

Descriptive Framework for Entrepreneur's Capabilities

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Abstract— This paper is a part of an PhD research effort to employ an empirically-based development taxonomy for smaller and medium enterprises (SMEs) aim to develop an understanding framework for the SME potential to success within which governments be able to benchmark and relate it to the benefit to the region to adopt their policies. Data from 321 SME entrepreneurs in Iran gathered and attempts to descriptive analyze the Iranian SME entrepreneur's capabilities.

Index Terms— SME, entrepreneur, Iran, performance.

I. INTRODUCTION

Dynamic environment face SMEs to the numerous challenges [1-2] and their capable entrepreneurs play a very great role in this SME challenges [3-4]. Entrepreneurs create SMEs and they are responsible for problem solving and short-term and/or long-term decisions makings for the business [4]. In some studies conducted on the common problems of SMEs, the lack of managerial expertise is the t reported [5-6]. Also this problems can be resulted from entrepreneurs having relatively low level of formal education and limited training in new management principles and practices [7]. Many other studies have acknowledged various ranges of factors that are attributable to the SME performance of an entrepreneur. To follow our previous studies [3, 8] in which six internal SME performance drivers have been identified; work experience and the level of formal education and educational field of SME entrepreneurs; also training managerial courses that he/she attend and entrepreneur's age, gender. This paper proceeds with the driver categorized as SME entrepreneur's characteristics included for this study.

The objective of this study was: To probe an understanding framework for entrepreneur's capabilities in Iranian SMEs potential. This study help Iranian government to determine the level of their SME potential to success and join it with the strategies related to the SME development. And the result develops a benchmark for other countries for their SME supportive strategies.

II. METHODOLOGY

In a survey using Karami's [4, 9] developed data collection

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instrument for SMEs Iran, 321 completed questioner collected. SMEs of the survey were randomly selected from list of industrial park organization of Iran [10]. Descriptive statistics used for analyzing the data collected from entrepreneurs of selected SMEs to examine the general characteristics entrepreneur's characteristics in Iranian SMEs. All analysis conducted package of statistical program for social scientists (software version 18.0) prepared by University Putra Malaysia.

III. RESULTS

Females participation were only 14.1% of This result confirms that, most of the SMEs entrepreneurs in Iran are men. Our sample shows number of men who occupied SME entrepreneurship in Iran is about 6 times more than females in the same position.

The analysis of the data shows that the Iranian respondents age ranged from maximum 67 to minimum 21 years old. Mean of entrepreneur's age in respondents were 38.12 years (StD=9.8) while majority of female respondents (about 60%) were younger than average. Fig. 1 presents the distribution of age for research respondents.

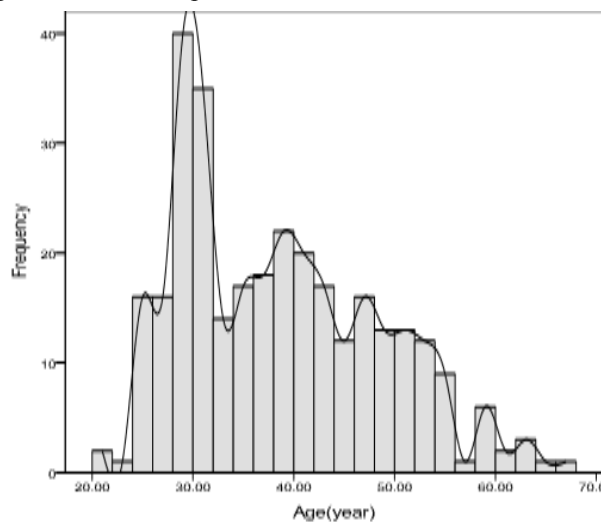


Fig. 1. Age distribution

We categorized the respondents age into three groups; first group (younger than 40 years old) which 59% respondents were in this group; second group (between 40 and 50 years old) which 25.4% of the respondents reported their age in this group; and third group (older than 50 years old) with the rest of respondents (5.6%);(see fig 2.).

To propose that work experience of entrepreneurs is highly correlated to their age, the cross tabulation of age and work experience of respondents is shown in Table 1.

Average number of years work experience in the study result was 15.9 years. The result shows 49.2% of entrepreneurs had 10 years work experience or less years of

work experience. 22.1% of respondents were ranged in the group of between 10 years to 20 years of work experience. Also from the result it realized that 0.9% of respondents were in last group ranged at least 40 years of work experience. Respondent's distribution of work experience categories is presented in Fig 3.

Next performance driver for smaller businesses is entrepreneur's educational background. level of respondents education had divided into forth categories; first category up to diploma, second category for post diplomas, third category for undergraduates, and final category for master degrees and PhDs. 53% of respondents in Iran have bachelor ,16.5% of them were in second category of education as it was post diploma degree, 15.2% of the respondents reported that they have diploma or lower degrees. The postgraduate with 15.2% was the forth category share (see Fig 4.).

In order to explore educational background of the entrepreneurs, five groups were categorized. Engineering and technology group of educational field included over half of respondents. Table 2 presents the cross tabulation of educational level and educational field of SME entrepreneurs.

Final part is to check if entrepreneurs have had any managerial trainings. In this regards respondents reported that they have attended forms of management training program, while 70.1% of respondents reported that they have attended managerial training programs, the rest have not attend any training. It is good to mention that in Iran some training are free of charge for SME entrepreneurs. This training programs reported here are different from those of the formal degree offered in management. However, from details it was realized that all the respondents with a formal degree in management, answered Yes to this question. As Fig 5 shows, comparison between females and males is sample group shows that males were more interested to pass managerial trainings.

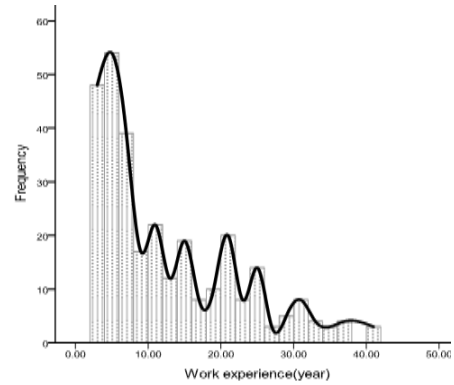


Fig. 3. Work experience distribution

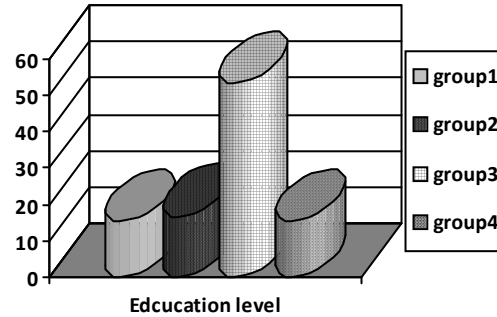


Fig 4. Education background chart

TABLE 2. THE CROSS TABULATION OF EDUCATIONAL LEVEL AND EDUCATIONAL FIELD

Educational level	Field of study				
	Management	Engineering	Technology	Science	Others
Up to diploma	0.3%	0.3%	3.4%	1.4%	6.5%
Post diploma level	0.3%	3.1%	10.2%	7%	2%
Bachelor degree	9.2%	38.1%	1.4%	2.7%	4.4%
Postgraduate degree	6.5%	6.5%	0.3%	2%	7%

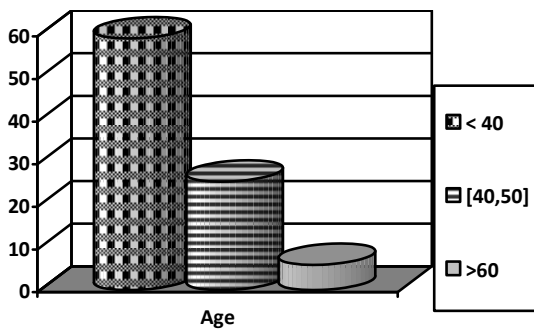


Fig. 2. Age histogram

TABLE1. THE CROSS TABULATION OF AGE AND WORK EXPERIENCE

Age	Work experience of respondents					Total
	<= 9	10-19	20-29	30-39	>= 40	
<=39	45.8%	11.8%	0.7%	0%	0%	58.2%
40-49	5.1%	10.4%	10.4%	3%	0%	26.3%
50-69	1.3%	1.3%	5.7%	6.1%	1%	15.5%
Total	52.2%	23.6%	16.8%	6.4%	1%	100%

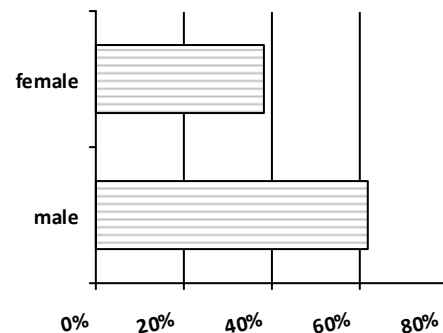


Fig. 5. Managerial trainings (female and male groups)

IV. CONCLUSION

This paper attempts to present major potential of SME performance in a descriptive manner and regarding to Iranian entrepreneur's capabilities. Although authors revisited Iranian SME success potential, this cannot be classified as good policy or bad one unless the result suggests so.

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