



Development of entrepreneurship in the villages of Markazi Province: Granting rural sustainable employment facilities by Omid Entrepreneurship Fund

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Article	Abstract
<p>Article history: Received: 31 October 2023 Received in revised form: 15 January 2024 Accepted: 30 January 2024</p> <p>Keywords: Entrepreneurship development, Nurturing characteristics, Motivation stimulation, Entrepreneurial knowledge and skills, Markazi province</p>	<p>The purpose of this research was to investigate the development of entrepreneurship in Markazi province based on a model based on three variables of nurturing characteristics, motivation stimulation, and entrepreneurial knowledge and skills. The statistical population included 30 experts and managers of the Omid Entrepreneurship Fund and top entrepreneurs of Markazi province. The required data was collected using a standard questionnaire with a reliability coefficient of 0.75. The research hypotheses were tested using the Kolmogorov-Smirnov (K-S) test in SPSS software. The results showed that the mentioned factors are effective on the development of entrepreneurship. The impact of the entrepreneurial knowledge and skills variable was more than the other two variables. Then, using Lisrel software and based on the pattern of relationships between the variables, the impact of each of the three factors on the development of entrepreneurship was shown.</p>

1. Introduction

In recent years, the role of entrepreneurs in the industrial and economic prosperity of countries has become increasingly evident. Given the economic challenges, industrial development issues, and particularly the high unemployment rates, the need for promoting entrepreneurship on a large scale has become more crucial than ever before [1].

In today's world, entrepreneurship has emerged as a critical and highly valued topic worldwide. In the current century, the main capital of societies lies in the knowledge, skills, and attitude of their human resources. By utilizing and focusing on this capital in various areas, especially in the economy and employment sectors, we can witness a breakthrough in solving problems such as youth unemployment, economic dependence on foreign countries, and many of the current challenges facing societies and governments [2].

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Entrepreneurs create new jobs that did not exist before. They mobilize resources to exploit opportunities for new businesses. They are committed to organizing, managing, and undertaking the risks of an economic activity, playing a pivotal role in the economic and social development of societies [3].

Enhancing job opportunities and optimizing entrepreneurial activities in rural regions are crucial aspects of rural development programs. This research aims to propose a model for enhancing rural entrepreneurship in Shazand County, located in the Markazi province of Iran [4-7].

The three elements, comprising the fostering of traits, incentivizing motivations, and acquisition of entrepreneurial knowledge and skills, will be treated as independent variables, while entrepreneurship development will be viewed as the dependent variable. The research's conceptual framework was developed based on Alvani and Rodgrenjad's model [5], as depicted in Figure 1.

Nazem (2013) investigated the entrepreneurial characteristics of Islamic Azad University managers [8]. A total of 456 questionnaires were completed by managers of 79 university units, covering 13 factors or characteristics. The results indicated a significant relationship between educational level, years of service, and field of study with factors such as need for achievement, perseverance, goal-orientation, competitiveness, self-confidence, and internal locus of control.

Fazeli Beigi and Yavari (2014) examined the role of rural cooperatives in entrepreneurial development. Their findings revealed that policies aimed at strengthening the culture of cooperation and the cooperative system in a society (including the skills and motivation to seize opportunities) have a significant impact on promoting entrepreneurial activities [9].

Based on previous studies, factors such as individual characteristics, motivation, and knowledge and skills acquisition have been identified as key drivers of entrepreneurial growth and development. The present research aims to investigate the impact of these factors on entrepreneurial development in rural areas of Markazi Province, Iran.

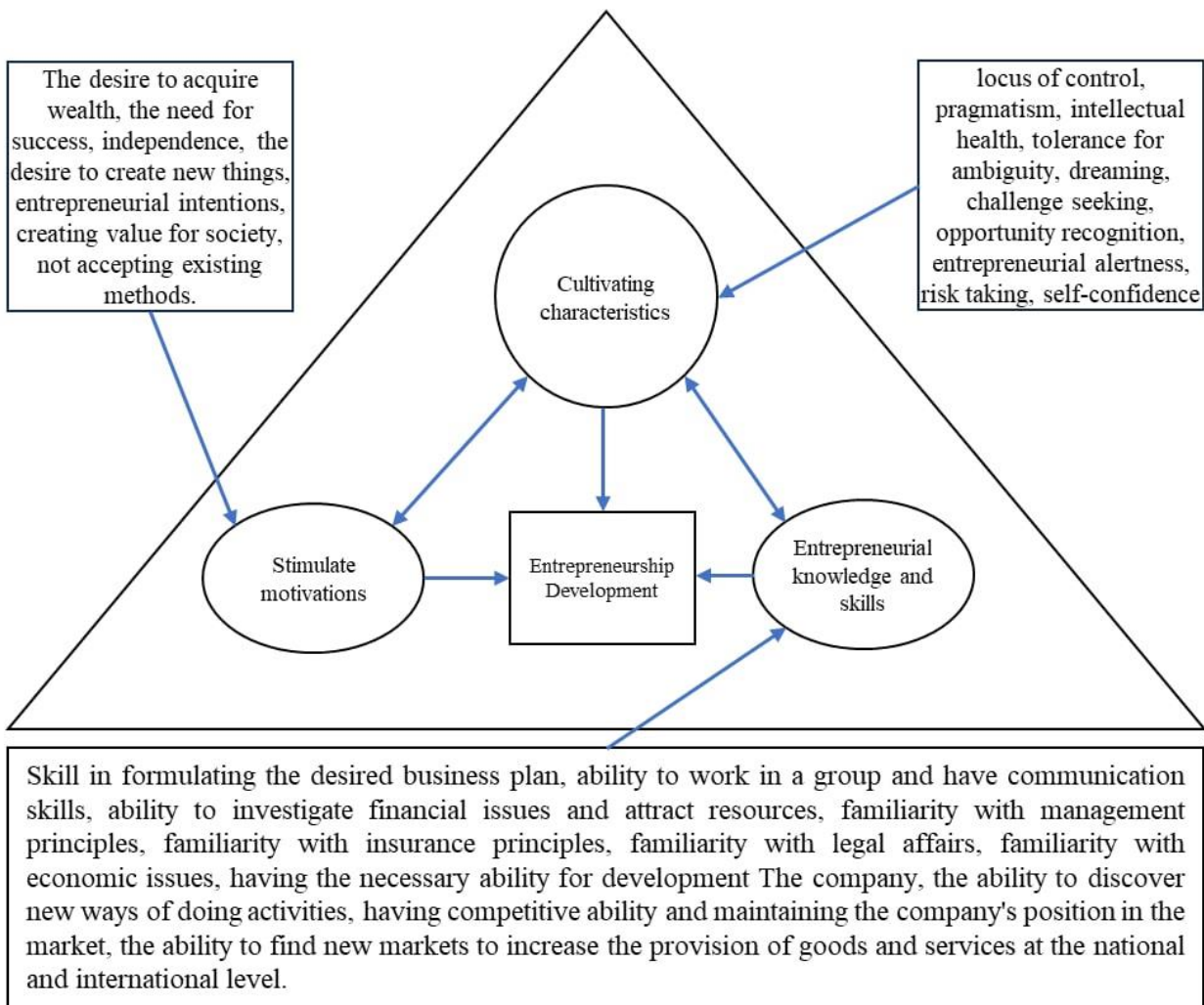


Figure 1. Research conceptual model [5].

Research Model:

The three factors of characteristics development, motivation stimulation, and entrepreneurial knowledge and skills are considered as independent variables, and entrepreneurial development as the dependent variable. The conceptual model of the research is based on the model proposed by Alvani and Roodgarnejad (2015) and is presented in Figure 1 [7].

Data Collection and Analysis:

Considering the mission of the Omid Entrepreneurship Fund, which is to support small and medium-sized businesses, a Likert scale questionnaire was developed and distributed among a sample of 30 experts from the Omid Entrepreneurship Fund and top entrepreneurs in the field of small and medium-sized businesses in Markazi Province.

Given the descriptive nature of the data, the data were entered and coded in SPSS software for statistical analysis. Cronbach's alpha coefficient was used to assess the reliability of the questionnaire, which was 0.75 in the present study. The research hypotheses were then tested using the Kolmogorov-Smirnov (K-

S) test, and all hypotheses were confirmed based on the significance level obtained. The results of the K-S test are presented in Table 1.

Table 1: Results of the K-S Test

Hypothesis	Significance Level (p-value)	Decision
H1: Developing the necessary characteristics for entrepreneurship has an impact on entrepreneurial development.	$p \leq 0.05$	Significant
H2: Stimulating people's motivation to enter entrepreneurship has an impact on entrepreneurial development.	$p \leq 0.05$	Significant
H3: Acquiring the necessary knowledge and skills for entrepreneurship has an impact on entrepreneurial development.	$p \leq 0.05$	Significant

According to Table 1, considering the appropriate significance level obtained for each of the factors, the research hypotheses are confirmed.

In order to examine the pattern of relationships between the variables, the data was transferred to the Lisrel software. Based on the obtained results, the overall model was confirmed, and the impact of each of the independent variables on the dependent variable was shown.

4Results and discussion:

The research hypotheses can be confirmed or rejected by transferring the data from SPSS to Lisrel software, defining the variables, drawing the relationship model, and finally examining the obtained results.

The research hypotheses:

Null Hypothesis: The overall model of the relationships based on the three factors affecting rural entrepreneurship development in Markazi province is confirmed.

Alternative Hypothesis: The overall model of the relationships based on the three factors affecting rural entrepreneurship development in Markazi province is not confirmed.

To statistically test the hypotheses, several indices are used to confirm or reject them. One of the most important indices is the Root Mean Square Error of Approximation (RMSEA). This index is a measure of whether the model fits the real world well or not. To confirm the statistical hypothesis, RMSEA should always be less than or equal to 0.1.

Therefore, the research hypotheses are defined in Table 2.

Table 2: Research Hypotheses

Statistical Hypotheses
H0 : RMSEA \leq 0.1
H1 : RMSEA $>$ 0.1

After performing the operations in Lisrel software and drawing the relationship model, it is possible to comment on the confirmation or rejection of the statistical hypothesis by examining the results and obtained indices.

The relationship model between the independent variables (nurturing characteristics, motivation stimulation, and entrepreneurial knowledge and skills) and the dependent variable (entrepreneurship development) is shown in Figures 2 to 4.

On the other hand, it is also possible to comment on the extent to which each of the independent variables (nurturing characteristics, motivation stimulation, and entrepreneurial knowledge and skills) affects the dependent variable (entrepreneurship development).

Based on the results of the relationship model in Lisrel software and the fact that the goodness-of-fit index (RMSEA) is less than 0.1, it can be concluded that this model has a good fit to the real world and its overall validity is confirmed.

The impact of each of the three variables on entrepreneurship development is shown in Tables 3 to 6.

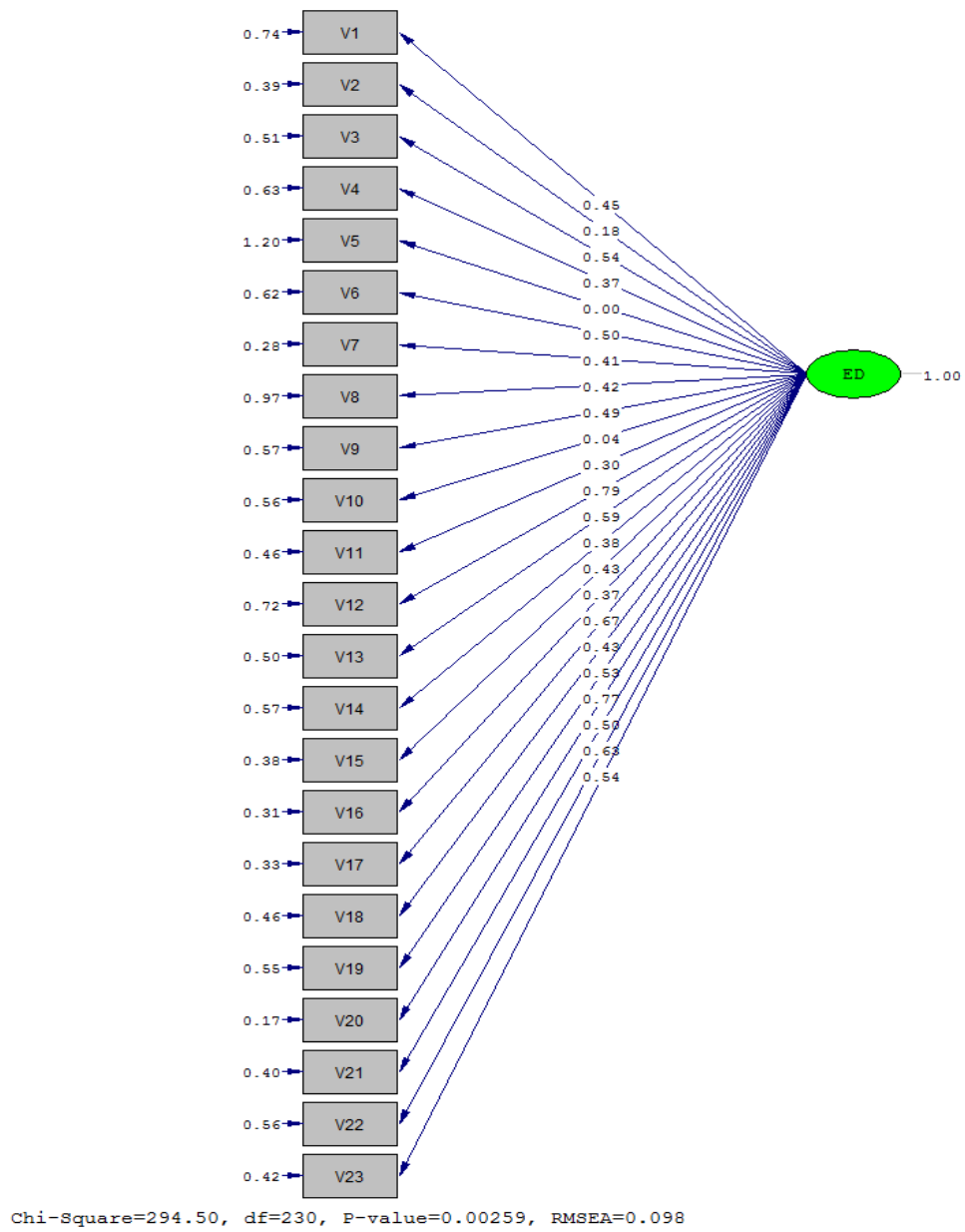


Figure 2. Estimated Coefficients (Non-Standardized) Related to Factors Affecting Entrepreneurship Development

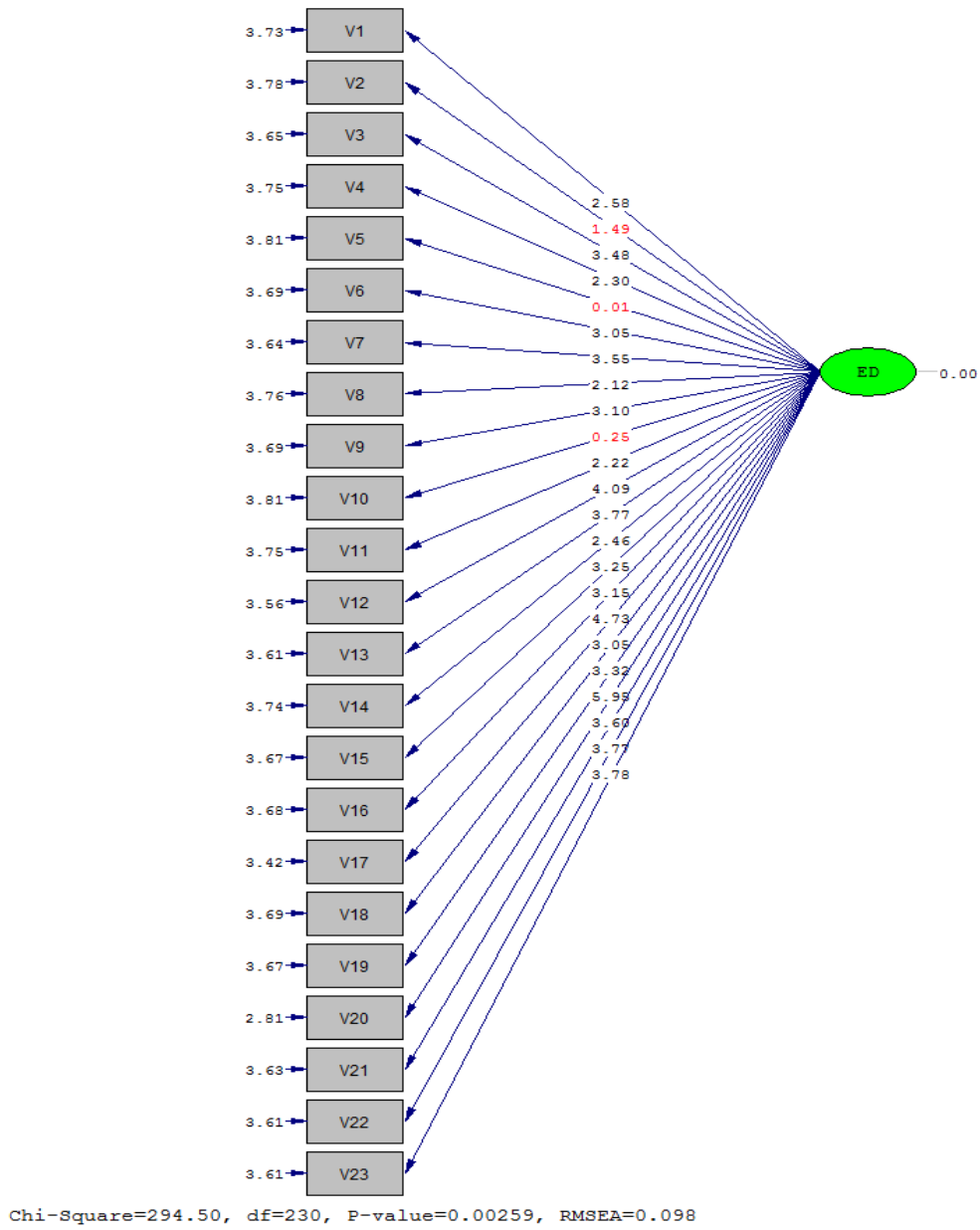
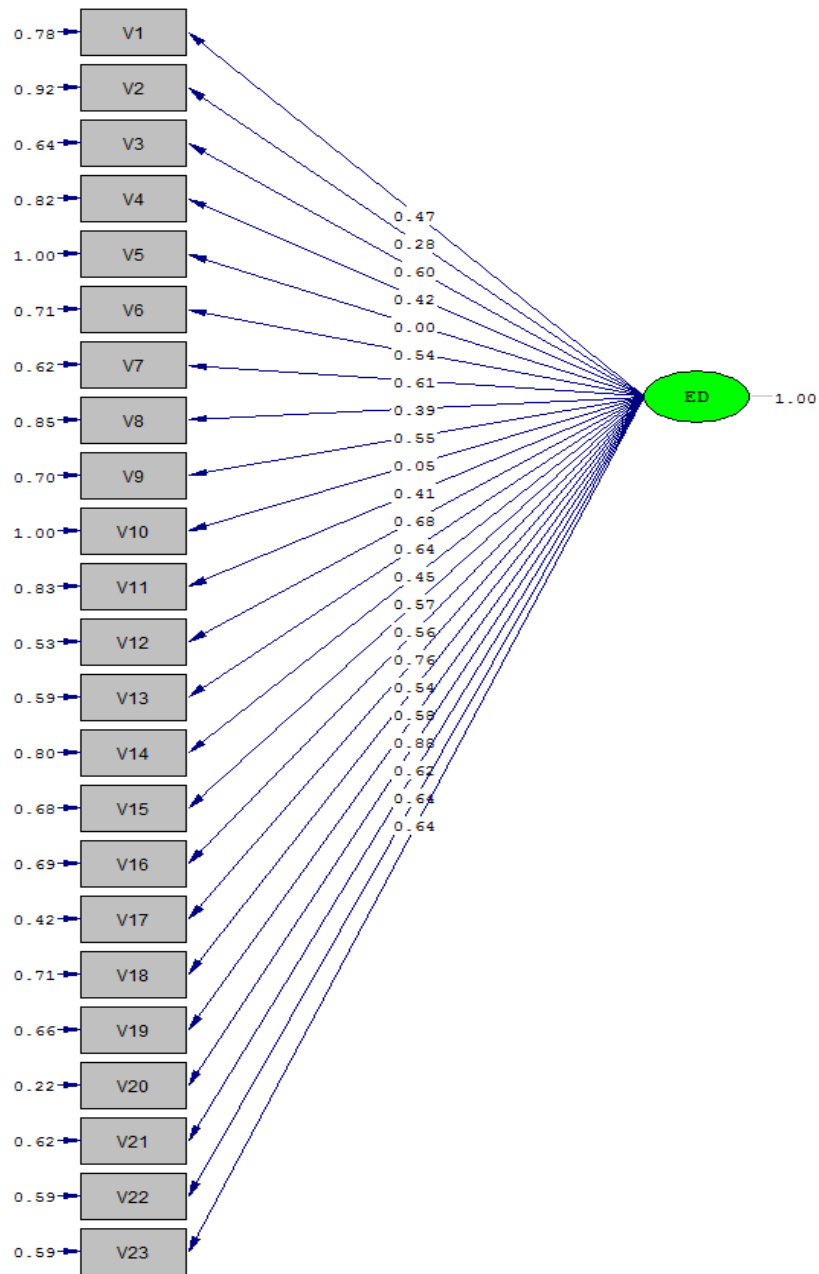


Figure 3. T-Value Coefficients Related to Factors Affecting Entrepreneurship Development



Chi-Square=294.50, df=230, P-value=0.00259, RMSEA=0.098

Figure 4. Standardized Coefficients Related to Factors Affecting Entrepreneurship Development

Table 3. Impact of Factors Related to the Variable of Nurturing Characteristics on Entrepreneurship Development

Dependent Variable	Entrepreneurship Development in Rural Areas of Markazi Province								
Independent Variable	Cultivation of Characteristics								
Factors Related to the Independent Variable	V1	V2	V3	V4	V5	V6	V7	V8	V9
Titles of Each Factor	Internal control center	Pragmatism	Mental Health	Ambiguity Tolerance	Challenge-seeking	Opportunity Recognition	Entrepreneurial Alertness	Risk-taking	Self-confidence
Standard Coefficients	0.47	0.28	0.6	0.42	0.00	0.54	0.61	0.39	0.55
Estimated Coefficients	0.45	0.18	0.54	0.37	0.00	0.50	0.41	0.42	0.49
T Value Coefficients	2.58	1.49	3.48	2.30	0.01	3.05	3.55	2.12	3.10
Confirmation or Rejection of Effects	Confirm	Reject	Confirm	Confirm	Reject	Confirm	Confirm	Confirm	Confirm
Rank of Direct Impact by Standard Coefficients	5	-	2	6	-	4	1	7	3

Table 3 shows that the factors of action orientation and challenge seeking did not have an impact on entrepreneurship development, while other factors did, with entrepreneurial alertness having the highest impact and risk-taking having the lowest impact.

Table 4. Impact of Factors Related to the Variable of Motivation Stimulation on Entrepreneurship Development

Dependent Variable	Entrepreneurship Development in Rural Areas of Markazi Province				
Independent Variable	Cultivation of Characteristics				
Factors Related to the Independent Variable	V10	V11	V12	V13	V14
Titles of Each Factor	Desire for wealth	Independence	Willingness to create new things	Entrepreneurial intention	Value creation for society
Standard Coefficients	0.05	0.41	0.68	0.64	0.45
Estimated Coefficients	0.04	0.30	0.79	0.59	0.38
T Value Coefficients	0.25	2.22	4.09	3.77	2.46
Confirmation or Rejection of Effects	Reject	Confirm	Confirm	Confirm	Confirm
Rank of Direct Impact by Standard Coefficients	-	4	1	2	3

According to the research of Alavi and Roodgarnejad (2015), all variables related to nurturing characteristics had an impact on entrepreneurship development, while in the present study, according to Table 3, action orientation and challenge seeking had no effect on entrepreneurship development. The reason for this is that in the present study, these variables were examined separately [5].

Table 4 shows that the factor of desire for wealth had no effect on entrepreneurship development, while the willingness to create new things had the highest impact and independence had the lowest impact on entrepreneurship development.

Dependent Variable	Entrepreneurship Development in Rural Areas of Markazi Province								
Independent Variable	Cultivation of Characteristics								
Factors Related to the Independent Variable	V15	V16	V17	V18	V19	V20	V21	V22	V23
Titles of Each Factor	Skill in developing a business plan	Ability to do teamwork and communication skills	Familiarity with the principles of management	Getting to know the principles of insurance	Familiarity with legal matters	Familiarity with economic issues	Ability to develop the company	The ability to discover new ways of doing activities	The ability to find new markets
Standard Coefficients	0.57	0.56	0.76	0.54	0.58	0.88	0.62	0.64	0.64
Estimated Coefficients	0.43	0.37	0.67	0.43	0.53	0.77	0.50	0.63	0.54
T Value Coefficients	3.25	3.15	4.73	3.05	3.32	5.95	3.60	3.77	3.78
Confirmation or Rejection of Effects	Confirm	Confirm	Confirm	Confirm	Confirm	Confirm	Confirm	Confirm	Confirm
Rank of Direct Impact by Standard Coefficients	7	8	2	9	6	1	5	4	3

According to Table 5, it was found that all the factors related to knowledge and skills had an effect on the development of entrepreneurship, so that the factor of familiarity with economic issues had the most effect and the factor of the ability to do group work and communication skills had the least effect.

In Alvani and Rodgrenjad's research [7], skill in formulating a business plan, ability to do group work and communication skill, ability to discover new ways of doing activities, familiarity with insurance principles, familiarity with management principles, ability to find new markets and familiarity with Legal matters did not have an effect on the development of entrepreneurship, while in the present research all factors were effective. The reason for this is the isolation of the mentioned factors in the present research.

Based on the previous studies related to the factors affecting the development of entrepreneurship as well as the results obtained from the present research,

It can be said that the mentioned factors (cultivation of characteristics, stimulation of motivations and entrepreneurial knowledge and skills) have also been effective on the development of entrepreneurship in Markazi Province.

In Table 3, the effect of the factors related to the variable of developing characteristics on the development of entrepreneurship was investigated. The result showed that the factors of entrepreneurial vigilance, mental health, self-confidence, opportunity recognition, internal locus of control, ambiguity tolerance and risk-taking had the greatest to least effect on the development of entrepreneurship in the villages of Markazi Province, respectively. The remaining two factors, i.e. pragmatism and challenge-seeking, were also recognized as ineffective factors.

In Table 4, the effect of the factors related to the motivation variable was investigated and the results showed that the factors of desire to create new things, entrepreneurial intention, creating value for society and independence have the greatest to least effect on the development of entrepreneurship in rural areas. Markazi Province and the factor of desire to acquire wealth also had no effect on this issue.

In Table 5, the influence of factors related to entrepreneurial knowledge and skills is shown, according to which, in order, familiarity with economic issues, familiarity with management principles, the ability to find new markets, the ability to discover new ways of doing activities, the ability to develop Company, familiarity with legal affairs, skill in formulating a business plan, ability to do group work and communication skills and familiarity with insurance principles have the most to least effect on the development of entrepreneurship in the villages of Markazi Province. In addition, it was shown that all the factors related to knowledge and skills were effective on the development of entrepreneurship and there was no ineffective factor.

Finally, it can be said that despite the influence of all three independent variables on the dependent variable (entrepreneurship development) in the Markazi province, the variable of entrepreneurial knowledge and skills has a higher importance than the others, because all the factors related to it have an impact on the development of entrepreneurship. have been effective.

Conclusions:

In the present study, by reviewing previous studies in the field of entrepreneurship development and through questioning experts in the field of entrepreneurship and employment (personnel of the Entrepreneurship Fund of Markazi Province) in the field of small and medium-sized businesses and rural jobs in Markazi Province, factors such as nurturing characteristics, motivation stimulation, and entrepreneurial knowledge and skills were identified as factors affecting entrepreneurship development. The results also showed that there was a significant relationship between these factors and entrepreneurship development. Then, the impact of each of these factors on entrepreneurship development was examined separately, and the importance of each one was also presented. The results

showed that entrepreneurial knowledge and skills had a greater impact on entrepreneurship development in Markazi Province than nurturing characteristics and motivation stimulation.

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