CHAPTER VI

FINDINGS SUGGESTIONS AND CONCLUSION
6.0 Introduction

Although Iran’s agriculture has high potential for development, but, Iran has no more competitors in the world and even in some cases, Iran is the only producer without any competitor especially in food industries. Therefore, we have not reached the expected level in spite of all efforts. It should be reminded that Iran has such high potential in food industry that it could have a special status there (Porhashemi, 2012).

Entrepreneurship as a field of study is relatively young and it can help for solving agricultural problem (Cooper et al., 1997). Using entrepreneurship orientation in agricultural enterprises can create modern methods, new rules and completely different products instead of former methods of doing tasks and ways of offering products. Although effectiveness of activities is essential in global markets, they are not enough because the effectiveness of activities is no more a guarantee for superiority over the competitors. Nowadays, being in superior position needs fundamental changes in enterprises rules. These strategies can occur in supportive systems, or organizational structure, production policy, distribution and communication channels and other areas (Ahmedi and Allhyari, 2003).

Hence, an understanding of factors influencing entrepreneurial orientation in export of agricultural SMEs in Iran is crucial for creating the new business and encouraging the existing and new into more entrepreneurial activity.

6.1 Issues Studied and Analyzed

The research conducted a study on the role of entrepreneurship in export of fruits and vegetables in SMEs at Tehran province in Iran.

The important issues studied and analyzed by the researcher include, findings related to respondents Profiles, findings related to SMEs profiles, findings related to enterprise strategies, findings related to entrepreneurial orientation and findings related to export performance of SMEs.

6.2 Methodology Adopted

This research is a quantitative study which is conducted in fruits and vegetables SMEs of Tehran Province, Iran. Tehran province -the capital of Iran- was studied,
mainly because of the most recent formal national statistics published by Statistic Center of Iran (SCI) show that more than 27% of all SMEs in Iran are working in Tehran (Total number of provinces: 32).

The sample consisted of all exporter and non exporter SMEs of fruits and vegetables in Tehran. In total, there were 80 exporters and non-exporter SMEs of fruits and vegetables in Tehran. The survey involved face-to-face interviews and email for data collection based on a questionnaire prepared in December 2011.

To examine the reliability of the questionnaire, a pilot study was conducted on 15 out of 76 SMEs and Cronbach’s alpha for the items of Likert type scales were computed as 0.98. In this research, content and face validity were established by a group of export experts and SME’s experts.

We used Frequency, Percentage, Mean, Standard deviation, \( \chi^2 \) (Chi-square) test, Independent- Samples t-test, Friedman test, Analysis of Variance (ANOVA), Mann-Whitney test, Correlation, Kolmogorov-Smirnov test and Regression, the analysis was carried out using the "Statistical Package for the Social Sciences" (SPSS 20).

6.3 Summary of Findings

6.3.1 Summary of Findings Related to Respondents Profiles

- Data analysis regarding gender shows that the majority of the managers are male (71) and remaining five managers are female (Table 5.1).

- Regarding age groups, the largest age group is more than fifty years of age (32; 42.1). About 26.34% of managers fall in to the age group of forty to fifty. Nearly 12.15% of managers come under the age group of thirty to forty. Only 6 of them fall under twenty to thirty age group of managers (Table 5.2).

- Data analysis regarding level of education shows that the majority of the managers in exporter and non-exporter SMEs are bachelor (Table 5.3).

- Analysis concerning discipline shows that the highest segment of the respondents belong to Humanities and the lowest segment of the respondents belong to Agriculture (Figure 5.4).
• Data analysis shows that 76 respondents belong to the 4 disciplines and 16 fields of study. The highest segment of the respondents comes from management (Table 5.5).

• Data analysis regarding level of computer literacy shows that 85.5% of managers in exporter and non-exporter SMEs have 'Good' to 'Expert' computer literacy (Table 5.10).

• $\chi^2$ test shows that there is a significant relationship between the responses of respondents regarding frequency of level of computer literacy ($\chi^2$ value=12.34, $p=0.002<0.05$).

• The results show that most of the respondents in exporter SMEs are expert with the use of the Internet but the majority of the managers in non-exporter SMEs are good and expert with the use of the Internet (Table 5.11).

• $\chi^2$ test shows that there is a significant relationship between the responses of respondents regarding frequency of familiarity with the use of the internet ($\chi^2$ value=13.76, $p=0.001<0.05$).

• The results show that 61 respondents (80.3%) have Email and remaining respondents don’t have electronic address (Table 5.12).

• Data analysis shows that the majority of the frequencies in exporter and non-exporter SMEs are at the experience group of fifteen to twenty years (Table 5.13).

• The results show that the largest experience in export group is between 5-10 years (Figure 5.8).

6.3.2 Summary of Findings Related to SMEs Profiles

• Data analysis regarding experience of SMEs shows that the majority of the exporter SMEs covered for the study have more than 20 years of experience but in non-exporter SMEs those who have less than 5 years are more (Table 5.16).

• The results show that those who have more than 20 years export experience form 7 SMEs. Less than 5 to 10 years form 19 SMEs. Only 5 SMEs have 15-20 years of experience in export (Table 5.17).
• Data analysis shows that in total 346 males and 293 females were working in exporter SMEs and 293 males and 170 females belonged to non-exporter SMEs, of 1182 employees working in SMEs just 851 people are skilled and permanent (Table 5.19).

• Independent-Samples t-test indicates that exporter SMEs and non-exporter SMEs do not differ significantly regarding the number of employees in total (t=1.76, df=74, p=0.106>0.05), there is a significant difference between exporter and non-exporter SMEs in number of skilled employees (t=-1.76, df=74, p=0.03<0.05) and there is a significant difference between exporter and non-exporter SMEs in number of permanent employees (t=7.97, df=74, p=0.005<0.05) (Table 5.21 and Table 5.22).

• The data analysis indicates that majority of the employees are working in administration section in exporter and non-exporter SMEs and the minority of employees are working in promotion and R&D section (Table 5.23).

• Independent-Samples t-test shows that there is a significant difference between exporter and non-exporter SMEs in the number of employees working in production section (t=-6.93, df=74, p=0.001<0.05), there is a significant difference between exporter and non-exporter SMEs in the number of employees working in administration section (t=4.90, df=74, p=0.001<0.05), there is a significant difference between exporter and non-exporter SMEs in the number of employees working in marketing section (t=1.86, df=74, p=0.001<0.05), there is a significant difference between exporter and non-exporter SMEs in the number of employees working in promotion section (t=0.78, df=74, p=0.001<0.05) and exporter and non-exporter SMEs do not differ significantly regarding the number of employees working in R&D section (t=-0.061, df=74, p=0.786>0.05) (Table 5.24).

• The results show that nearly all of the respondents in exporter SMEs have website but in non-exporter, it is almost equal (Figure 5.14).

• Mann-Whitney test indicates that there is a statistically significant difference in exporter and non-exporter SMEs in all options of Applications of Website. In other words in “Introducing the Company Activities” (Z=-3.783, p=0.000<0.05), “Customer Service & Support” (Z=-4.733, p=0.000<0.05),
“Marketing” (Z=-3.933, p=0.000<0.05), “Communicating with Customers” (Z=-6.693, p=0.000<0.05) and “Communicating with Foreign Partners” (Z=-2.694, p=0.007<0.05), there is a statistically significant difference in exporter and non-exporter SMEs (Table 5.28).

- Mann-Whitney test shows that there is a statistically significant difference in exporter and non-exporter SMEs in 3 of 6 options of contact with customer. In contact with customer by mail (Z=-7.223, p=0.000<0.05), by fax (Z=-6.395, p=0.000<0.05) and by direct contact (Z=-2.404, p=0.016<0.05), there is a statistically significant difference in exporter and non-exporter SMEs (Table 5.31).

- The results of the Mann-Whitney test shows there is a statistically significant difference in exporter and non-exporter SMEs in 4 of 5 options of attracting new customer. In other words in “Advertising” (Z=-3.652, p=0.000<0.05), “Relationship” (Z=-3.096, p=0.002<0.05), “Direct Sales” (Z=-1.981, p=0.048<0.05) and “Participating in Exhibitions” (Z=-2.193, p=0.028<0.05) for attracting new customers, there is a statistically significant difference in exporter and non-exporter SMEs (Table 5.34).

- The result of the Mann-Whitney test indicates, there is a statistically significant difference in exporter and non-exporter SMEs in all options of services. In other words, in services like “Arranging Quick Transportation” (Z=-4.016, p=0.000<0.05), “Holding Quality Interaction with Customer” (Z=-3.843, p=0.000<0.05), “Providing Quality Customer Service and Support” (Z=-5.000, p=0.000<0.05), “Offering Lower Price” (Z=-5.264, p=0.000<0.05) and “Introducing Attractive Incentive Package Price” (Z=-6.460, p=0.000<0.05), there is a statistically significant difference in exporter and non-exporter SMEs (Table 5.37).

- In order to find out whether there is a difference between responses of respondents regarding frequency of level of export’s reasons, Friedman test shows, there is a significant difference between the responses of respondents regarding frequency of export’s reasons (F value=196.941, Sig=0.000<0.05).

- Data analysis concerning internal barriers shows that in exporter SMEs, marketing barriers (mean=1.67) have the highest frequency, functional barriers
(mean=1.44) and informational barriers (mean=1.42) have next ranks and in non-exporter SMEs, informational barriers (mean=4.75) have the highest frequency, functional barriers (mean=4.66) and marketing barriers (mean=3.95) have next ranks. Data analysis concerning external barriers shows that in exporter SMEs, governmental barriers (mean=4.31) have the highest frequency, environmental barriers (mean=3.78), task barriers (mean=3.35) and procedural barriers (mean=3.17) have next ranks and in non-exporter SMEs, task barriers (mean=4.81) have the highest frequency, governmental barriers (mean=4.7), procedural barriers (mean=4.6) and environmental barriers (mean=4.48) have next ranks (Table 5.39 to 5.46).

- Independent-Samples t-test shows that exporter and non-exporter SMEs do not differ significantly regarding the internal barriers ($t=-37.361$, df=74, $p=0.091>0.05$) but results show that there is a significant difference between exporter and non-exporter SMEs in the external barriers ($t=-17.047$, df=74, $p=0.048<0.05$) and total export barriers ($t=-39.642$, df=74, $p=0.002<0.05$) (Table 5.47 and Table 5.48).

6.3.3 Summary of Findings Related to Enterprise Strategies

- The findings indicates that marketing strategy has the highest mean score (mean score =4.91) and production strategy has the lowest mean score (4.24), export strategy (mean score=4.75) and financial strategy (mean score=4.48) have second and third ranks in exporter SMEs. In non-exporter SMEs, marketing strategy has the highest mean score (mean score =4.53) and financial strategy has the lowest mean score (2.8), export strategy (mean score=3.97) and production strategy (mean score=2.86) have second and third ranks in enterprise strategies (Table 5.49 to 5.56).

- The results of Independent-Samples t-test show that there is a significant difference between exporter and non-exporter SMEs in the 3 of 4 options of Enterprise Strategies, Production Strategies (Sig=0.005), Export Strategies (Sig=0.021), Marketing Strategies (Sig=0.048) and Enterprise Strategies in total (Sig=0.023). The results also show that exporter and non-exporter SMEs do not differ significantly regarding the Financial Strategies (Sig=0.076) (hypothesis 1).
6.3.4 Summary of Findings Related to Entrepreneurial Orientation

- The findings indicates that Pro-activeness has the highest mean score (mean score = 4.11) and Competitive Aggressiveness has the lowest mean score (3.74), Innovativeness (mean score = 3.9), Risk Taking (mean score = 3.85), and Autonomy (mean score = 3.76) have second, third and fourth ranks in exporter SMEs. In non-exporter SMEs, Autonomy has the highest mean score (mean score = 3.22) and Risk Taking has the lowest mean score (2.17), Pro-activeness (mean score = 3.14), Competitive Aggressiveness (mean score = 2.76), and Innovativeness (mean score = 2.46) have second, third and fourth ranks in Entrepreneurial Orientation (Table 5.59 to 5.68).

- The results of Independent-Samples t-test clearly show that, in Pro-activeness (t=4.559, df=74, p=0.007<0.05), Autonomy (t=2.202, df=74, p=0.014<0.05) and Competitive Aggressiveness (t=4.276, df=74, p=0.003<0.05), there is a significant difference between exporter and non-exporter SMEs. The results also show that exporter and non-exporter SMEs do not differ significantly in Innovativeness (t=6.632, df=74, p=0.614>0.05), Risk Taking (t=7.160, df=74, p=0.703>0.05) and Entrepreneurial Orientation in Total (t=5.178, df=74, p=0.347>0.05) (hypothesis 2).

- Data analysis of ANOVA test shows that there is a significant difference among level of Familiarity with the Use of the Internet and all options of Entrepreneurial Orientation. Innovativeness (F value=11.71, df=3,1288, p=0.000<0.05), Risk Taking (F value=8.184, df=3,1288, p=0.000<0.05), Pro-activeness (F value=4.758, df=3,1288, p=0.004<0.05), Autonomy (F value=4.834, df=3,1288, p=0.004<0.05), Competitive Aggressiveness (F value=4.704, df=3,1288, p=0.005<0.05), Entrepreneurship in Total (F value=7.049, df=3,1288, p=0.000<0.05) (Table 5.71).

6.3.5 Summary of Findings Related to Export Performance of SMEs

- Data analyze regard to export performance shows that calculated mean score for these options are from 3.07 to 2.77. Mean score of “Expanded Operations” as the highest score for export performance has a mean above 3 among other options. Data analysis shows that “Satisfactory of Overall Performance” (mean score = 3.00), “Rapid Growth in Export Activities” (mean score = 2.95),
“Profitable of Export Market” (mean score=2.89) and “High Volume of Sales in Export Market” (mean score=2.77) have next ranks, respectively (Table 5.72).

- The results of the Correlation test show that there is a significant relationship between Export Barriers and Export Performance. But the negative sign of P indicates that Export Performance is inversely proportional to the all Export Barriers variables (Internal barriers, External barriers and Total barriers). Internal Barriers (p=-.810, Sig=.000), External Barriers (p=-.312, Sig=.039) and Export Barriers (p=-.779, Sig=.000) (hypothesis 3).

- In order to find out whether there is a relationship between SMEs Strategies (Export Strategy, Marketing Strategy, Production Strategies and Financial Strategies) and Export Performance, Multiple Regression analyses were applied. In this case, the variables such as Production Strategies, Export Strategies, Financial Strategies and Marketing Strategies as predictors and Export Performance were entered into the regression equation with the enter method. The multiple coefficients of correlation was 0.92 and the adjusted multiple coefficient of correlation or coefficient of determination to explain the variance of dependent variable was 0.84 and indicates that independent variables were able to explain 84 percent of changes in dependent variable (table 5.76). The one way analysis of variance (ANOVA) was performed for determining the meaningfulness of regression. Result shows that the total model of regression was statistically significant $F (4,39) = 57.387$, $P<0.000$(Table 5.77). The regression coefficients indicate that which independent variables are more important to explain the changes in dependent variables. Results show that just Export Strategies with the magnitude Beta of 1.476, $t=2.678$, $P=.011$ was the predictor of export performance (table 5.78) (hypothesis 4).

- In order to find out whether there is a relationship between Entrepreneurial Orientation (Innovativeness, Risk Taking, Pro-activeness, Autonomy and Competitive Aggressiveness) and Export Performance, Multiple regression analyses were applied. In this case, the variables such as Innovativeness, Risk Taking, Pro-activeness, Autonomy and Competitive Aggressiveness as
predictors and Export Performance were entered into the regression equation with the enter method. The multiple coefficients of correlation was 0.99 and the adjusted multiple coefficient of correlation or coefficient of determination to explain the variance of dependent variable was 0.97 and indicates that independent variables were able to explain 97 percent of changes in dependent variable (table 5.81). The one way ANalysis of VAriance (ANOVA) was performed for determining the meaningfulness of regression. Result shows that the total model of regression was statistically significant $F (5, 38) = 283.704, P<0.000$(Table 5.82). The regression coefficients indicate that which independent variables are more important to explain the changes in dependent variables. Results show that Competitive Aggressiveness with the magnitude Beta of 0.650, $t= 4.66, p<0.001$; Risk Taking with the magnitude Beta of 0.76, $t= 3.94, p<0.001$; Autonomy with the magnitude Beta of 0.54, $t=2.55, p<0.05$; and Pro-activeness with the magnitude Beta of 0.55, $t= 2.50, p<0.05$ were the predictors of Export Performance respectively (table 5.83) (hypothesis 5).

6.4 Recommendations and Suggestions

In the light of the findings of the study, as well as respondents' feedback, the following suggestions are made for improving the entrepreneurship among managers of SMEs.

- Establish a Ministrial Council for concerted, coherent and coordinated actions for SME development in the country;
- Establish an organization to perform the following training activities in promoting export.
  - Training of exporter and non-exporter SME’s for implementation of effective and efficient entrepreneurship in export,
  - Training of exporter and non-exporter SME’s for implementation of effective and efficient Strategies in export,
  - To increase the ability of SME’s to overcome the export barriers.
- Convert experimental Business and Innovation R&D Technology Transfer Centers into strong export supporting units for SMEs;
Formalize networks for academics, management practitioners, entrepreneurs, venture capitalists and angel investors to connect through various online and face-to-face opportunities to build the foundations of graduate school in business and management;

- Synthesize and integrate information, thereby crystallizing the strategic issues facing the company and setting the stage for strategic change;
- Facilitate adaptability by altering the formal structure; and implementing the formal strategy and providing feedback;
- Work with vendors, observe the market and analyze the competition;
- Enhance the quality of education in management and entrepreneurship in Iran;
- Provide opportunities for professional interaction between and among academics, practitioners and students in the field of management and entrepreneurship;
- Conduct intensive management and entrepreneurship workshops, Seminars, Web-Seminars, Conferences, Journal publication;
- Improve access for entrepreneurs to relevant and needed information;
- Starting an entrepreneurship development programme;
- Promote autonomous or informal corporate entrepreneurial activities;
- Provide rewards that allow employees to experiment with, and explore the feasibility of innovative ideas;
- Using different approaches to make the organizational structure less resistant to change thereby allowing corporate entrepreneurial activities to flourish;
- The firms in fruit and vegetable SMEs should be given an enhanced entrepreneurial orientation for better export marketing performance in terms of growth in sales.

6.4.1 Suggestions for Further Research

Based on the present study, the following areas are identified for further research.
The present study involved only fruit and vegetable SMEs in Tehran, future studies can concentrate on other SMEs in Tehran or other SMEs in other cities in Iran;

- A comparative study could be done on SMEs in other Asian countries;
- The same study can be done with different method in large enterprises; and
- Studies on export in SMEs and entrepreneurial activities should be conducted.

6.5 Conclusion

This study investigated the role of Entrepreneurship in export of fruits and vegetables in SMEs at Tehran province in Iran. The population of this study was the managers of SMEs in Tehran province. Comprehensive information was obtained through a well-structured questionnaire and informal interview, which involved several parts.

This research supports the general trend seen in the literature review, showing that, the overall attitude towards the entrepreneurial orientation among exporter SMEs were very positive. The results obtained in this research also indicate that, there are significant relationships among Strategies with export performance. Although the entrepreneurial orientation and strategies at exporter SMEs under study was well established, there is a need to increase the entrepreneurial orientation in non-exporter SMEs and other SMEs in Iran.

This survey has served as benchmark use of entrepreneurial orientation in fruit and vegetable SMEs in Tehran. It is hoped that the results of this study enable the SMEs to evaluate their situation according to the use of entrepreneurial orientation effectively.