

## **The effect of environmental factors affecting entrepreneurial opportunities in government agencies (Case Study of Elm oFan College University of Urmia)**

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**Abstract:** Undoubtedly, entrepreneurship is a very key role in the sustainable and economic development of all societies. According to Schumpeter, entrepreneurship is the engine of economic development, without which a country cannot achieve economic development. In developed economic system, inventors, the owners of idea are the main capital of a firm and are the main factors. The world economic structure fundamentally is different from the past. The development of modern economy is based on innovation and knowledge. So in this article the impact of environmental factors affecting entrepreneurial opportunities in government agencies (Case Study of Elm-o-Fan College University of Urmia) was studied. The population of the study was the staff of non-profit institution of higher education, Elm-o-Fan College University of Urmia which they are 93 persons. The data collected through a standard questionnaire factors in creating opportunities for entrepreneurship and corporate entrepreneurship standard questionnaire Robbins after checking its validity and reliability. Questionnaires were collected, data collection classified and were analyzed using descriptive and inferential statistics (path analysis using SPSS and Amos). The results of the analysis showed that social networks, basic knowledge and driving forces effect on entrepreneurship is significant at 0.05.

**Keywords:** entrepreneurship, environmental factors, social networks, basic knowledge, the driving forces

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### **I. Introduction**

Entrepreneurship in the current meaning was first time used by "Joseph Schumpeter". The Austrian economist born in America, who called him the father of entrepreneurship, believes that economic growth and development in a system that would be possible when people in other sections of the society carry out innovation with the risk and with it, new and efficient methods and solutions replace inefficient solutions and their previous low interest. Entrepreneurship has three basic features from Schumpeter point of view:

1) Entrepreneurship is understandable, but cannot apply the normal rules and superficial analysis of the facts and predicted it to be successful. 2) Entrepreneurship Events and results will shape the long term and to create appropriate conditions, current economic and social conditions change. 3) and a plurality of repeating events on the relative quality of entrepreneurial forces, strategic decisions, actions and behavior patterns has a direct correlation.

Peter Drucker believes entrepreneur is someone who starts new small profitable activity with their capital, changes the values, changes the nature and in the future not so far, puts the foundation of a good business. However, for entrepreneur this limit is far-fetched, moving and innovation are their main features, but some of the most prominent characteristics of an entrepreneur can be stated as follows:

1) self-reliance and self-confidence, 2) perseverance on track to achieve the target of 3) feel the need to succeed and progress within the Standing 3) the use of resources 4) explore the possibilities and potential productivity opportunities and trait 5) risk-taking, risk and failure tolerance 6) clear goals and ideals and of course beyond the level of common goals.

Mcklland, has a broader definition of entrepreneurship and the entrepreneurial process beyond the business but a way of life interpretation of the character. So that creativity and innovation, love of work, permanent, dynamic, risk-taking, prospective, value creation, exemplary, need to progress and optimism of thinks the foundation of entrepreneurs' life. (Dehghani, Talebi and Arabion, 1390).

Today, the structure of the world's economy is different from the past. The development of modern economy is based on innovation and knowledge. The concept of entrepreneurship is that there are nearly 200 years, but the concept of organizational entrepreneurship is a new concept that is related to recent decades. More accurately, the concept was considered in the late 1970s. Today, with the development of new and emerging organizations and population growth we need new techniques in organizations that entrepreneurship is one of these techniques. Undoubtedly organizations in the world today live in a world full of turbulence and change, so to survive in this world they need entrepreneurship and new forms of organization, and in case of neglecting its needs inevitably doomed to failure.

In this paper the effect of environmental factors on creation of entrepreneurial opportunities in government agencies (Case Study: Elm-o-Fan University College of Urmia) has been analyzed. The rest of the paper organized as follows: the model of the research, the goals and hypothesis of research and finally the results and conclusion.

## **II. Literature Review**

Heydari and his colleagues in 1394, study the entrepreneurial orientation in achieving competitive advantages: Case Study of Iran's Banking Industry. And found that entrepreneurial orientation with available resources and environmental uncertainties, act as a stepping stone to achieve competitive advantage, entrepreneurial orientation has a direct and positive impact on the resources available to banks to turn them into competitive advantage. In addition, size factor operating a moderating role in the model. The final research model, stresses the importance of entrepreneurial orientation in commercial banks imply special attention to this area draws senior executives.

In 1394 Karimi study the direct, indirect and regulatory impact of institutional environment for agricultural students' entrepreneurial intentions, and showed that the entrepreneurial attitude and perceived behavioral control has a positive and significant relationship with the entrepreneurial intention. Institutional environment and also indirectly through entrepreneurial attitude and entrepreneurial intention associated with perceived behavioral control.

In 1393 Hajizadeh and colleagues regarding prior knowledge and entrepreneurial opportunity recognition: the role of mediator examined entrepreneurial alertness and entrepreneurial learning. And found that prior knowledge on opportunity recognition, entrepreneurial alertness and entrepreneurial learning had positive impact and entrepreneurial alertness and learning to recognize are also having a positive impact entrepreneurial opportunities.

In 1390 a research concerning factors affecting innovation and entrepreneurship in medical universities conducted by Dehghan, Talebi and Arabion. This study showed that three categories of factors: structural, behavioral and contextual are effective on the innovation and entrepreneurship in medical schools their total status, average, according to the results, it is recommended to change attitudes towards administrative management, reform-based strategies, decentralization and reform of the working methods are required in order to improve innovation and entrepreneurship in priority administration system undergo medical sciences universities.

In 1390, MohammadiIlyasi and his colleagues examined the role of social networks in the entrepreneurial opportunity recognition. And showed the importance of social networks as a key element in entrepreneurial activity every day, they create the basis for social cohesion and making the sharing of resources and information easy. And also found that social networks of entrepreneurs has a positive relationship with opportunity recognition, and between the dimensions of social network, social relations content has the most influence on Opportunity Recognition.

In 1390, Mashdai examine the effects of social networks on entrepreneurial opportunity recognition and they concluded that mediating effect of three variables: personal efficacy, processing power coefficient information on the relationship between social networks and entrepreneurship opportunities through participation in professional social variables and the relationship between informal networks and mentors (advisors) does not affect the identification of opportunities.

In 2014 Montrosanchez and Soriano investigate the relationship between entrepreneurship and human resource management and found that environmental changes and increasing competition among enterprises, have forced companies constantly seeking to innovate for success. The institutions should improve their flexibility and competitive advantages to earn foster entrepreneurship through operations.

In 2010 Kirni and his colleagues investigate the entrepreneurship in public and private sector, similarities, differences, or both. They concluded that while the word "entrepreneur" is not just a phenomenon of the private sector, but usually with business activities in the private sector, especially related to small to medium sized companies. However, over the past two decades in public management literature has appeared with great speed. Recent researches in the public sector entrepreneurial activity exploratory comparative analysis of the key components to timely showed that the applicability of entrepreneurship in the private sector, as the subject is emerging as an area of academic study and research.

Hornasabiet. *al.* (2009) using a sample of 458 manager and regression analysis found that there is a difference among the managers of the organizational environment and entrepreneurial ideas implemented at different organizational levels. They showed that 1) there are positive correlation between support managerial and entrepreneurial ventures in the managers senior and middle of the managers at lower levels 2) there are positive correlation between interest in entrepreneurial ventures among managers of top and middle of the managers at lower levels (according to the movahediet *al.*, 1393).

In a study that was conducted in 2008 by Akbasaran and colleagues. In their research, they investigate the effect of identifying and pursuing opportunities presented by entrepreneurs. They concluded that the extent and

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intensity of human capital entrepreneurs with opportunities that identified and intensity of follow-up time (for example: number of opportunities that had been followed) also said the relationship experienced many opportunities to identify and exploit these opportunities were innovative and often and in wealth creation an important role in their potential.

### III. The conceptual model

Article conceptual model variables environmental factors affecting entrepreneurial opportunities in the organization was adapted from research of Chokes & Bridges (1986) and Hills *et. al* (1997).

### IV. The purpose of the survey

#### 4-1 The main purpose

Determination of the environmental factors affecting entrepreneurial opportunities in Elm-o-Fan College university.

#### 4.2 Secondary objectives

1. Determine the component of "social networks" in creating entrepreneurial opportunities in Elm-o-Fan College University
2. Determining the "basic knowledge" in creating entrepreneurial opportunities in Elm-o-Fan College University
3. Determining the "driving force" in creating entrepreneurial opportunities which in Elm-o-Fan College University

### V. Hypotheses

#### 5-1- The main hypothesis

Influencing factors in environment can affect entrepreneurial opportunities in Urmia University of Science and Technology.

#### 5.2 Sub assumptions

1. Component of "social networks" has an impact in creating entrepreneurial opportunities in Elm-o-Fan College University
2. Component "basic knowledge" has an impact in creating entrepreneurial opportunities in Elm-o-Fan College University.
3. Component "driving force" has an impact in creating entrepreneurial opportunities in Elm-o-Fan College University.

### VI. Data analysis

For the analysis of statistical data, questionnaires completed by respondents have been collected and the raw data needed to test the hypotheses with the help of computers and software is recorded and then the data via SPSS software and analyzed in two stages to information used in this research, are converted. In the first stage the descriptive analysis of the data, the frequency, percentage relative abundance indices central tendency (mean) and dispersion measures (standard deviation) in the form of tables and graphs is evaluated separately and secondly that inferential analysis data, with data from the questionnaire survey data and using inferential statistical tests to test this hypothesis using structural equation modeling (path analysis) and to perform statistical analysis SPSS and Amos software were used.

#### 6-1 study of variables

Table 1 shows the descriptive accounts of variables.

Table 1. Descriptive statistics of the variables

Standard deviation	Average	Max	Min	number	dimensions
0.72	2.86	4	0	93	Social networks
0.81	2.89	4	1	93	Basic knowledge
0.66	3.16	5	1	93	Driving forces
0.55	3.00	5	2	93	Entrepreneurship

#### 6-2 data normality test

For research normality of test population is of particular importance. In each research tests the hypothesis regarding the normality of study population. To investigate the normal distribution of the data in this study Mardia standard slenderness ratio was used which results are shown in Table 2.

Table 2 data normality test

Critical points	Elongation	Maximum	Minimum	variable
-0.676	-0.511	5	2	Entrepreneurship
5.632	4.257	4	0	Social networks
-0.648	-0.490	4	1	Basic knowledge
-0.930	-0.318	5	1	Driving forces
2.487	28.205			multivariate

Table 3 shows that multivariate Mardia slenderness ratio is 28.205. This coefficient shows that multivariate normality assumption does not hold, because this amount is beyond the scope of +3 and -3.

### 6-3 Correlation between variables

Before addressing the structural model test, correlation matrix was presented, we examined the relationship between variables and it is shown in the following table.

Table 3. Correlation Matrix of variables

Driving forces	Basic knowledge	Social networks	Entrepreneurship	Variable
0.503	0.480	0.475	1	Entrepreneurship
0.159	0.099	1	....	Social networks
0.399	1	....	....	Basic knowledge
1	....	....	....	Driving forces

According to Table 3, the relationship between social networks and entrepreneurs (0.475) were positive and is significant at 0.05. Relationship of basic knowledge and entrepreneurship is positive (0.480) and is significant at the 0.05. The relationship between the driving forces and entrepreneurship was positive (0.05) and is significant at 0.05.

### 6-4 inferential statistical data analysis (statistical test of research hypotheses)

Structural equation modeling is a method to test hypotheses about the relationship between a comprehensive statistical approach is observed and latent, sometimes covariance structure analysis, modeling and sometimes is called LISREL. But the so-called dominant these days, is Structural equation modeling or SEM in short.

#### 6.4.1 Predictors of entrepreneurship

For prediction of entrepreneurship, the proposed pattern was analyzed through path analysis method and likely background. In Figure 1 the tested model has been tested and after reviewing the results of the fitted value study hypothesis test pattern is provided.

The following table presents path coefficients, significant levels and square of multiple correlation coefficients of theoretical model.

Table 4 path coefficients, significant levels and square multiple correlation coefficient of theoretical model

Squared multiple correlation	variables	The significance level	Standardized regression weights	estimate	to	variables
0.964	Entrepreneurship	0.000	0.654	Entrepreneurship	to	Social networks
0.964	Entrepreneurship	0.000	0.936	Entrepreneurship	to	Basic knowledge
0.964	Entrepreneurship	0.024	0.120	Entrepreneurship	to	Driving factors

According to the table above the direct effect of social networks on entrepreneurship (0.654) is positive and significant at 0.01. The direct effect of prior knowledge on entrepreneurship (0.936) is positive and

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significant at 0.01. The direct effect of the driving forces on entrepreneurship is positive (0.120) and is not significant at 0.01.

Comparative fit indices, the research model compared with a model where the variables are independent of each other. In other words, in this case the conceptual model is compared with a model in which there is no relationship between the variables.

Another group of indicators that are known to thrifty fit indices helps to research the effects of its intervention in the model (unleashing a parameter to estimate) to evaluate the fit indices.

Table 5. Path coefficient, significant levels and square multiple correlation coefficient theoretical model

Accepted fitting	Obtained Value	index	Indicators
Should not be significant.	878/639	Chi-Square	Absolute fit
Above 0.9	1.000	NFI	Comparative fitting
Above 0.95	1.000	CFI	
Above 0.9	1.344	RFI	
Between 0 and 1	0.581	IFI	
Above 0.5	0.836	PNFI	Thrifty fitting
Lower than 0.08	0.484	RMSEA	

According to the index model, we concluded that the proposed model is the acceptable.

6-4-2- first hypothesis: the components of "social networks" had an impact on creating entrepreneurial opportunities in Elm-o-fan College University of Urmia

Table 6. First hypothesis test

The significance level	T	The standard error of estimate	Standardized path coefficient	Un-Standardized path coefficient	
0.031	2.156	0.065	0.385	0.139	The role of friends and relatives
0.564	0.577	0.069	0.105	0.040	The role of formal groups
0.280	1.081	0.056	0.182	0.061	The role of weak and strong groups
0.000	11.416	0.014	0.654	0.208	Social Networks

According to table 6 and on the resulting analysis, the significance level was less than 0.05 ( $0.05 > \text{sig}$ ), the null hypothesis is rejected, as a result the role of friends and relatives directly on social networks are effective, and indirectly through social networks is effective on entrepreneurship.

6-4-2- second hypothesis: the components of "basic knowledge" had an impact on creating entrepreneurial opportunities in Elm-o-fan College University of Urmia

Table 7. Second hypothesis test

The significance level	T	The standard error of estimate	Standardized path coefficient	Un-Standardized path coefficient	
0.000	5.807	0.031	0.599	0.183	Attention to customer needs
0.000	3.318	0.037	0.306	0.122	Attention to the needs of competitors
0.093	2.035	0.040	0.266	0.080	Attention to market needs
0.002	3.110	0.031	0.310	0.096	The role of experience
0.000	3.76	0.034	0.413	0.128	Understanding the role of market changes

0.000	6.068	0.011	0.936	0.124	Basic knowledge
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According to Table 7 and in the resulting analysis, the significance level was less than 0.05 (05/0> sig), the result is the null hypothesis is rejected, so basic knowledge has indirect impact on entrepreneurship.

6-4-3- third hypothesis: the components of "driving forces" had an impact on creating entrepreneurial opportunities in Elm-o-fan College University of Urmia.

Table 8: third hypothesis test

The significance level	T	The standard error of estimate	Standardized path coefficient	Un-Standardized path coefficient	
0.000	5.22	0.030	0.441	0.155	Fear of unemployment
0.000	4.07	0.036	0.354	0.145	The effects of disasters
0.000	7.21	0.050	0.625	0.360	The role of past failures
0.024	2.805	0.019	0.124	0.096	Driving forces

According to Table 8, the analysis showed obtained significance levels were lower than 0.05 (05/0> sig), so the null hypothesis is rejected and as a result the driving forces indirectly influencing entrepreneurship.

### VII. Conclusion

In this paper, the effects of environmental factors on creation of entrepreneurship opportunities in governmental organization (case study: Elm-o-Fan University) have been investigated. The aim of the study was investigation of the effect of different factors on entrepreneurship opportunities in governmental organization. The method used in this study was a descriptive survey. The target population, staff of non-governmental non-profit institution of higher education in Elm-o-Fan University of Urmia and 93 questionnaires were distributed and evaluated. The questionnaire was consisted of 41 questions with 5 degree likerti. The results of the study and test the hypothesis of the present study show that:

**Hypothesis 1:** component of social networks had effects on entrepreneurship opportunities in Elm-o-Fan University. The analysis showed significantly lower levels of significance (0.05> sig), the null hypothesis is rejected as a result the social networks indirectly influencing entrepreneurship.

**Hypothesis 2:** component of basic knowledge had effects on entrepreneurship opportunities in Elm-o-Fan University. The analysis showed significantly lower levels of significance (0.05> sig), the null hypothesis is rejected as a result the basic knowledge indirectly influencing entrepreneurship.

**Hypothesis 3:** component of driving forces had effects on entrepreneurship opportunities in Elm-o-Fan University. The analysis showed significantly lower levels of significance (0.05> sig), the null hypothesis is rejected as a result the driving forces indirectly influencing in entrepreneurship.

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