
An Investigation of Entrepreneurship Factors Role on Financial Independence of Female Entrepreneurs in Mazandaran Province

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ABSTRACT

Women in the developing countries are considered the prime hope for promotion of families and growth and development of their countries. Success of entrepreneur women in these communities not only leads to economic benefit but also provides social and cultural benefits. The present research aims to study the role of psychological factors on entrepreneurship and financial independence of entrepreneur women of Mazandaran Province. Research method is of library and field type. Statistical population consists of 1000 entrepreneur women holding a technical and vocational skills certificate in different fields. Then, upon collecting the questionnaire containing 48 questions and analyzing the said questions, research hypotheses were tested. Findings have revealed that there is a direct and indirect meaningful relationship between all tangible variables of learning spirit, inner control, independence at work, risk-taking, creativity, innovation, determination and perseverance and intangible variable of entrepreneurship and financial independence of women. Moreover, all variables of learning spirit, inner control, work independence, risk-taking, creativity, innovation, determination and perseverance on entrepreneurship and financial independence of women of Mazandaran Province. Finally, it has concluded about what subjects involved authorities and managers should be more concerned for more development of the said Province.

Keywords: Psychological, Entrepreneurship, Financial Independence and Mazandaran Province.

Introduction

The concept of entrepreneurship is increasing being developed and entrepreneurship of women is a specific type

and is concerned all over the world. Many researchers do believe that entrepreneurial activities taken by women play a prominent

role in promotion of families and growth and development of their countries. Success of entrepreneur women not only makes economic profits, but also brings about social and cultural benefits. Nowadays, all nations and international organizations have come up with this conclusion that development of entrepreneurship by women has a positive and direct effect on many different activities of nations accordingly. On the one hand, it leads to economic development and creates occupational opportunities and also it causes improvement of social and cultural conditions, health of women and that of their families, on the other hand. Women in developing countries are the primer hope for promotion of families and growth and development of their countries as well.

Due to necessity for promoting the share of women in national economy, main and self-motivated approach of society for overcoming existing problems and crises is to be concerned about entrepreneurship through which young ladies, especially university graduates will be encouraged to launch independent businesses and by creating occupational opportunities for themselves and others, they will offer such pattern as mentioned above and then they will put an end to current problem of the society i.e. unemployment (Golgard, 2005).

It is necessary to pay attention to aptitude and role of women in development of nations. During economic crises and by adopting certain policies and benefiting from women workforce, many governments could conquer crises of their society and succeed in the course of development. However, entrepreneur women in many developing countries face various and serious obstacles impeding their success in economic activities. Economic activities of women in the world and their direction toward entrepreneurial activities are associated with many reasons such as unemployment, independence, income earning, low salary and

dissatisfaction with their previous job (Hashemi and Pour Amin Zad, 2010). Different studies have been conducted about the effective factors on success and failure of entrepreneurship process and psychological characteristics of success-seeking, risk-taking, confidence, pragmatic, independence, inner control center, entrepreneurship process and the ones. However, the effect of psychological characteristics on entrepreneurship process is the subject, which does require more practice and study in the future as well. Thus, the aim of this research is to designate and to explain the role of psychological characteristics of entrepreneurs including determination and perseverance, creativity and innovation, risk-taking, independence at work, inner control and learning spirit in entrepreneurship and financial independence of women across Mazandaran Province.

Research Background

In a study entitled "a survey on the role of home-based businesses in the development of women's employment and entrepreneurship", it is acclaimed that one of the most important criteria to assess the degree of development across a country is the extent to which women have importance and validity within that country.

This paper intends to define the role of home-based businesses in the development of women's employment and entrepreneurship in a new way using new thoughts and ideas.

Further, this paper intends to conduct a concise economic analysis grounded on the topic of development in order to define the relationship between the position of women and development and their participation influence as half of the active forces in economic activities, aiming at realizing development and social justice (Larijani and Shaebaninejad, 2010).

A paper aimed to examine the educational needs of rural women in Ilam city on the basis of entrepreneurial skills provided as a survey study, whereby the results from its findings show that a significant relationship exists among the variables of education status, personal skills, participatory characteristics and psychological characteristics at 99% confidence level, where a significant relationship exist between age and entrepreneurial skills of rural women at 95% confidence level. No significant correlation exists among "other independent variables such as marital status and family income" and the dependent variable. Results of regression analysis showed that, in viewpoint of rural women, personal skills, participatory characteristics and psychological characteristics affects defining the component of entrepreneurial skills (Roshani& Tarjoman, 2010).

In a study entitled " Women, migration and entrepreneurship in Spain", discussions have been proposed, indicating that Social, political and academic interests within entrepreneurship have been increased over the decades. Implementing a quality model based on a semi-structured interview used in this research whereby psychological gender in examining the entrepreneurial gender of 52 migrant women who were living in Spain was scrutinized. Using their certificate, present paper has reported a wide range of the reasons which lead to establishing business among migrant women, where the most conventional features and strategies of self-employment appear in such situation; while this can lead to social and personal consequences stemmed from entrepreneurial behavior and how the entire process associated to female gender can be defined (González et al, 2011).

In a study entitled " Evaluation of criteria and factors affecting business development and entrepreneurship of women in Iran; case study: Gilan Province" besides providing an

in-depth model of women entrepreneurship development, it has been attempted to determine the most important indices and factors affecting how to recognize the relationship between variables.

The results from findings of this study show that a significant relationship exists between entrepreneurial women and the preliminary communicative network where environmental factors of the country are not accounted as desirable conditions to develop business for women, reporting that Iranian women encounter serious environmental barriers in developing entrepreneurship (Hashemi and Pooraminzade, 2010).

Research Hypothesis

Main Hypothesis

What are the psychological factors affecting women entrepreneurs' entrepreneurship and financial independence within Mazandaran province?

Sub-Hypotheses

How is the role of determination and perseverance on entrepreneurship and financial independence?

How is the role of creativity and innovation on entrepreneurship and financial independence?

How is the role of risk taking on entrepreneurship and financial independence?

How is the role of independence on entrepreneurship and financial independence?

How is the role of internal control on entrepreneurship and financial independence?

How is the role of learning spirit on entrepreneurship and financial independence?

Methodology

Considering that this research is aiming at study of the effective psychological factors on entrepreneurship and financial independence of entrepreneur women of Mazandaran Province, statistical population of this research consists of entrepreneur women in Mazandaran Province. The entire 252 individuals of the said statistical population are women. In other words, the members of the said sample are all women (by 100%) from among whom 75 persons are single and the rest of 177 persons are married. It means that the statistical sample consists of about 30% as single and 70% as married persons.

The means used for collecting research data were referral to corresponding documents and questionnaire. It should be pointed out that regarding management researches in Iran, it is more likely that questionnaire may realize information needs of researches (Azar, 1994 page 28). After extracting collected data and analysis of the said data, explanation of questions (hypotheses) was conducted through relevant statistical test such as Chronbach Alpha Test and Binomial Test and structural equations and quite a few other tests were conducted as the case might require. Statistical software used in this research for analysis was SPSSwin, Lisrel and Excel.

Validity and reliability of assessment means (questionnaire) are met through review of subject literature of this research and extraction of variables which are actually specialists and experts (Bazargan *et al.*, 1998-171). In order to determine validity and reliability of the questionnaire, Chronbach Alpha Test has been used. This method is usually used in most researches. The result of Chronbach Alpha Test reveals that according to Chronbach Alpha coefficient calculated herein this research (Alpha=0.95) is higher than 0.70, it is concluded that H_0 is confirmed. This means that reliability of the

questionnaire of this research is at acceptable level.

Data Analyses

Structural Equations Test (Confirmation Factor Analysis) of Variables Subject of study

Since RMSEA is less than 10% (RMSEA=0.023), Goodness Fit Index (GFI) is higher than 0.9 (GFI=0.95), it may said that the said model enjoys good fitness of real world data (Hooman, 2005) *i.e.* on a whole the entire model is confirmed.

Relying on T-Value, there is a direct and indirect meaningful relationship between all tangible variable of spirit of learning, inner control, independence at work, risk taking, creativity, innovation, determination and perseverance and intangible variable of entrepreneurship and financial independence of women.

Direct and indirect effects of variables of spirit of learning, inner control, independence at work, risk taking, creativity, innovation, determination and perseverance with entrepreneurship and financial independence of women are as follows according to structural equation model:

Direct Effects

$$Y = 5.42 V2.1 + 7.34 V2.2 + 9.68 V2.3 + 5.22 V2.4 + 10.60 V2.5 + 10.47 V2.6$$

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Indirect Effects

$$V2.1 = 0.48V2.2(0.18 V2.1) + 0.66V2.3(-0.17 V2.1) + 0.45V2.4(0.24 V2.1) + 0.66V2.5(-0.01 V2.1) + 0.73V2.6(0.00 V2.1)$$

Spirit of learning

$$V2.2 = 0.33V2.1(0.18 V2.2) + 0.66V2.3(0.04 V2.2) + 0.45V2.4(0.03 V2.2) + 0.66V2.5(-0.11 V2.2) + 0.73V2.6(-0.05 V2.2)$$

inner control

$V2.3 = 0.33V2.1(-0.17 V2.3) + 0.48V2.2(0.04 V2.3) + 0.45V2.4(-0.14V2.3) + 0.66V2.5(0.08 V2.3) + 0.73V2.6(0.10V2.3)$
 independence at work
 $V2.4 = 0.33V2.1(0.24 V2.4) + 0.48V2.2(0.03 V2.4) + 0.66V2.3(-0.14 V2.4) + 0.66V2.5(0.02 V2.4) + 0.72V2.6(-0.06 V2.4)$
 risk taking

$V2.5 = 0.33V2.1(-0.01V2.5) + 0.48V2.2(-0.11 V2.5) + 0.66V2.3(0.08 V2.5) + 0.45V2.4(0.02 V2.5) + 0.73V2.6(0.04V2.5)$
 creativity and innovation
 $V2.6 = 0.22V2.1(0.00V2.6) + 0.48V2.2(-0.05 V2.6) + 0.66V2.3(0.10 V2.6) + 0.45V2.4(-0.06 V2.6) + 0.66V2.5(0.04 V2.6)$
 determination and perseverance

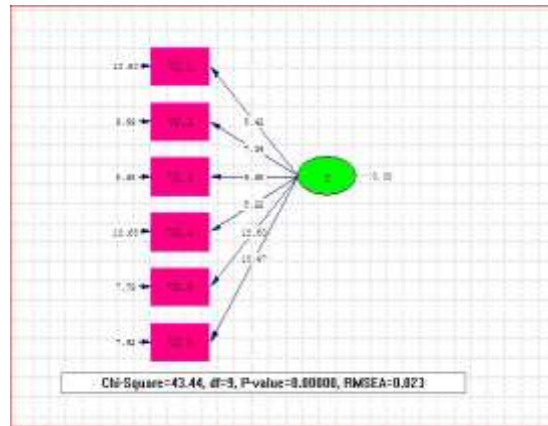


Figure 1. T-values of Structural Equation Model

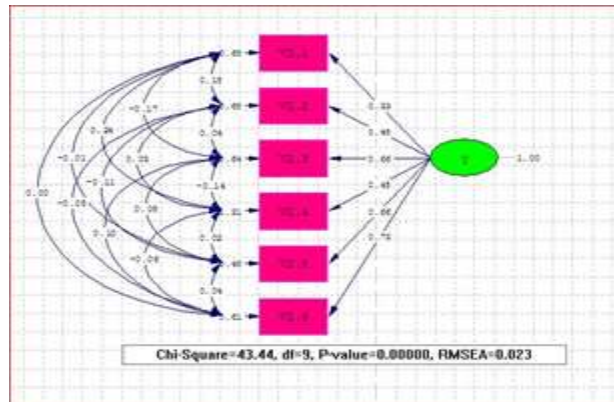


Figure 2. Estimated Model of Structural Equation

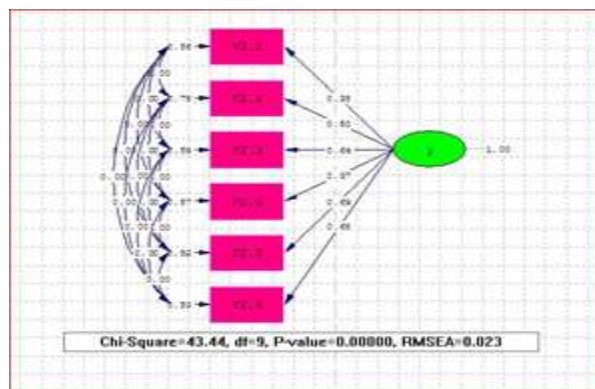


Figure 3. Standard Model of Structural Equation

Student T-Test of Variables, Subject of Study

According to the following Student T-Test and since research hypotheses are directed, and measurement scale interval (1-10), minimum acceptable average for accepting

hypotheses is given as 70% *i.e.*, 7. Although the said figure is acceptable for values of 0.60 and even 0.55 (66, 67), the following table indicates results of tests conducted in this regard:

Table 1. Results of student t-test of six hypotheses

Hypotheses	Confirmation or non-confirmation of H ₀	Student T-Test					
		t	Df	Sig (2-tailed)	Index figure= 7 Acceptance level of H ₀ =Ts >-1.64 Mean difference	Reliability Space %95	
						Low limit	High limit
Spirit of learning	Confirmed	22/603	251	0/000	1/1817	1/0787	1/2864
Inner control	Confirmed	17/945	251	0/000	0/8250	0/7344	0/9155
Independence at work	Confirmed	22/250	251	0/000	1/1179	1/0190	1/2169
Risk taking	Confirmed	11/670	251	0/000	0/7692	0/6394	0/8990
Creativity and innovation	Confirmed	24/607	251	0/000	1/2406	1/1413	1/3399
Determination and Perseverance	Confirmed	28/844	251	0/000	1/5184	1/4147	1/6220

Results of this research have revealed that there is a direct and indirect meaningful relationship between all tangible variables of spirit of learning, inner control, independence at work, risk taking, creativity, innovation, determination and perseverance and intangible variable of entrepreneurship and financial independence of women. Moreover, all variables of spirit of learning, inner control, independence at work, risk taking, creativity, innovation, determination and perseverance have been effective in entrepreneurship and financial independence of women of Mazandaran Province.

Research Findings

The result of t-test associated to the variable of spirit of service-learning is t=22.603, *i.e.*,

the hypothesis is grounded on the point that learning spirit affects entrepreneurship and financial independence is confirmed.

The result of t-test associated to the variable of internal control is t=17.945, *i.e.*, the hypothesis is grounded on the point that internal control affects entrepreneurship and financial independence is confirmed.

The result of t-test associated to the variable of independence is t=22.250, *i.e.*, the hypothesis is grounded on the point that independence affects entrepreneurship and financial independence is confirmed.

The result of t-test associated to the variable of risk taking is t=11.670, *i.e.*, the hypothesis is grounded on the point that risk taking affects entrepreneurship and financial independence is confirmed.

The result of t-test associated to the variable of Creativity and Innovation is $t=24.607$, *i.e.*, the hypothesis is grounded on the point that Creativity and Innovation affects entrepreneurship and financial independence is confirmed.

The result of t-test associated to the variable of determination and perseverance is $t=28.844$, *i.e.* the hypothesis is grounded on the point that determination and perseverance affects entrepreneurship and financial independence is confirmed.

This paper intends to investigate the psychological factors affecting women entrepreneurs' entrepreneurship and financial independence within Mazandaran province using the variables of determination and perseverance, creativity and innovation, risk taking, independence, internal control, learning spirit. The results from the findings showed that the entire variables of determination and perseverance, creativity and innovation, risk taking, independence, internal control, learning spirit affect women entrepreneurs' entrepreneurship and financial independence within Mazandaran province.

Effective Factors

Importance of Entrepreneur Women

One of the most significant criteria for assessment of degree of development of a nation is extent of importance and credibility attached to the women in the respective nation. Thus, if women are regarded as active and constructive forces, they shall definitively have a great effect on qualitative and quantitative promotion of human force of the respective society. Presently, 1/2th of the 2/4 Milliard population of workforce across the world consists of women (Statistics Calendar-2005).

Increasingly growth of workforce offer in the nation in the recent years has led to remarkable growth of unemployment rate,

especially among young people, women and educated persons. Nevertheless, for the first time in the Iran's nation we face a huge group of women, who are illiterate and even they are highly educated contrary to the last periods. Although in the recent years, more than 64% of participants, who are admitted to universities, consist of women and girls, rate of unemployment was given as 16.7% in 2005. This indicates that women have a trivial share of labor market (Statistics calendar- 2005). Participation of women in labor market is even lower than the aforesaid rate in quite a few developing countries such as Algeria, Egypt, Pakistan and Turkey (Kia and Ahmadzadeh, 2009).

Determination and Perseverance

Determination and perseverance of an entrepreneur is another evident characteristic of the said person, which creates energy and commitment for achieving success. Determined entrepreneurs discard fresh ideas, and other job applications and opportunities and instead, they remain committed to type of work that they have chosen. This determination indemnifies entrepreneurs harmless against probable doubt and indecision during startup process to the extent that disagreement of relatives shall not disturb their determination. Instead, doubt and indecision of others is affected by such determination.

Creativity and Innovation

It means that an entrepreneur is creative. Whenever creativity is transmitted from mind to action, it results in innovation. Innovation means travelling untaken path and the one who travels this way is the first person who may bring news about jeopardy for others. Creativity is defined as novel and appropriate solutions in any realm of activity of mankind. Also, reeducation means implementation of the said novel and appropriate ideas (Ghasemzadeh, 2001) as

well. In other words, creativity means creating the ideas leading to promotion of efficiency and effectiveness of a system. Creativity enjoys two major aspects: Process and Individuals. Process is designed in order to achieve the solution of a problem. Individuals are also considered as the resources determining the solution as well.

Risk-Taking

An entrepreneur takes risk as well. Instead of waiting for a guaranty of a successful ending, the entrepreneur relies on his own thoughts and endeavors. He attacks problems and proceeds accordingly. It means that the entrepreneur is not passive. He enjoys an invasive spirit for appreciating the future. The moment when he makes the onset decision is the time when he faces a risk or jeopardy. But an ambiguity about an unknown ending overcasts each step taken on this path. It means that the entrepreneur is able to tolerate the ambiguity. Also, he must be capable of working hard under stressful conditions i.e. in spite of high pressure; the entrepreneur maintains his efficiency as well.

Independence at Work

In order for an entrepreneur to be able to realize what he is thinking about and to materialize his determination, he must be self-employed. It means that the entrepreneur does need independence. His dynamic mind defeats predetermined borders and common format. Despite the fact that the entrepreneur sees something which is also seen by others, he thinks something which others don't.

Inner Control

Wish is something which exists today, but, it may not exist tomorrow. It is the first thing which breaks solidity of the entrepreneur. It means that the entrepreneur is wishful. What

determines direction and path for the entrepreneur to realize his wishes emerges through such wishes. His determination for moving forward or getting stopped and taking or not taking an act by the entrepreneur is not emerged due to conditions, the environment or other persons, who are around him. It means that the entrepreneur enjoys inner control.

Spirit of Learning

Studies of researchers reveal that many characteristics of entrepreneurs are acquirable. Thus, specialized training courses are planned for entrepreneurs. The ultimate goal of these courses is to educate the persons of great self-confidence, who recognizes opportunities well and on a whole, the said courses educate individuals who have a great tendency toward launch independent businesses. The main goal of promotion of entrepreneurship is actually to educate the persons, who are greatly self-confident and are fully aware about opportunities and on a whole, to educate individuals are highly motivated to startup fresh businesses. In fact, the aim of different educational courses is to educate learners as founders during their education period. Academic studies lead the youth to attain fundamental skills. Achieving expertise knowledge in different fields, the youth shall make diligence toward renovation of the society. Nowadays, the more young people enjoy higher expertise, the more they will be efficient and productive.

Discussion and Conclusion

One of the most significant criteria for assessment of development extent of a nation is significance and reliability attached to women in respective nation. Thus, a woman is regarded as active and constructive force; she shall definitely have a great effect on development process and qualitative and quantitative increase of human force of

respective society. Consequently, entrepreneur women have a great interest in learning fresh skills and a tendency toward experiencing new jobs. Technical and vocational organizations or other corresponding organizations may setup different training classes proportionate to today's markets and establish suitable grounds for creating fresh jobs for the women who are interested in self-employment.

Concerning the fact that self-employment and entrepreneurship of women are effective in their financial independence, the ladies who are interested in entrepreneurship should be more inclined to learn fresh skills so that they will make progress consistent with modern technology. Entrepreneurship is gravity center of work, endeavor and progress in modern era and is recognized as a key factor for growth and motive force for economic development accordingly. Thus, responsible authorities should create more social and employment opportunities especially for women and assist with development of activities in different vocational fields to a great extent. Since inner control is one of effective psychological factors on entrepreneurship and financial independence of entrepreneur women, for advancement of activities of the women, who are interested in entrepreneurship for themselves and also for others, they should assist with coordination of their activities, manner of management and decisions. Responsible authorities may provide suitable grounds for self-employment and promotion of entrepreneurship for women in Iran and also help them with intellectual independence and seeking independence in management of affairs by women so that these women may terminate the problem of the society i.e. unemployment through entrepreneurship and creating job opportunities for themselves and also for others.

Suggestions

Any research answers research questions and also it provides a ground for propounding more fresh questions. In this section, the following cases are suggested for further researches:

Explaining the role of psychological factors on entrepreneurship and financial independence of entrepreneur women of Mazandaran Province using other variables
Review of obstacles for entrepreneurship by women in Mazandaran Province

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