

## **Sport SMEs success and entrepreneurial approach In Iran (10<sup>th</sup> international exhibition)**

Farzad nobakht<sup>1</sup>, Negar ashrafi<sup>2</sup>

<sup>1</sup> *University of Mohaghegh Ardabili, Ardabil, Iran(Phd)*

<sup>2</sup> *Education office, Ardabil, Iran(M.S)*

*Corresponding Author: Nobakht.farzad@yahoo.com*

### **Abstract**

The main objective of this study is survey on Analysis of the sport SMEs success and entrepreneurial approach in Iran.

The research method used is field-descriptive, that carried out using a Persian self-designed questionnaire based on Stevenson dimension with acceptable validity and reliability. The statistical population and sample of this research include sport equipment SMEs of 10<sup>th</sup> international exhibition in Iran (n=92, N=120). Data gathered using distribution questionnaire among company executives and analyzed with factor analyze.

The study discloses that all of the six dimension (Strategic orientation, entrepreneurial orientation to resources, management structure, compensation philosophy, commitment to grows and entrepreneurial culture) unless entrepreneurial orientation to resources is effective on SMEs success.

The results suggest that the owners of these businesses should pay more attention to entrepreneurial approach and to avoid the traditional approach.

**Key words:** sport, SME, success, entrepreneurial approach

### **Introduction**

So far, extensive research is done by psychologists and economists concerned with describing and predicting the success of entrepreneurs. They have tried to find a better understanding of successful entrepreneurs using different levels of analysis, but they still have not been able to reach a common definition of entrepreneurial success (Gorgiveski and Ascalon, 2005). The definition of success based on hard work, profit, investment return and staff development is true, but it is not complete. Studies show that achieving wealth, the continued growth and expansion of the market in the definition of entrepreneurs' success is insufficient (Baum and Locke, 2004). So definition of success is based on everyone understanding because of their goals. In this study, successful business was determined based on management perception. After definition success for business it is essential for everyone to disclose their unique business success factors.

Storey (1994) identified the characteristics of the entrepreneurs; the characteristics of the SMEs; and the type of strategy as a key components to be important in analyzing the SMEs growth. There are extended studies about business success and success. In addition to

identifying the success factors, businesses today need a progressive approach to identify entrepreneurial opportunities and they make heuristic based decisions.

Stevenson (1983, 1985, 1986 and 1990) defines entrepreneurial approach as opportunity based management activity that helps companies and organizations to create value. Brown et al (2001) With extensive research have divided this type of entrepreneurial management in six domains including the opportunity for strategic orientation, entrepreneurial orientation towards resources , entrepreneurial management, rewards philosophy, development and growth ,entrepreneurial culture (Shafiean, 2008). Kazemi et al (2011) declared that, Organizational Entrepreneurship at the University of Mashhad is less than normal. Mafasiya (2010) find out positive relationship between entrepreneurial orientation and performance of Sri Lanka SMEs.

### **Methodology**

Research method is field and descriptive. Self-designed Persian questionnaire with examined reliability and validity by sports and entrepreneur professors is used. Twenty five questionnaires were distributed in a similar population and its reliability was accepted with alpha equal to 95% and without any change. This questionnaire designed based on 6 dimension and success. Active owners of sport equipment SMEs of 10<sup>th</sup> international exhibition in Iran (n=92, N=120) were the statistical population and sample of this research. They have completed the questionnaires by random selection. Exploratory and confirmatory factor analysis is done to data analysis after k-s tests in order to determine normality.

### **Results**

The fit indices for assessing the suitability of a confirmatory factor analysis models and measurement models for each of the constructs were confirmed entrepreneurial approach. Standard analysis and confirmatory factor analysis to construct a successful entrepreneurial approach is presented in Figure 1:

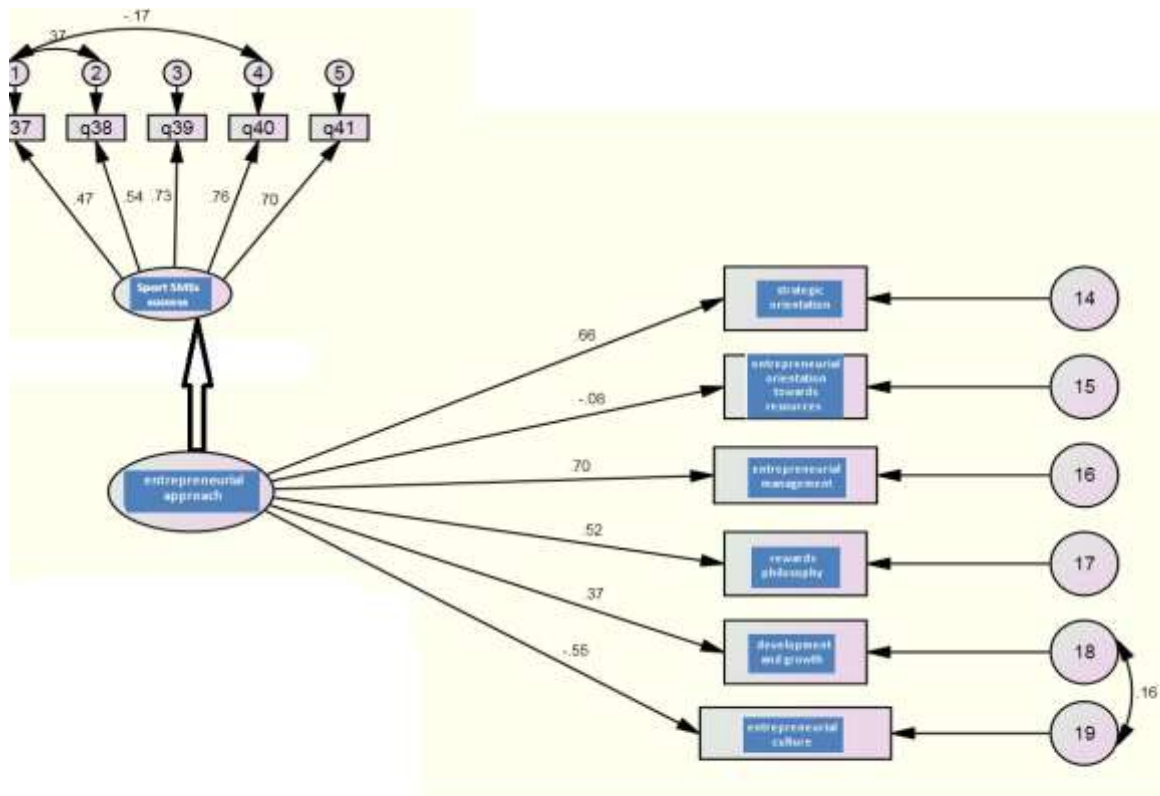


Figure1: Standardized coefficients confirmatory factor analysis to entrepreneurial approach construct and business success in sports

			Estimate	S.E.	C.R.	Standardized Estimate	P
strategic orientation	<---	entrepreneurial approach	1.000	--	--	.660	--
entrepreneurial orientation towards resources	<---	entrepreneurial approach	-.137	.141	-.966	-.079	.334
entrepreneurial management	<---	entrepreneurial approach	.976	.145	6.706	.699	<0.001
rewards philosophy	<---	entrepreneurial approach	.959	.170	5.659	.517	<0.001
entrepreneurial culture	<---	entrepreneurial approach	.608	.148	4.100	.367	<0.001
development and growth	<---	entrepreneurial approach	-.677	.117	-5.789	-.549	<0.001

Based on the above argument, confirmatory factor analysis of the structural coefficients were statistically significant ( $P < 0.05$ ) for all domain except entrepreneurial orientation towards resources. So there is a significant relationship between entrepreneurial approach (except for entrepreneurial use of resources) and the success of small and medium sized sport businesses in Iran.

## **Discussion and conclusion**

In this study, all cases (except of entrepreneurial attitudes towards resources) were confirmed that they have significant effect on sport small business success in Iran. It seems that the negative aspects of being a partner in our culture are notable reason in this field. The legal structure of the network and the holding companies is also unfamiliar for business owners; On the other hand, private sector resources are limited because of government based economy. The rest of the entrepreneurial approach items can be seen as a positive aspect of his behavior.

In confirmation of these factors it seems that the behavior of business executives in sports equipment with an entrepreneurial approach is based on the opportunities. They tend to change hierarchy to the horizontal structure; relationships are more informal and management is flexible. Companies that they have value based reward system; are closed to entrepreneurial approach.

Orientation to Development is another dimension of entrepreneurial approach with significant role to success. In fact, moving towards excellence is possible with growth-oriented and open approaches.

Entrepreneurial culture is a best solution to find a creative resource and opportunity for successful company. This is significantly associated with entrepreneurial approach.

Abu Hassim & et al (2011) find out the effects of entrepreneurial orientation on firm organizational innovation and market orientation towards firm business performance. Lumpkin; Des (2001) and Awang (2009) concluded in their study that the entrepreneurial approach affect the company's performance differently.

According to the dimensions of entrepreneurial approach it could be considered as a heuristics aspect of business in this field that it leads companies to opportunity recognition, flexible structures and culture of entrepreneurship, value creating and developing.

It seems that in the future change will highlight the impact of this approach in organizations. This can be due to the fast change. So it seems logical that companies change linear approach to find new opportunities and maximum advantage.

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