



Impact of “Innovation” and “Tend to Maturity” on “Tend to Entrepreneurship” in SMEs in Semnan

Mahnaz Eskandarian^{1*}, Seyed Mohammad Jafari², Hamid Mohammadian Moghani³

^{1,2,3}Department of Management, Payame Noor University, Tehran, Iran.

ARTICLE INFO

Article history:

Received 11 Mar 2016

Received in revised form 13 Apr 2016

Accepted 29 Apr 2016

Keywords:

Innovation,

Tend to Maturity,

Tend to Entrepreneurship,

Small and Medium Enterprises (SMEs),

Semnan

ABSTRACT

Objective: This current Research has done to investigate the impact of Innovation and Tend to Maturity on Tend to Entrepreneurship in Small and Medium Enterprises (SMEs) In Semnan City. The statistical population of this study constitutes of director's board of SMEs in Semnan City, and number of 140 people has been selected as the sample. **Methodology:** It has used by questionnaire method for Data gathering. Data was analyzed by using of the SEM model (Structural Equation Model). Questionnaires validity was calculated with Cronbach α . That for questionnaires of Innovation and Tend to maturity on Entrepreneurship, respectively was equal to 0.878 and 0.846. **Results:** All Hypotheses was confirmed in level of 0.05 confidence. **Conclusion:** The results showed that there was significant effect between Innovation and Tend to Maturity on Entrepreneurship.

1. Introduction

In It seems that in today's society handling any economic business requires a high power of Risk-taking and this while addressing the social work that it is not expected personal income and only to satisfy the spiritual needs, to what extent a person's personal characteristics is compatible (Davis, 2012). More research has been done on the entrepreneurship, the personality characteristics of entrepreneurs and is of structural type and environmental situation that because of lack of attention to social networks (social capital), the non-economic factors have been criticized (Ulhoi, 2014). We also decided that in addition to investigate the effect of Innovation and Tend to maturity on Entrepreneurship in Small and Medium Enterprises (SMEs) In Semnan City and that is there any relationship between these two components or not?

No doubt this interest and attention to the importance of the spirit of competitiveness is due to the economic downturn, high unemployment rate and severe fluctuations in the international cycle. On the other hand, globalization, increased competition, customer focus and Innovativeness and entrepreneurship and like this, the economy is faced with a serious challenge. This situation increases the importance of entrepreneurship in economic growth and development around the world as an inevitable reality, approved and put emphasis and indeed the eyes of most economic experts, entrepreneurs as the most important source of Innovativeness, job creation and growth and the only solution is to reduce unemployment and achieve economic and social prosperity (Robbins, 2000)

Recently, management science researchers and experts in our country, organizational measures to introduce people to the concept of entrepreneurship are done and efforts by some organizations to create and develop the culture of entrepreneurship in the society as well done. In studies done about entrepreneurship and entrepreneurs, the question is always required for entrepreneurship and how it can be institutionalized in the society and provide on the emergence of the community? Today entrepreneurship from the perspective of social scientists, a process that is located in a network of social relations, social relations can facilitate the relationship between the entrepreneur with limited resources and opportunities (Ahmadpur Dariani, 1999)

Therefore, entrepreneurs felt that the inconsistent handling of the economy passing through a communications network is possible. In recent studies, scientists have concluded that the individual characteristics of social entrepreneurs play an important role in the success of entrepreneurs. Research and

* Corresponding author: Eskandarian2000@electmail.com

DOI: <https://doi.org/10.24200/jmas.vol4iss02pp21-25>

entrepreneurship forum, which dates back to the 1980s, it has been named the entrepreneurial revolution and this revolution is still continuing and economic openness condition in China and Vietnam collapse of the Communist bloc in Europe and the Soviet Union has helped. Inter-governmental organizations such as the United Nations have been involved in the development of entrepreneurship and various governments have to encourage entrepreneurship in the society, for example in the fields of entrepreneurship emerged America and the Government of Singapore as one of the most important jobs in the process of development of the national economy have been identified (Branzei and Vertinsky, 2006).

Entrepreneurship is phenomenon that environmental conditions it is determined that Maurice and Louise believed that combination of environmental infrastructure and experience of the turmoil surrounding the environmental impact of population on entrepreneurial motivation. Sociological theories of entrepreneurship are investigating how the environment influences on entrepreneurship. According to Jeffrey Timonz what is needed in a favorable entrepreneurial environment that combines the features of socio-political and educational environment, especially the cultural needs and entrepreneurship education is compulsory for the value of pure science and applied serious government support and entrepreneurship policy fosters intellectual elite training the students.

1.1 Research problem

In recent years, fostering entrepreneurship and small and medium enterprises has become one of the most important economic issues in developing countries of the world. No doubt this interest and attention to the importance of this spirit of competitiveness is due to the recession, strong vibrations and high rates of unemployment in the international cycle. On the other hand, globalization, increased competition, customer focus and Innovativeness, and the like, the economy is faced with a serious challenge. This situation increases the importance of entrepreneurship in economic growth and development around the world as an inevitable reality, approved and put emphasis in fact, in the eyes of most economic experts, entrepreneurs as the most important source of Innovativeness, job creation and growth and development and the only way to reduce unemployment and achieve economic prosperity socialized (Robbins, 2000) Recently, researchers and experts in our country, management science and organizational measures to introduce people to the concept of entrepreneurship is done and efforts by some organizations to create and develop the culture of entrepreneurship in the society as well.

In studies done about entrepreneurship and entrepreneurs, the question is always what is needed for entrepreneurship and how it can be institutionalized in the society and provide on the emergence of the community? Check surrounded entrepreneurship within social structures the way for a broad perspective on entrepreneurship paves, due to the vague hints so thin that it is not carefully drawn out, the social aspect of entrepreneurship and economic phenomenon. Today entrepreneurship from the perspective of social scientists is a process that the network of social relations is changing. These social relations can facilitate the relationship between the entrepreneur with limited resources and opportunities (Ahmadpur Dariani, 1999). So, entrepreneurs realize that the inconsistent handling of the economy passing through a communications network is possible. In recent studies, researchers have concluded that these individual characteristics played a major role in the success of the entrepreneur.

1.2 Literature Review

For the first time in Iran, Mahmoud Ahmadpur Dariani in an article titled (enterprise value, a new concept in economic development) identify the type of entrepreneur and the belief that complete their legitimate income and social gaps are filling their firms spend. He believed that, in the context of family values entrepreneurship and the growth of charity and the arrest of orphans and the poor farming finds that his actual beliefs are at the top. He for the first time since the late Hossein Ali Hamedanian, Charities institutes Hamedanian named as an entrepreneur value (Ahmadpur Dariani, 1999). Hezarjaribi conducted a study on the development of entrepreneurship in the entrepreneurial characteristics of university graduates Shiraz considered among humanities graduates. Hezarjaribi study found that students in the humanities component of entrepreneurship awareness are generally low (Hills et al., 2008).

In a study by the Kheirandish, it was conducted in Darab Islamic Azad University students interested in entrepreneurship at different levels of education has been measured and the results of that research has shown that interest in entrepreneurship among students of different educational levels are different. The investigation Sexton and Bowman (1991) showed that most entrepreneurs have a bachelor degree, although the study focused on the number of entrepreneurs that is higher than educational levels are added. There is no significant relationship between students with low self-efficacy tend to entrepreneurship. Students with moderate efficacy have weak relationship with entrepreneurship and students with high self-efficacy tend to have a strong relationship with entrepreneurship (Madhoushi et al., 2011).

In a study titled "psychological characteristics of entrepreneurs in the country," concluded the characteristics of success, power, innovation, self-control, confidence, emotional stability, creativity, determination, independence and the need for country risk can be attributed to entrepreneurs. Risk-taking and locus of control features at 99% and Need for achievement and creativity and innovation, 95% significantly correlated with entrepreneurial behavior. A total of entrepreneurial behavior of respondents with their psychological characteristics at the level of 99 percent has a significant correlation.

Psychological and personality characteristics are identifiers measure motivated people to consider entrepreneurship. Some of these psychological characteristics are: the need for progress, innovation, risk, self-confidence, commitment and persistence, internal locus of control, need to autonomy, motivation and a lot of energy (Jones et al., 1997).

In a study it was concluded that there is a strong association between the Tend to maturity, personality variables, and entrepreneurial attitudes are a strong predictor variable mentioned. In a research influenced the development of entrepreneurial capabilities and independence, risk-taking, Tend to maturity, self-control, confidence and daring creativity in entrepreneurship in the number of 450 employees, were placed. The result of this study indicates that there is a direct relationship between the ability and the ability of entrepreneurs. In studies of graduates entrepreneurship, education and training showed that entrepreneurship education is increasingly growing in the world; but few studies on the key concepts of entrepreneurship and investment in education and training have been conducted (Rosenbusch et al., 2011).

In a research as "entrepreneurship education in Hong Kong schools, possibilities and limitations" showed that fifty percent of the subjects of entrepreneurship education in schools and eighty percent of them reported entrepreneurship education appropriate programs. The survey also shows that

entrepreneurship programs in Hong Kong is very similar to the West, and the similarity of the objectives, rules, content and educational strategies. In a study concluded that entrepreneurship and Innovativeness in China is the establishment of research and development is growing and this system combines the Innovativeness and creativity with entrepreneurship program. Therefore, applying this approach to research and development helps to increase creativity and Innovativeness through entrepreneurship. Also, the results show the relationship between entrepreneurship and human capacity and the application of research and development strategy is to increase the capacity of human resources (Terziovski, 2010).

The relationship between creativity and Innovativeness research (analysis of organizational, cultural and environmental) increases Innovativeness, Tend to maturity, creativity. There is strong positive relationship between individual creativity and Innovativeness. Edwards-Schachter et al. (2015) in research entitled solve capacities as clarification and mutual creativity, Innovativeness and entrepreneurship. In this study entrepreneurship, creativity and Innovativeness of students between the two countries Spain and America were studied and it was found that many students consider themselves as creative people and the creative competences with entrepreneurs (Gray, 2006).

1.3 Research Objectives

1.3.1 Main Objective

To investigate the relationship between Individual Characteristics and Tend to Entrepreneurship in SMEs in Semnan City

1.3.2 Minor Objectives

To define the relationship between Tend to Maturity and Tend to Entrepreneurship in SMEs in Semnan City

To investigate the relationship between Innovation and Tend to Entrepreneurship in SMEs in Semnan City

1.4 Research Hypotheses

1.4.1 Main Hypothesis

There is significant relationship between Individual Characteristics and Tend to Entrepreneurship in SMEs in Semnan City

1.4.2 Minor Hypotheses

1-There is significant relationship between Tend to Maturity and Tend to Entrepreneurship in SMEs in Semnan City

2-There is significant relationship between Innovation and Tend to Entrepreneurship in SMEs in Semnan City

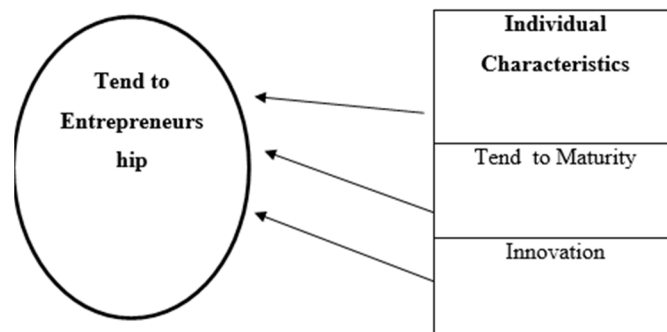


Figure 1. The relationship between Individual Characteristics, Tend to Maturity, Innovation and Tend to Entrepreneurship

2. Materials and methods

This study in terms of method is a descriptive- correlation research and in terms of purpose is applied research. For the purpose of this study is functional and cross correlation in this type of analysis of covariance or correlation matrix in which the structural equation modeling SEM is used.

3. Discussion and results

3.1 Testing of Research Hypotheses

3.1.1 Testing of Correlation Coefficient between Individual Characteristics and Tend s in Entrepreneurship

3.1.2 Main Hypothesis

There is significant relationship between Individual Characteristics and Tend s in Entrepreneurship

There is not significant relationship between Individual Characteristics and Tend s in Entrepreneurship.

$H_0: \rho = 0$

There is significant relationship between Individual Characteristics and Trends in Entrepreneurship.

H1: $\rho \neq 0$

Table 1. Results of the test of Pearson's correlation coefficient between Individual Characteristics and Trends in Entrepreneurship

| Individual Characteristics | Trend in Entrepreneurship | |
|----------------------------|---------------------------|-------|
| | Pearson's correlation | 0.648 |
| | Significance level | 0.000 |
| | Number | 140 |

$p < **0.001$

Considering the results of above Table, since the significance level is less than 0.01 and the conclusion is that the (null hypothesis) H0 is not confirmed and the H1 hypothesis based on existence of significant Relationship between Individual Characteristics and Trends in Entrepreneurship in organization is accepted. As can be seen, in level of 99 percent there is significant and direct relationship between Individual Characteristics and Trends in Entrepreneurship, and correlation coefficient between the two variables is equal to 0.648.

3.1.3 The correlation coefficient

For determining the variables associated with the review of the criteria was used Pearson's correlation.

Table 2. Pearson's correlation coefficient between Research Variables

| Tend to Maturity | Innovation | Statistics | Tend to entrepreneurship |
|--------------------|------------|---------------------|--------------------------|
| 0.744 | 0.468 | Pearson coefficient | |
| 0.000 | 0.000 | significance level | |
| 140 | 140 | Number | |
| $p < . / . 0^*$ | | | |
| $p < . / . 0^{**}$ | | | |

Considering the results of above Table, since the significance level is less than error of 0.05 for Individual Characteristics (Innovation, Tend to Maturity), and the conclusion is that the (null hypothesis) H0 is not confirmed and the H1 hypothesis (Research Hypotheses) is accepted, and correlation coefficient Respectively are equal to 0.468, 0.744 has gained.

All of the researches Hypotheses in this study (Main and Minor Hypotheses) were confirmed. For all variables path coefficient T was more than 6.18, thus all the Hypotheses were confirmed.

It can be seen, there is significant effect between Individual Characteristics and its indicators on Trends in Entrepreneurship. The results showed that, there is significant effect between Individual Characteristics with (effect coefficient 0.74, significant number 8.92) on Trends in Entrepreneurship. Among of Individual Characteristics, Feature of Tend to Maturity with (effect coefficient 0.57, significant number 3.73) had the more effect on Trends in Entrepreneurship and Feature of Innovation with (effect coefficient 0.51, significant number 3.36) in the second rank has located.

4. Conclusion

According to the findings, Small and Medium Enterprises (SMEs) In Semnan City, in the range of individual characteristics and dimensions of the situation are pretty good. The institutions in individual characteristics average 3.943 and SD 0.406 and significant T test has confirmed.

But in terms of dimension of Individual Characteristics, Innovation with (Mean 4.267, and Standard Division 0.5) had the most Desirable status and in the first rank has located. Tend to Maturity with (Mean 4.113, and Standard Division 0.582) in the second rank has located. Also, with considering to research findings, Tend to Entrepreneurship in Small and Medium Enterprises (SMEs) In Semnan City, the situation was pretty good. These institutions of Trend in Entrepreneurship had (Mean 4.257, and Standard Division 0.432).

REFERENCES

- Ahmadpur Dariani, M. 1999. the value of entrepreneurship, a new concept in economic development
- Branzei, O., & Vertinsky, I. 2006. Strategic pathways to product innovation capabilities in SMEs. *Journal of Business Venturing*, 21(1), 75-105.
- Davis, S. 2012. Social Entrepreneurship: TOWARDS AN Social Entrepreneurial Culture For Social and Economic Development, International Board Selection Committee, Ashoka: Innovators for the Public, Prepared by request for the Youth Employment Summit, September 7-11.
- Edwards-Schachter, M., García-Granero, A., Sánchez-Barrioluengo, M., Quesada-Pineda, H., & Amara, N. 2015. Disentangling competences: Interrelationships on creativity, innovation and entrepreneurship. *Thinking Skills and Creativity*, 16, 27-39.
- Gray, C. 2006. Absorptive capacity, knowledge management and innovation in entrepreneurial small firms. *International Journal of Entrepreneurial Behavior & Research*, 12(6), 345-360.
- Hills, G. E., Hultman, C. M., & Miles, M. P. 2008. The evolution and development of entrepreneurial marketing. *Journal of Small Business Management*, 46(1), 99-112.
- Jones, O., Cardoso, C. C., & Beckinsale, M. 1997. Mature SMEs and technological innovation: entrepreneurial networks in the United Kingdom and Portugal. *International Journal of Innovation Management*, 1(03), 201-227.
- Madhoushi, M., Sadati, A., Delavari, H., Mehdivand, M., & Mihandost, R. 2011. Entrepreneurial orientation and innovation performance: The mediating

- role of knowledge management. *Asian Journal of Business Management*, 3(4), 310-316.
- Robbins, S. P. 2000. *Managing today!*. Upper Saddle River, NJ: Prentice Hall.
- Rosenbusch, N., Brinckmann, J., & Bausch, A. 2011. Is innovation always beneficial? A meta-analysis of the relationship between innovation and performance in SMEs. *Journal of business Venturing*, 26(4), 441-457.
- Sexton, D. L., & Bowman-Upton, N. B. 1991. *Entrepreneurship: Creativity and growth*. New York: Macmillan.
- Terziovski, M. 2010. Innovation practice and its performance implications in small and medium enterprises (SMEs) in the manufacturing sector: a resource-based view. *Strategic Management Journal*, 31(8), 892-902.
- Ulhoi, J.P. 2014. "The social dimensions of entrepreneurship". DK8210 Aarhus V, Denmark Tech-novation.

How to Cite this Article:

Eskandarian M., Jafari SM., Moghani HM., Impact of “Innovation” and “Tend to Maturity” on “Tend to Entrepreneurship” in SMEs in Semnan, *Uct Journal of Management and Accounting Studies* 4(2) (2016) 21–25.