Employment Status Checking in Mazandaran Province Fifth Plan and Providing an Appropriate Model for Entrepreneurship in the Sixth Plan

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Abstract

Many developing countries specifically focus on the small and medium-sized entrepreneurship agencies to cope with unemployment. Therefore, they try to provide the growth condition for the entrepreneurs by their supportive policies to make them develop the society by their creativity and innovation. On the other hand, many entrepreneurs face with the structural and behavioral problems in spite of the mentioned supports whose non-cognition will waste the capitals. Thus, formulating the entrepreneurship strategy for the small and medium-sized agencies (SMAs) is a useful step to develop employment. The general objective of this research by such approach is identification of the entrepreneurs' problems and determination of the SMAs entrepreneurship strategy in the industry based on SWOT. Therefore, this research is applied and its methodology is descriptive. Its statistical population includes 40 prior experts and entrepreneurs who were selected in the annual festival for top entrepreneurs of the cooperative, labor, and social welfare of Mazandaran Province. In addition, there is no statistical sample in this research because the statistical population is limited and all data was selected. Then, employment and unemployment rate were described in the fifth plan, and each research variable was described and analyzed by descriptive statistics, central index (mean), and amounts of distribution (variance and standard deviation). The result show that employment role in the industry in the fifth plant of development is less than the agricultural and service part. Moreover, according to the research results, the problematic factors playing role in entrepreneurship include financial, managerial, regulations, human, method, and system factors .

Key Words: Employment Status, Entrepreneurship, Mazandaran Province, Sixth Plan

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Introduction

Young population composition of the state, the necessity of providing job opportunities, and fluctuation in oil price are three main reasons causing politicians and macro decision makers of the state to think to another easy income resources except oil and undoubtedly that resource is not anything except invention, creativity, and innovation. Nowadays, the creative, innovative, and inventive individuals have become the resource of the great evolutions in industrial, production,

and service fields in the global era as entrepreneurs and are called national heroes. The economic development wheels are always driven by entrepreneurship development (David et al.2014). It is enough to say about the entrepreneurship importance that one of the third world countries (India) started its activity only by 500 entrepreneurship agencies during 20 years (1960-1980) and even many big corporates of the world started entrepreneurship to solve their problems. Today, human force is proposed as the unlimited resource and the pillar of all development types. Meanwhile, the entrepreneurs have more effective and specific roles in the economic development process. Studies have shown that there is a positive correlation between the economic growth and number of entrepreneurs in a country because when a country has many entrepreneurs, it has strong economic and commercial driving force. In addition, the government has specifically focused on the entrepreneurship in the 5th and 6th development plans by such an approach to use the optimum capacity and has provided its financial mechanisms to support entrepreneurs.

Problem statement

The unemployment phenomenon and misemployment in communities have social and economic consequences, and the employment matter has been the most important issue of the temporary world. Therefore, many governments have a specific look at the early-returns agencies in the development plans to respond to the market needs today. Article 80 of the 5th development plan emphasizes on the sustainable employment, entrepreneurship development, regional imbalance reduction, and new jobs development. In this regard, it is assigned to give financial support and encourage the development of networks, clusters, and productive chains by making the proper connection among small, medium, and big-sized agencies (giving the purposeful facilities), necessary arrangements for technical, engineering, and specialized empowerment, R&D, marketing in SMAs, and development of the informative and e-business centers (Nozari, 2016).

Therefore, the provincial and supervisory institutions tend to provide facilities for the entrepreneurs by giving credits to banks to reach the mentioned objectives and provide proper job opportunities in the province besides solving their financial resources problems. Therefore, many countries support the entrepreneurship by tax discount or reduction, paying the essential loans and other regulative plans thus increase the opportunity for people to identify the attractive opportunities and consequently decide to start their own business. Financial support for SMAs is

one of the most popular approaches to promote entrepreneurship all over the world. These financial supports may be specifically important for the entrepreneurs who suffer lack of financial resources as the main obstacles to run a business (Seyyedi. and Taqi Khani, 2011). Moreover, the document shows that unemployment rate increased from 10.2% to 12.1% in 2011-2015 which shows the descending procedure of employment in the province. On the other hand, the unemployment of a lot of graduate students from universities in Mazandaran province has been the main concern of the province senior managers who need to attract new financial resources and focus on entrepreneurs to exit this problem. On the other hand, since the government is at the beginning of preparing the 6th development plan, it is essential to indicate the entrepreneurship model in the 6th development plan by investigating the performance results of the 5th development plan of Mazandaran province to change threats to opportunities and weaknesses to the strengths to provide employment in the 6th plan. By this approach, the main question of this research is: (1) how is the employment condition in the 5th development plan of Mazandaran? (2) What are the problems of entrepreneurs in industrial sector? (3) What is the entrepreneurship model in the industrial sector in the 6th development plan based on SWOT model? The condition to prepare the 6th development plan was provided according to lack of preparing the 6th development plan in the defined time interval and emphasis of the Islamic Consultative Assembly on holdover for one more year (to the beginning of 2017). In this regard, state planning organization with the executive systems of the state are responsible to evaluate the performance of the 5th development plan and it is necessary to analyze the document of the 5th development plan indexes. On the other hand, the coincidence of this research with the end of the 5th development plan makes it possible to refer to the management and planning organization of Mazandaran and organization of industry, mine, and trade of Mazandaran to investigate the employment condition in industrial sector to plot an entrepreneurship model in the 6th development plan. Lack of such model will bring the serious damages and will keep the problem of youth unemployment unsolved.

Research Methodology

The aim of this research is offering a proper model of entrepreneurship in the 6th development plan; thus, the accurate cognition of the entrepreneurship problems, opportunities, threats, and weaknesses and strength of the small and medium-sized agencies' entrepreneurs make this research applied. Therefore, the findings of this research can be useful for the general directorate

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of cooperatives, labor, and social welfare of Mazandaran province and management and planning organization of Mazandaran. On the other hand, the nature of this research is the survey-descriptive method. It means the ideas of prior entrepreneurs (experts) during the 5th development plan period are asked about problems, obstacles, and limitations, then the entrepreneurship model is identified in small and medium-sized agencies in the industry using the SWOT model of strength, weaknesses, opportunities, and threats.

Statistical Population

The statistical population of this research is made of two parts: 1) document data: this data is about the present documents in general directorate of cooperatives, labor, and social welfare of Mazandaran province and mining and industry organization of Mazandaran province which show employment condition in the province. 2) Prier entrepreneurs: these include 40 prior entrepreneurs in the industry who were identified as the prior ones in the general directorate of cooperatives, labor, and social welfare of Mazandaran province in the 5th development plan period. Therefore, there is no statistical sample and all data is census because of the limitation of the statistical population in this research.

The validity of the measurement tool

Validity means the scale and content of the tool or the registered questions are the tool which could precisely measure the variables and the studied issue. It means neither the collected data is extra of the research need, nor the part of the needed data to measure variable is omitted about the tool content. In other words, it must show the exact reality (Hafez Nia, 2005). Therefore, the librarian studies were used to determine the validity of the questionnaire, after that, the problematic and preventing factors in entrepreneurship and threats, opportunities, weaknesses, and strength were identified by referring to the prior entrepreneurs. Then, the closed-end questionnaire was adjusted and given to the authorities, and they guide to confirm the face validity. They confirmed the face validity of the questionnaire after studying and modifying it.

Reliability of the Measurement Tool

The reliability of the measurement tool is interpreted as the validity, precision, and reliability. It means if a measurement tool is made to evaluate the made variable and the characteristics, it can be used in the similar place and time, and similar results are obtained. In other words, the valid or reliable tool should have the repeatability and measurement characteristics of the same results (Hafez Nia, 2005: 155). Therefore, Cronbach's alpha coefficient is used to measure the tool reliability. If the Cronbach's alpha coefficient is more than 0.7, it shows the internal correlation of the measurement tool, and the measurement tool is reliable enough. Results of Cronbach's alpha coefficient of the closed-end questionnaire of 2 and 3 are confirmed with $\alpha = 0.888$ and $\alpha = 0.870$, respectively

Discussion of Findings

What important in analysis step is that the researcher must analyze data along with research objective and answer to the research questions and hypotheses, and evaluation of the hypotheses (Hafez Nia, 2005: 231). Therefore, it is essential to extract data from documents and questionnaires and analyze it by the descriptive statistical method.

The first question of research: how is the employment condition in the 5th development plan?

Table 1- employees and unemployed people of the province and state in 2011-2015

Year		**2015**	**2014**	**2013**	**2012**	**2011**
Province	Number of employers	967242	905934	948870	911775	915319
state		21972084	21304302	21346179	20877608	20510025
Province	Number of non-employers	133011	131762	116888	98054	104495
state		2729092	2514166	2488372	2848237	2877608

Reference: Management and Planning Organization of Mazandaran (2016)

Table 2- descriptive statistics of employment condition in the 5th development plan of the state and the province

The share of employment in the sector						Unemployment rate		Employment rate		Year
Services		Industry		Agriculture						
State	Country	State	Country	State	Country	State	Country	State	Country	
48.9	48.2	31.9	33.4	19.1	18.4	10.2	12.3	89.8	87.7	2011
48.6	47.3	30.3	33.4	21.1	19.3	9.7	12.1	90.3	87.9	2012
47.5	47.5	32.7	34.3	19.8	18.2	11	10.5	89	89.5	2013
48.5	48.4	32.3	33.8	19.1	17.8	12.7	10.6	87.3	89.4	2014
50.1	49.5	29.8	32.6	20.2	17.9	12.1	11.1	87.9	88.9	1394

Reference: state statistics center (2016)

As it is observed in Table 2, the employment rate in the province is 8.89% at the beginning of the 5th development plan that reached to 9.87% at the end of the plan which shows the decremented procedure of employment in the 5th development plan of Mazandaran. In the same way, the unemployment rate in the mentioned time interval decreased from 2.1% to 1.12% and added to the volume of unemployment. It means number of unemployed people all over the state increased from 104495 in 2011 to 133011 in 2015, while number of unemployed people all over the state in 2015 was calculated 2729092. On the other hand, the role of industry of the province based on the investments changed from 9.31 to 8.29 in this period that shows decremented procedure, while role of agriculture and service was incremental in comparison to the industry. Table 3 shows the industry condition in the 4th and 5th development plan based on the industrial exploitation license index

Table 3 the condition of industry in the 4th development plan

Industrial exploitation license	year	No.	License Capital (million Rial)	License employment
	2005	252	1531548.46	4496

2006	305	1478483.1	6420
2007	287	4163406.97	5472
2008	359	4522817.45	6892
2009	364	7476104.19	7792
Total	1567	19172360.17	31072

Reference: Industry, Mine and Trade organization of Mazandaran

Table 4- the condition of industry in the beginning of the 6th development plan

		No.	Capital (Billion Rial)	Employment (people)
Industrial exploitation license	Mazandaran Province	3404	40009	77623
	Ranking of the province in the country	9	13	11
	Percentage of province than whole country	% 4.7	% 2.9	% 3.8
	Employment of 50-up	269	25390	39526
	Units with license in industrial towns and areas	900	12781	22513

**31% of investment on the productive units of the province were executed in industrial town and areas. An important point is that about one third of the province industrial investment is in industrial zones and town which shows the important and significant role of industrial towns and zones. ** 64% of investment and more than half of the production units' employment have employment to 50-up employees. As it is observed in Table 4-5, the industrial exploitation license has been reported for 1567 cases in the 4th development plan which reached to 590 cases in the 5th development plan. This decremented procedure shows that the industry sector has a significant growth in the 5th development plan of Mazandaran province, and its role in employment has been more than other sectors of services and agriculture.

The second question of research: does managerial factor has a preventing role in entrepreneurship?

Three indexes of low workforce productivity, lack of strategies for the state industrial productions, and problems of supplying the high-quality raw materials were adjusted in the closed-response questionnaire to evaluate the role of the managerial factor prevention in entrepreneurship. Table 5 shows the frequency distribution of each index. Index of low workforce productivity

Table 5: frequency distribution of the preventing role of low workforce productivity in the entrepreneurship

Choice	Frequency	Percentage frequency	Cumulative frequency percentage
Medium	9	22.5	22.5
High	25	62.5	85
Very high	6	15	100
Total	40	100	

As it is seen in Table 5, 5.72% of the participants stated the preventing role of low workforce productivity very high and high and 5.22% of them stated it medium .Index of lack of strategies for the state industrial productions

Table 6: frequency distribution of preventing role of lack of strategies for the state industrial productions in entrepreneurship

Choice	Frequency	Percentage frequency	Cumulative frequency percentage
Medium	8	20	20
High	25	62.5	82.5
Very high	7	17.5	100
Total	40	100	

According to Table 4-7, 80% of the participants stated the preventing role of low workforce productivity very high and high and 20% of them stated it medium .Index of the problem of supplying the high-quality raw materials

Table 7: frequency distribution of the preventing role of supplying the high-quality raw materials in entrepreneurship

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Choice	Frequency	Percentage frequency	Cumulative frequency percentage
Medium	1	2.5	2.5
High	17	42.5	45
Very high	22	55	100
Total	40	100	

As it is seen in Table 7, 5.97% of the participants stated the preventing role of low workforce productivity very high and high and 5.2% of them stated it medium. On the other hand, first all the scores were summed up and instrument scores were divided to the following groups according to their range (minimum score of 3 and maximum score of 15) for the general cognition of the preventing role of the managerial factor in entrepreneurship.

Table 8: the frequency distribution of the preventing role of the managerial factor in entrepreneurship

Choice	Frequency	Percentage frequency	Cumulative frequency percentage
Medium	1	2.5	2.5
High	27	67.5	70
Very high	12	30	100
Total	40	100	

Mean= 43.12, Standard deviation= 11.1

As it is seen in data of Table 8, 5.97% of the participants stated the preventing role of managerial factor in entrepreneurship very high and high and 5.2% of them stated it medium .In addition, according to the calculated mean ($\mu =12.43$) that is higher than the theoretical mean ($\mu_e=9$), it is concluded that the managerial factor has the preventing role in entrepreneurship.

The third question of research: do regulations have the preventing role in entrepreneurship?

This factor contains 5 indexes of customs problems, problems of social security law, non-fair tax laws, business disturbing rules, non-alignment of banks laws and regulations with development and production plans. Following tables show the frequency distribution of each index. Customs problems index such as tariffs, customs clearance, etc.

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Table 9: frequency distribution of the preventing role of customs problems in entrepreneurship

Choice	Frequency	Percentage frequency	Cumulative frequency percentage
Low	1	2.5	2.5
Medium	20	50	52.5
High	8	20	72.5
Very high	11	27.5	100
Total	40	100	

Findings of Table 9 show that 5.47% of the participants stated the preventing role of customs problems in entrepreneurship high and very high, 50% of them stated it medium, and 5.2% of them stated it in low level. Index of the problems of social security law

Table 10: frequency distribution of the preventing role of the problems of social security in entrepreneurship

Choice	Frequency	Percentage frequency	Cumulative frequency percentage
Low	7	17.5	17.5
Medium	10	25	42.5
High	19	47.5	90
Very high	4	10	100
Total	40	100	

As it is observed in Table 10, 5.57% of the participants stated the preventing role of the problems of social security in entrepreneurship high and very high, 25% of them stated it medium, and 5.17% of them stated it in low level .Index of non-fair tax laws.

Table 11: frequency distribution of the preventing role of non-fair tax laws in entrepreneurship

Choice	Frequency	Percentage frequency	Cumulative frequency percentage
Low	2	5	50
Medium	21	52.5	57.5
High	13	32.5	90

Very high	4	10	100
Total	40	100	

According to data of Table 11, 5.42% of the participants stated the preventing role of the non-fair tax laws in entrepreneurship high and very high, 5.52% of them stated it medium, and 5% of them stated it in low level. Index of business disturbing rules

Table 12: frequency distribution of business disturbing rules in entrepreneurship

Choice	Frequency	Percentage frequency	Cumulative frequency percentage
Low	1	2.5	2.5
Medium	7	17.5	20
High	22	55	75
Very high	10	25	100
Total	40	100	

Data of Table 12 shows that 80% of the participants stated the preventing role of business disturbing rules in entrepreneurship high and very high, 5.17% of them stated it medium, and 5.2% of them stated it in low level .Index of non-alignment of banks laws and regulations with development and production plans

Table 13: frequency distribution of non-alignment of banks laws and regulations with development and production plans in entrepreneurship

Choice	Frequency	Percentage frequency	Cumulative frequency percentage
Low	1	2.5	2.5
Medium	18	45	47.5
High	11	27.5	75
Very high	10	25	100
Total	40	100	

According to Table 13, 5.52% of the participants stated the preventing role of non-alignment of banks laws and regulations with development and production plans in entrepreneurship high and very high, 45% of them stated it medium, and 5.2% of them stated it in low level. On the other

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hand, first all the scores were summed up and instrument scores were divided to the following groups according to their range (minimum score of 5 and maximum score of 25) for the better cognition of the preventing role of laws and regulation factors in entrepreneurship.

Table 14: frequency distribution of preventing role of laws and regulation factors in entrepreneurship

Choice	Frequency	Percentage frequency	Cumulative frequency percentage
Medium	1	2.5	2.5
High	7	17.5	20
Very high	32	80	100
Total	40	100	

Mean= 18.48, Standard deviation= 3.03

As it is observed in Table 14, 5.97% of participants stated the preventing role of laws and regulation factors in entrepreneurship very high and high and 5.2% of them stated it medium. Moreover, according to the calculated mean (μ=18.48) that is higher than the theoretical mean (μ_e=15), it is concluded that the laws and regulations factor has a preventing role in entrepreneurship.

Conclusion

Findings show that the role of industry sector in Mazandaran province is less than the role of agricultural and service sectors in employment. New investments are needed in this sector according to the unemployment rate during the 5th development plan while many entrepreneurs of small and medium-sized enterprises face serious challenges. Findings show that the entrepreneurs' problems are mainly laws and regulations, human, financial, and method and system factors; as though, ranking shows that the first problem of the entrepreneurs is the financial factor including 1- increasing cost of the production units, 2- lack of working capital, 3- high bank interest rate, 4- instability of exchange rate, 5- lack of cheap facilities to buy equipment, and 6- lack of timely debt payment of the executive systems and governmental companies to the producers which have preventing role in the entrepreneurship of the production units. Meanwhile, many entrepreneurs

face with the managerial factor including 1- low productivity of the workforce, 2- lack of strategies for industrial production of state, and 3- problems of supplying high-quality raw materials that have preventing role in entrepreneurship of the production units.

Moreover, the third problematic factor for the entrepreneur is the method and system factor as factors, such as 1-non-modernization of production equipment, 2- prolonged administrative processes, 3- lack of proper mechanism to identify the target and export markets, 4- lack of proper transportation infrastructures with desirable price, and 5- lack of proper infrastructures in industrial towns, have preventing role in entrepreneurship. The fourth problem of entrepreneurs is laws and regulations factor; as though, this factor has to prevent role in the entrepreneurship of the production units as 1- customs problem, 2- problems of social security law, 3- non-fair tax laws, 4- business disturbing rules, and 5- non-alignment of banks laws and regulations with the production and development plans. Results of this research show that financial, managerial, direct method, laws and regulations, and human factor are the most important problems of the entrepreneurs in the small and medium-sized enterprises in industry, respectively. These results in comparison to the results of Shahabi (2004) research based on the reverse relationship among the employment variables and assignment facilities state that the effectiveness of the assignment facilities distributes only 1% of employment.

Furthermore, these results in comparison to the results of Madhushi and Ghadi study (2007) under the title of "effect of the initial capital on the survival of the small and medium-sized enterprises of Iran" concluded that there is a positive relationship between the initial capital and survival of the small and medium-sized production companies. Thus, these research results are in agreement with the results of this research based on the financial factor. Theo and Chong (2008) concluded in a research with title of "the significant obstacles against entrepreneurship development" that the most important problems of the small and medium-sized enterprises are lack of financial supplement, low productivity, and lack of managerial potentials, weak access to management and technology, and heavy surveillance load. Furthermore, studies of the most developing countries in the development step of small and medium-sized enterprises show that many related issues to the development of the small and medium-sized enterprises are common as though the results of Aidis (2002) show that the formal obstacles in Lithuania such as taxes, permanent changes, ambiguity

in financial policies (and environmental obstacles), and lack of investment are the most important preventing factors against the small and medium-sized enterprises

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