control systems	0.739
Managerial Barrier	23. Concentration of authority and responsibility in the hands of managers of technical services and advisory enterprises	0.729
	24. The absence of a competitive environment to provide services in technical services and advisory enterprises	0.789
	25. Lack sufficient authorization to members to do the job	0.585

Conclusion

Based on the results of factor analysis the factors were categorized into four main components, which have been named organizational factor, supportive and financial factor, structural factor, and managerial factor. The obtained results from the factor analysis revealed that the four mentioned factors explained 68.786% of the variation of barriers of organizational entrepreneurship. The first group which is labeled organizational factor had the most eigenvalue (12.385). Also, this factor explained 49.541% of the total variances of the variables. The second group, labeled supportive and financial factor, with Eigen value 2.141 explained 8.564% of the total variances of the variables.

These items include:

1- Organizational Barriers

Not having authority to policy making by managers of technical services and advisory enterprises
 The obligation to provide periodic reports uniforms
 Conservative culture among managers and members of technical services and advisory enterprises
 The lack of managers support of members
 The lack of taking comment of members by managers in decision making
 The low level of technical knowledge in the field of information and communication technology
 Lack of clear objectives of technical services and advisory enterprises
 Lack of staff training in areas related to entrepreneurship
 Do not use provocative stimuli by management of technical services and advisory enterprises
 Lack of training in entrepreneurial skills to members of technical services and advisory enterprises

2- Supportive And Financial Barriers

Inadequate systems to encourage and provide bonuses to staff members
 Unfamiliarity with the skills to develop business plans by members
 Improper structure of technical services and advisory enterprises
 Due to the short-term gains in technical services and advisory enterprises
 Lack of belief in the power of creativity Members
 Cumbersome procedures for obtaining banking facilities
 Lack of state support of technical services and advisory enterprises.

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Lack of support from banks and financial institutions of technical services and advisory enterprises

3- Structural Barriers

Appointment of weak managers in technical services and advisory enterprises

Underdeveloped infrastructure in information and communication technologies

Lack of freedom at work

Inflexible control systems

4- Managerial Barrier

Concentration of authority and responsibility in the hands of managers of technical services and advisory enterprises

The absence of a competitive environment to provide services in technical services and advisory enterprises

Lack sufficient authorization to members to do the job

ACKNOWLEDGMENT

This paper is part of MSc thesis of Keihan Niazi graduate student of agricultural extension and education department, Shoushtar branch, Islamic Azad University, Shoushtar Iran. Thus, appreciate of professors and lectures of this department.

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