

# The role of entrepreneurship on export performance of date in Iran

Roksana Karimi<sup>1</sup>, Sina Nematizadeh<sup>2</sup>, Mehrandokht Nezam Shahidi<sup>3</sup>

<sup>1</sup>Department of Science and Research Branch, Islamic Azad University, Tehran, Iran; <sup>2</sup>Central Tehran Branch, Islamic Azad University, Tehran, Iran; <sup>3</sup>University of Tehran, Iran

## Abstract

The aim of this research is to study the role of entrepreneurship on the performance of date export and for this purpose 85 of the exporters and entrepreneurs of date were selected with the use of simple random sampling method, also they responded to the author-made questionnaire adopted from Young Hee Yoo Lee *et al.* (2008). Finally, for the analysis of the obtained data two-variable linear regression test was used and the results indicated that entrepreneurship and all the dimensions of it except aggressive competition have a significant and positive effect on the date export.

**Keywords:** Entrepreneurship, export performance, innovation, risk taking, pioneering, aggressive competition, independence.

## Introduction

In the current age with the growth of population, societies and organizations are developing and progressing rapidly and following this, they are facing increasing complexity. Entrepreneurship in a multi-directional interaction is needed intensely both in terms of evolution through innovation and improvement of the processes and in terms of a key factor in economic growth and development. The issue of entrepreneurship can even be considered as one of the main fundamental approaches in every country in today's modern age (Nahid, 2009).

Thompson (1999) believes that entrepreneurship behavior is a comprehensive needs and necessity or all organizations (public, private, volunteer and etc...) with any size (large, medium and small). Also, export is a critical tool for countries with which they can achieve their goals regarding economic growth and prosperity. Since exports helps

to improve the payments balance, occupation rate and the standard of life; therefore, some countries encourage more exports in order to develop their exports (Russell *et al.*, 2007).

Without any doubt the today's world possesses especial characteristics. One of the characteristics of the present age is the profound change and transformation which is seen in the mentality, ideology, social values and the way of doing things. Among the phenomena which strongly have got and still getting influence from these changes are organizations (Moghimi, 2004).

Globalization phenomenon and the necessity of creating mobility, flexibility and speed in decision-making in economic trade relations have provided the small and medium sized institutions throughout the globe with a special position. The conducted studies show that the increase in jobs in industrial countries during 70s and 80s has been occurred through these institutions mainly. The share of these companies in job creation in the developing countries has been reported to be between 60 – 70 percent (Rhee *et al.*, 2010).

Existence of environmental challenges and changes in the managerial procedures also have made the role of these institutions more prominent and downsizing policies, outsourcing the activities, re-structuring, re-engineering and specially encouragement of entrepreneurship in the globalization age has expedite and institutionalized the creation of small and medium sized entrepreneurship institutions (Su Q *et al.*, 2008).

The entrepreneurship term is mostly used in relation with private and commercial sector (HezarJari, 2003), however; today it has entered in managerial topics of the public sector which mainly results from the importance of the role of government in societies and efforts for creating transformation and chaing in public organizations and improving their performance (Zheng *et al.*, 2009).

**Corresponding author:** Roksana Karimi, Department of Science and Research Branch, Islamic Azad University, Tehran, Iran. E-mail: baselika\_ragheb87@yahoo.com

Therefore; for overcoming the problems and risks which are threatening the today organizations, only one solution is effective and that is creating an entrepreneurship culture in organizations (Ahmadpour Dariyani, 1999).

Regarding the topic of this research, which deals with studying the role of entrepreneurship on the date export performance in Iran, we should note that date is one of the garden products of Iran which the production of it reaches one million tons every year. Currently, date is being planted in Iran's provinces and 5 major provinces of Iran namely Jiroft, Khoseztan, Sistan & Baloochestan, Booshehr and Hormozgan have allocated two third of the countries production of dates to themselves. The conducted studies indicate that although Iran is among the 4 top countries in the world and produces 51% of the date of the world, however; the production performance of Iran's palm groves is so much lower from the average production performance in the world. The low productivity of these palm groves is a result of the type of the species and the high number of the seed trees that due to the low quality of the product doesn't have a high productivity and although some of the types of the Iran's produced dates are unique throughout the whole world, however; Iran doesn't have a proper and good rank and position regarding the export of this product. Of course, this point should be also noted that considering the emphasis on the importance of organizational entrepreneurship, organizational entrepreneurs are recognized as the powerful engine of developing their organization and society and what is critically important is to start this engine in line with development (Yaghoobzadeh, 2010). In fact it is with the help of organizational entrepreneurship development that the society members can achieve a correct recognition of their talents, thinking, capital, knowledge and technology, commitment and diligence (Alvani & Roodgranzhad, 2011).

Of course, entrepreneurship is a process that through it organizations recognize their opportunities and organize the production factors in an innovative way or creating new value (Behbahani, 2010). The entrepreneur firms can help their main customers in global competition fields to create competitive advantages in large companies through reduce expenses and intensify the technology developments (Gholikhani, 2010).

Also, exports are considered to be critical tools for countries that with the help of it they

can achieved their economic growth and prosperity. Since, export helps to improve the payments balance, employment rate and the standard level of life; therefore; so many the governments encourage more exports with the aim of developing their exports (Russell *et al.*, 2007).

The other point is that today in spite of the scientific and technology transformations and development of the human capability in controlling and using the resources, still there are some concerns regarding the way of creating a balance between the facilities and the increasing needs. Those kind of concerns that even the relative growth of production in different sectors including production and improvement of the resource extraction processes and production of materials and products and ever increasing development of services haven't managed to influence it. In this way that the non-stop effort of the plan maker and producers of the products and services for provision of the general needs have been always controlled with the restricting factors and obstacles, such that always there is a certain distance between the resources, facilities and needs.

On the other hand the position of the organization depends on the level and intensity of entrepreneurship. Firms in the today's competitive world should make innovative and risky measures for overcoming the environmental challenges so that they can act successfully in the today's competitive world. Innovation is an environmental necessity in the field of entrepreneurship. Innovations refer to the ability of the firms for creating products and successfully launching them to the market (Avlonitis & Salavou, 2007) and taking risk is considered as one of the inseparable duty of entrepreneurship which leads to success and emphasizes on the dimension of pioneering for perceiving the market opportunities for stimulating innovation and in the meantime aggressive competition indicate to the intensity level of completion which has been selected by a firm which tries to surpass the competitors with the help of it (Hughes & Morgan, 2007) and eventually the commercial performance includes the indexes of sales return, investment return and earnings per share and non-financial indexes such as market share and product development (Bergeron, 2000).

Therefore; considering the above mentioned and the important role which date exports plays in the economy of Iran, the researcher seeks to study the

role of entrepreneurship on the performance of date export in Iran and in fact the main question of the present paper is that what is the effect of entrepreneurship on the performance of date export in Iran? For studying this effect and for a more clarification of the trend and background of the research, some of the conducted studies in this regard will be discussed below and following it the research methodology, findings and conclusion will be discussed.

## Research background

Ibrahimpour *et al.* (2012) in his study with the topic of “to study the relationship between organizational entrepreneurship and commercial performance of the Tabriz Petrochemical Co.” has found that there is a positive and significant relationship between organizational entrepreneurship; including innovation, taking risk, being pioneer and aggressive competition with commercial performance and in the end this study has made some recommendations for organizational entrepreneurship development and improvement of commercial performance.

Ramooz and Javanmard (2012) in their study with the title of “to study the impact of information technology on entrepreneurship culture and firm’s performance: A case study of manufacturing companies of Arak city” have concluded that information technology has a positive and direct on entrepreneurship culture and entrepreneurship culture has a positive and direct effect on the performance of the companies.

Hassan Farsijani *et al.* (2011) in their paper with the title of “to study and explain the role of entrepreneurship in performance of the cold management chain: case study of food industries” have concluded that the variables of sourcing, reliability and improvement of export process have the highest level of importance and in the end has provided some recommendations for future researches.

Sepehrdoost and Motiee (2011) in their paper with title of “the role of mental capital on the performance of the companies of Tehran Stock Exchange” have concluded that in the period under study, there is a positive and significant relationship between operational cash flows, mental capital and value added and in general in a knowledge-oriented economy, mental capital is recognized as the most important source of competitive advantage which is effective on organizational performance.

Hosseini (2009) in his study with the title of “determining the level of market-oriented export on the export performance in manufacturing export companies” has concluded that each the factors of export merits, export dependency and export coordination have a positive effect on export, but none of them have a significant and positive relationship with the export performance. Market-oriented exports have a direct effect on exports performance.

## Methodology

The present research is an applied research from aim point of view and is a descriptive – survey research from the point of view of data collection.

### Research population and sample

The population of the present research includes the exporters of dates and those entrepreneurs who are active in the field of data. According to the latest figures released by the Trade Promotion Organization of Iran, the number of these were above 109 individuals, but only 85 of them in the country were involved in the field of exports and entrepreneurship of this product and the researcher via telephone call or email has completed the research questionnaire with these 85 people and has analyzed the data obtained from them.

### Data collection tool

In the present research in order to study the variables under study bibliographical studies tools, documents and questionnaire have been used. In studying the documents, for gathering information regarding the literature of the subject of the research and theoretical part of the paper, the resources of libraries, articles, required book as well as internet have been used and for the field study the standard questionnaire adopted from the article of Yong HeeYo Lee *et al.* (2008) has been used. The face validity of the research questionnaire has been confirmed by some of the professors of this field and its reliability also has been tested with the use of Cronbach’s alpha test which is equal to 0.85 for the entrepreneurship questionnaire and 0.77 for the exports performance questionnaire.

## Results

The descriptive information of the research elements including concentration and dispersion indices, the obtained scores was presented in table 1.

**Table 1. Descriptive indices of the research variables**

Variables	Average	Mean	Standard deviation
Innovation	3.2863	3.3333	0.4151
Taking risk	3.5981	3.50000	0.5798
Pioneering	3.4431	3.3333	0.4345
Aggressive competition	3.0588	3.0000	1.2450
Independence	3.0235	3.000	0.2662
Financial criteria	2.6686	2.6667	0.3668
Non-financial criteria	3.9098	3.8333	0.3278
Entrepreneurship	3.2742	3.2308	0.3377
Exports performance	3.2892	3.3333	0.2807

The results in table 1 show that among the variables in entrepreneurship, the variable in taking risk with an average in 3.5981 has the highest average and the variable in independence with an average in 3.0588 has the lowest average. The highest standard deviation is related to the variable in aggressive competition (1.2450) and the lowest belongs to the variable in innovation (0.4151). Two variables in entrepreneurship and export performance also respectively have the averages in 3.2742 and 3.2892 with standard deviation in 0.3377 and 0.2808 and the mean in 3.2308 and 3.3333. In the following section the inferential results will be presented.

**Table 2. The results related to the level of impact of entrepreneurship and its dimensions on the export performance of date**

Variables	R <sup>2</sup> adj.	Beta	F	P
Innovation	0.19	0.44	19.478	0.00
Taking risk	0.06	0.25	5.451	0.00
Pioneering	0.16	0.40	15.876	0.00
Aggressive competition	0.00	0.03	0.056	0.81
Independence	0.09	0.30	8.311	0.00
Entrepreneurship	0.14	0.38	13.826	0.00

The results in the two-variable linear regression test indicate that entrepreneurship and its dimensions, except for the dimension in aggressive competition, have in significant effect ( $p < 0.01$ ) on the export performance in date in Iran.

## Conclusions

The recent years at the face in intense competition in the market, globalization and technology development, innovation and distinction have been considered as in necessity for any company. Companies need to exploit new opportunities, develop products and services in the market for achieving success in the market and maintaining their competitive advantages. Therefore; in the past few years, the scholars in all the disciplines have shown enormous interest to the subjects in customer-oriented, innovation and entrepreneur organization (Tajeddini, 2010).

The importance in this research which is related to studying the role in entrepreneurship on the performance in date export in Iran is due to the fact that date is one in the strategic products in Iran's farming and this product has in special rank and position in the non-oil exports in our country. The large date groves in Iran have been at west-south and east-south in our country and are spread in six provinces in Khoseztan, Kerman, Fars, Hormozgan, Sistan&Balochestan and Boshehr.

Another reason that this research is important is entrepreneurship is one in the main axis in the growth and development in our country and is important in terms in sustainable development and economic development planning and therefore, it can create the following advantages:

- It can create employment.
- It increases the profit and capital in the investors.
- It results in transforming the values and their natures and therefore creates new and fresh values.
- It will fill the gaps in the market, which means, considering the transformation in the conditions in the labor market and provision in new opportunities, new decisions will be made.
- It will help to pass the economic downturn, compensate the economical backwardness and facilitates growth and development trend in the country.
- It provides the country with the required factors and conditions for goods and product manufacture and their marketing.
- Entrepreneurship at the time in crisis and disability in the private sectors in employment creation can prevent the economical backwardness.

- It will provide social well-being.
- It causes competition between industries, especially between the similar local industries and eventually causes the improvement and increase in the quality in the products.
- It reinforces and evolves the local industries and through them provides the conditions for the competition between local and foreigner industries and eventually will increase the level in exports and the currency received by the country.

Entrepreneurship causes the creation in new products, services, methods, policies and approaches for solving the problems in a society.

Today's the spirit in entrepreneurship is intensely increasing among the young population in Iran. On one hand considering the current economic and social conditions in the country, giving attention to entrepreneurship is important more than ever. In addition to this, so many companies due to low productivity, lack in demand and so on are at the verge in being closed or have been already closed and the competitive facilities in our country is also so much little in the global markets. Hence, developing entrepreneurship is so much necessary and important for increasing the productivity.

With the above-stated matters, we seek to study the role in entrepreneurship on the performance in date export in Iran in this research and we found that Iran has time until 2015 use new methods instead in Methyl bromide gas. Currently in US for dry and semi-dry items Profem gas has been introduced and Israel is using heating gases and in Austria in combination with the name in Ethyl Fromyt is being use. In Iran also it is necessary that in new replacement will be introduced with an extensive entrepreneurship and conducting proper researches and in case that this replacement will not be introduced until in certain date, the date export in our country will be facing some serious issues (Utkulu & Seymen, 2004).

One in the other important things is the advantage in planning date that the proper conditions for planting it is limited throughout the world and haven't been developed much and in this situation our country considering the suitable climate have in unique situation for planting this product in world. Therefore with entrepreneurship the potential area under planting and the production level in the country will become more than what it is currently and with systematic planning we can realize this important goal and another thing is that date is one in the most important non-oil exports in Iran and the export in it has in long

history. Then, Iran has always been present at the global level for export in this product and has always had in unique position and rank in this regard and in the past years it has allocated the 1st or 2nd rank to itself in terms in the amount in exported date (Fahimifar *et al.*, 2004).

Considering the importance in this product, the aim in the present research is to study the role in entrepreneurship on the performance in date export in Iran and the obtained results from the analysis in the research data indicate that entrepreneurship and its dimensions, except or the dimensions in aggressive competition, have in significant effect ( $p < 0.01$ ) on the performance in date export in Iran which is consistent with the findings obtained from previous studies conducted in the past.

Entrepreneurship is in concept that has always been accompanying humans and as in new phenomenon it has an effective role in economic development and progress in the countries, such that it has in key role in the competitive economy in today which is market-oriented and hence; guarantees the survival in the countries who are in need in innovation, invention and creations in new products and services.

Therefore; economists for the first time in their theories have started to describe entrepreneur and entrepreneurship. Indiscriminate increase in the population in 19th and 20th centuries and lack in proper organization in them have caused an increasing wave in unemployment throughout the world and almost in most in the societies unemployment is manifested as one in the main crisis. At that time, unemployment and the management in this crisis was done with the use in various methods and approaches, but what was important was that all were agreed in one subject and that was the development in entrepreneurship as in growth and development engine. Hence; the most prominent university throughout the world, placed the entrepreneurship thinking and education at the top their agenda and eventually in declaration was issued in this regard in October in 1998 under the supervision in UNESCO in Paris indicating that the development in entrepreneurship skills and innovations should be included as one in the university courses. In addition to this, in developing countries also, some organizations were established for promotion in entrepreneurship and considering the globalization phenomenon, entrepreneurship was transferred from one place to another and manifest itself as in global culture.

Entrepreneurs individuals have the ability in optimized usage in resources and they adopt such characteristics in their behavior which gradually increases their ability to achieved useful and suitable results and the results in this research also indicate to the same which shows that entrepreneurship has an effective role on the performance in date exports in Iran.

## References

- Ahmadpour Dariani, M. (1999). Entrepreneurship, definitions, opinions and models. (2010). To study the present situation and identification of the entrepreneurship limitations. *Journal of Management*, 41-48.
- Alavani, S.M., & Roodgarnezhad, F. (2011). Entrepreneurship development model in small and medium size organizations. *Journal of Management - Commerce Perspective*, 4 (3) , 73-87.
- Avlonitis, G.J., & Salavou, H.E. (2007). Entrepreneurial Orientation of SMEs, Product Innovativeness, And Performance. *Journal of Business Research*, 60, 566-575.
- Bergeron, Y. (2000). Species and stand dynamics in the mixed woods of Quebec's southern boreal forest. *Ecology*, 81, 1500–1516.
- Ebrahimpour, H., SalehiSadighiani, J., & Khalili, H. (2012). To study the relationship between organizational entrepreneurship and commercial performance of Tabriz Petrochemical Co. *Journal of Management Researches*, 4(13).
- Fahimifar, J., Valibeigi, H., & Abedinzadeh, M.R. (2004). To study the export competitiveness of the Automotive parts of Iran in export market. *Journal of Commerce*, 9(33), 155-194.
- Farsijani, H., FarzipourSaen, R., & Torabipour, M.R. (2011). To study and explain the role of entrepreneurship in the performance of the management of cold chain: case study of food industries. *Journal of Entrepreneurship Development Management*, 13, 89-108.
- Gholikhani, A. (2010). *Explaining the models of the role of entrepreneurship in economic development and presenting a conceptual model for Iran*. Iran's Small Industries & Industrial Parks Organization. P. 37.
- Hezarjaribi, J. (2003). Entrepreneurship development and graduates. *Journal of Research and Planning in Higher Education*, 30.
- Hosseini, Z. (2009). *To determine the level of the impact of market-oriented exports on the performance of exports in export manufacturing companies*, Thesis of master education, Mashhad's University of Ferdowsi, Department of Administrative Sciences, faculty of management.
- Hughes, M., & Morgan, R.E. (2007). Deconstructing the Relationship between Entrepreneurial Orientation and Business Performance at the Embryonic Stage of Firm Growth. *Industrial Marketing Management*, 36(5), 651-661.
- Moghimi, S.M. (2004). The influential factors on organizational entrepreneurship in organizations of the social and cultural services and public sectors. *Journal of Organizational Culture Management*, 7, 27-78.
- Nahid, Mojtaba. (2009). The what and why of entrepreneurship and organizational entrepreneurship in one glance, *Journal of Commercial Studies*, 34, 58-39.
- Ramooz, S., Javanmard, H. (2012). *To study the effect of information technology on the entrepreneurship culture and firm's performance: case study of the manufacturing firms of the city of Arak*. National Conference of Entrepreneurship and management of knowledge based businesses. Babolsar: North Torod research Co.
- Rhee, J. et al. (2010). Drivers of innovativeness and performance for innovative SMEs in South Korea: Mediation of learning orientation. *Technovation*, 30, 65–75.
- Sepehrdoost, H., & Motiee, S. (2011). The role of mental capital in the performance of the listed companies in Tehran Stock Exchange. *Economic Policies*, 7(17), 131-144.
- Su Q et al. (2008). The impacts of quality management practices on business performance: An empirical investigation from China. *International Journal of Quality & Reliability Management*, 25.
- Tajeddini, K. (2010). Effect of Customer Orientation and Entrepreneurial Orientation on Innovativeness: Evidence from the Hotel Industry in Switzerland. *Tourism Management*, 31(2), 221-231.
- Thompson, J. (1999). A strategic perspective of entrepreneurship. *International Journal of Entrepreneurial Behavior & Research*, 5(6).
- Utkulu, U., & Seymen, D. (2004). Revealed Comparative Advantage and Competitiveness: Evidence for Turkey vis-à-vis the EU/15.
- Ya'ghoobzadeh, S. (2010). *Freedom or limitations in organizational entrepreneurship*. Economic knowledge.
- Zheng, J., et al. (2009). Entrepreneurship and innovation: The case of Yangtze River Delta in China. *Journal of Chinese Entrepreneurship*, 1(2), 85-102.