

Social Factors Affecting Entrepreneurship and Youth Employment

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Abstract

For the increasing competition among the societies, most of these competitions tend to resources and investments. Human resources are one of these important investments. Luckily for the sake of young rate of population in Iran, there is a potential human-related investment that definitely entails a specific guidance and programming for enabling and then attracting them in the economic, cultural, social and political structures of the country. Entrepreneurship reduces unemployment, increases the efficiency of people and resources and finally increases the revenue of the society. Although entrepreneurship is not the only way for job-making and revenue-increasing, it seems to be an effective and efficient method. What are the influential social factors affecting the entrepreneurship? In this research, it is tried to answer the above question by means of comments and views of thinkers of entrepreneurship science. According to the research findings, the following factors have effect on entrepreneurship: age, education, experience, population, social position, social dignity, community relations, consciousness and information.

Keywords: Youth Employment, Unemployment, Entrepreneurship, Propagating and Improving Entrepreneurship.

Problem Statement

In the present world, the new approach and attitude of human beings to life based on the increasing competitions and evolutions in the various economic, political, cultural and social sectors caused in a way that people have to compete for their normal routing life in the probable next decade. In other possible words, the issues and difficulties of routine life will be taken new different shapes than before. In this regard, job issue and income source are the challenges for life especially the life of young class. They have been taken more serious poses rather than other forms of social problems due to increase and change in population, resource shortage, business bankruptcy, consequent economic stagnations and change in tastes and expectations of customers.

Since the capacity of the state is limited in relation to attracting and employing the people, have called for the unemployed people in entrepreneurial businesses can be an effective method which will have optimum effects on prevention of social problems in society. Therefore, this research aims at analyzing the effective social factors on the entrepreneurship because of the neck and neck relationship between society and entrepreneurship. Several studies showed that job-making is a typical and important way for economic growth by means of entrepreneurship, its most important apparatus. Entrepreneurship cause decrease in the rate of unemployment and increase in people' and resources' efficiency and finally increase in people income in society. Although the entrepreneurship may not be the only way to make jobs and increase income, it seems to be an influential and efficient way. What are the social factors affecting the entrepreneurship? In this research, it is to answer the above enquiry by recourse to ideas and perspectives of entrepreneurship science scholars.

Review of the Related Literature

No research can be carried out in vacuum. So, each research is naturally carried out to keep up with the previous studies so that it avoids re-workings and benefits the previous studies. The knowledge development also depends on this continuation. Each research has to rely on the previous achievements based on which it at least has a new word to say, and it utilizes more accurate methods for knowing the phenomenon (Sarokhani, 1373/1994:146). Hisrich and Peters have reported that all facilities in the United States have been widely used for education and cultural development in relating to entrepreneurship, the U.S. both used all the governmental facilities such as tax reduction on newly-established companies, communication facilities, consulting supports, legal supports, banking supports, etc. and created unique schools and universities for teaching entrepreneurship. On the other side, they are using all welfare tools to train and encourage people toward entrepreneurship. Hisrich and Peters see the mass-media tools as factors for creating and improvement of the culture of entrepreneurship and innovation in the U.S. for instance, there are some TV channels that try to introduce entrepreneurs and to persuade and encourage youth toward entrepreneurship, some magazines and newspapers have allocated special columns to advertise entrepreneurial programs and to familiarize people with entrepreneurs and their specifications. In addition, big and famous companies such as General Electric heavily try to enhance the entrepreneurship culture (Navabakhsh et al.: 1389/2010). The studies show that Japan has

among Asian countries excelled at the entrepreneurial activities. The classical training manner and propagation of entrepreneurship culture have been first used in Japan. In 1958, Japan's education ministry executed a program for propagating the entrepreneurship culture in the name of 'Japan's economic self-sacrificing soldiers'. According to this program, the student has been taught entrepreneurship since high junior school in which how to work during education and look for getting benefit. Entrepreneurs work in a special equipped room, are encouraged, and the innovations and inventions are registered for their name (ibid.: 1389/2010).

Definitions in Entrepreneurship

The 'entrepreneurship' word entered economics theory first by Cantillon (1775). Wholesalers buy the goods in a fixed price from producers and sell them in a non-fixed price to retailers, retailers buy the means in a fixed price from wholesalers and sell them in a non-fixed price to consumers. Therefore, farmers, producers, wholesalers, retailers are all entrepreneurs (Ahmadpoor-Daryani: 1391: 44). Entrepreneurship is an activity that involves discovering, evaluating and exploit the opportunities in order to introduce products, services, organizing methods, markets, processes, and new raw materials in the case of previously undone organized attempts. The assumed definition has several necessary conditions for the conceptual framework explaining the entrepreneurship phenomenon; first, the entrepreneurship entails the existence of opportunities plus conditions where people reach a belief level that can use new tool-goal frameworks to re-combine sources and to achieve benefits. Second, the entrepreneurship entails the existence of differences among people. Entrepreneurship needs accessing preferably the information or needs capability to organize the information in relation to the opportunities. In both cases, it is different among people. Third, risk tolerance (threshold) is an essential part of the entrepreneurship process. Exploiting the opportunity, according to the definition, is accompanied with uncertainty. Fourth, the entrepreneurship entails organizing; it does not mean that entrepreneurship essentially starts with establishing a new company, however founding a new company is a base for organizing an opportunity. As the entrepreneurship process is the result of establishing a new company or of using the market's mechanisms, it needs making out a new exploiting way for an opportunity that has not existed before. Fifth, the entrepreneurship process is a specific kind of innovation (Shin: 1388/2009: 14).

Entrepreneur

Entrepreneur is a person that his/her first duty is to collect and call for the necessary sources to start a business. His/her concentration is on innovation and development process of a new product or service (Ahmadpoor-Daryani. 1391).

Social Theoretical Approaches

The social and cultural factors are the forgotten aspects of entrepreneurship that is the result of entrepreneurship's mono-dimensional look ever since because a person who deals with creation of the neo-ideas has social backgrounds such as family characteristics, customs

community, the rate of participation and cooperation with friends, neighbors and relatives that can help him/her to reach success. For this reason, Alison emphasize the effective feature of framing the behavior of entrepreneurship and states that in the following manner: the roles of society, the experiences of life, family backgrounds, education and consciousness level, social class and bureaucratic organizations. Entrepreneurship has positive interests and effects in society in the case of social cases because it makes more jobs. It reduces the social tensions and provides the implementation of the resources and activate them for national enormous productivity. The entrepreneurship provides the social benefit for the community through the government that shows the social and economic development in a certain way. As the social participation increases in the entrepreneurial activities, it rapidly reaches the economic and social developments (Hashemi et al.: 1390/2011).

Age

Age is another sociological and personal difference that affects the tendency of people in exploiting the entrepreneurial opportunities. Age has a curved-like relationship with the possibility of exploiting the opportunities because it on the one hand involves a positive effect of experience that increases as the age increases and it on the other hand involves the negative effects of uncertainty that increases as the age increases. At first, age increases the possibility of opportunities' exploitation because people collect information and skills during life more than enough amount. Moreover, age provides reliability for transferring the information to people during their searching to access to resources and designs of their organizations (Shin: 1388/2009: 55). In sum, no optimum age could be definitely determined for starting an activity. Fry in his studies stated that 88 percent of entrepreneurs start their business between 20 and 50. 65 percent of them were between 20 and 40. According to these studies, it can be said that the best time for entrepreneurship may be the late 20s until the early 40s but in these periods a balance comes up between the necessary and primary experiences on the one hand and family responsibilities on the other hand. There are some exceptions. Some start working at young ages and some above 50s and 60s and also become successful (Ahmadpoor-Daryani: 1391/2012: 111).

Experience

People develop the information and skills that cause creation of entrepreneurial strategy and acquisition of organizing resources and processes. Therefore, experience reduces the uncertainty in relation with the accounted value of entrepreneurial opportunity and increases the expected benefit of entrepreneur. Finally, people who use the experiences more deal with the exploitation of entrepreneurial chances and opportunities (ibid.: 50).

Social Status

Social statue is defined as the relationship between a person and other members of the society. The experts have related two specific aspects of social status that influence the tendency of exploitation of entrepreneurial chances. First case is the public reputation based on which others can recognize his/her class in the society. The second case is the social relations of the

person based on which the type of his/her relation with other members of society is distinguishable.

Social Dignity

Social dignity causes an increase in the probability of exploitation of entrepreneurial opportunities. To exploit the entrepreneurial opportunities, besides the informational uncertainty and asymmetry that these opportunities may bring about, a person has to convince other people that the opportunity he found is valuable because convincing others about the opportunities is necessary both for acquiring the sources and for organizing. Researchers have found that social dignity increases when the possibility of convincing others increases under the circumstances of informational uncertainty and asymmetry because people tend to accept the claims of highly dignified people. In addition, people who possessed social dignity and reputation try a little to value their personal information and to confirm their claims.

Community Relations

Community relations cause an increase in the probability of exploitation of entrepreneurial opportunities. In order to exploit an opportunity, the entrepreneur has to be able to access the information sources that may facilitate the exploiting process. These sources often become available by means of direct or indirect community relations. It can be expected that community relations of a person influence his/her entrepreneurial performance because the performance of risky businesses depends on the acquisition of sources. Consequently, acquiring these cases is dependent on the social interactions. In fact, the entrepreneurs who access more various and wider social networks have accessed to a better financial sources, maintained a more strong relationship with the customers and providers, caught more accurate information, and employ more skillful employees. Finally, their risky business will have had better performance (ibid.: 55).

Social Dependency

Interacting with other people is an important way to access information. So, finding their social networks is one of the ways to access information in order to identify the opportunities. The structure of social network a person receives influences the quality, quantity, and speed of information reception. As a result, the social network should affect the accessibility to information that facilitates the opportunities' discovery.

Social Changes

Social changes are the important sources for entrepreneurial opportunity because they better transfer the information in related to the people's styles in allocating the sources, bring about sale-related savings and can create extra requests. Three major groups of social demographic resources that are sources for entrepreneurial opportunities include: urbanization, dynamics of population, educational infrastructures.

Urbanization

Urbanization is an important source for the entrepreneurial opportunities because the entrepreneurship entails recognizing the opportunities based on the transferred information from other sources. The communications in the more populated areas (with more populated concentration) are high and may cause facilitating the information transfer in related to the opportunities. In addition, urbanization increases the number of models for entrepreneurship role and facilitates the transfer of information via observation. Meanwhile, urbanization is a source for opportunity for this reason that population concentration provides the necessary potential for the scale-related savings. The researchers have suggested that urbanization may increase the self-employment of men. The empirical observations also show that opportunities in the urban areas lead to better performance of new risky businesses (Shin: 1388: 30).

Dynamics of Population

Dynamics of population is another source for entrepreneurial opportunity. The studies demonstrate that three important dimensions of population dynamics include: population size, population growth, and population mobility. The population size is an opportunity source because most of the opportunities have relationship with the scale-related savings. As the fixed cost is so high for implementing some of opportunities in the sparsely populated areas, they appeared to become practical in the more populated areas. The population growth is a source for opportunity because it increases the access possibility to the scale-related savings and causes increase in the demand growth. The growth in demand can increase the opportunities because the ability for re-combining the sources are high when the demand is high and the number of people who are looking for a product or service are high too. The population mobility is a source for opportunity because people transfer their possessed implicit information which bring about the new opportunities. In other words, people transfer the opportunities from a discovered place in which they are practiced to an undiscovered and unexploited place (ibid.: 29).

Educational Infrastructure

The educational infrastructure is an opportunity source because the educational institutions deal with the scientific studies, create a new knowledge, and provide a context for most of the entrepreneurial opportunities. Moreover, the educational institutions are the opportunity sources in a way that they are important mechanisms for distributing the information and facilitating the process of information transfer (ibid.: 29). If a person is well-trained, s/he will exploit the opportunities with a higher possibility because the information and skills that are the result of training increase their expected efficiencies with regard to the exploitation of opportunities. The people who have possessed new information and skills can exploit the opportunities with a higher possibility rather than people who do not have possessed. Training increase the information storage and a person's skills to successfully exploit the entrepreneurial opportunities (ibid.: 49). One of the interesting topics to researchers is whether they were born as an entrepreneur or they become entrepreneur by training. This point makes obvious the importance of education. Hornaday and Tieken (1979) have stated

that most of the successful entrepreneurs feel that education has little importance for entrepreneurs of course before the current young generation. However, nowadays education is so important because of the rapid growth of technology and the increasing competition. In the case of education, Vesper (1982) believes that there are some entrepreneurs who may fail in their career because they possessed experience but not education. The second group of entrepreneurs whom their failure probability is so high even than the first group is whom they are trained but inexperienced. On the other hand, the entrepreneurs that both have experience and have trained can lead the most profitable activities (Ahmadpoor-Daryani: 1391: 110).

The Role of Employed Wife

The demographic properties influence the exploitation of opportunities. The preliminary studies have shown that being married and having an employed wife can increase the exploitation of opportunities (probably due to the person's expected uncertainty reduction). Since the negative effects of failure can be superimposed because of the wife's income, the married people with the assistance of employed wives tend more to exploit the entrepreneurial opportunities in contrast to the bachelor people. Opportunity cost has negative effect on the entrepreneurial activity, and quite the opposite, it seems that low degree of uncertainty (at least being married and having an employed wife) has positive effect on the entrepreneurial performance (Shin, 1388/2009: 49).

Role Model

Family and friends as role models play a role in being an entrepreneur. Brookhouse and Nord (1980) have found that the father of most successful entrepreneurs have been owner or manager of large scale industries. At least 40 percent of entrepreneurs in their families have seen the entrepreneurial experiences. A child of an entrepreneur becomes aware of his/her entrepreneurship experiences at the food times, father or mother's leisure times, in the weekends, evenings, or summers. When the entrepreneurs observe the success of other people in the field of entrepreneurship, they are also persuaded to accept the risk of entrepreneurship. By and large, a role model can persuade the entrepreneurial attempts inside a person. These role models are usually present in the working environments. It is worth noting if an environment cannot set up a background for realization of creativity, a person is consequently encouraged to begin a risky activity (Ahmadpoor-Daryani: 1391/2012: 108).

Social and Cultural Environment

A cultural and social (socio-cultural) environment can influence the entrepreneurial activities because socio-cultural structure involves the beliefs and mindset about the legitimate and efficient activities in the society as well as the socio-cultural institutions which support the specific life styles. The socio-cultural institutions can influence the entrepreneurial opportunities by means of affecting the desirability of entrepreneurs' activities, efficiencies, and the conceived risks. Socio-cultural environment can be affected through several ways: first, the socio-cultural norms influence the acceptability degree of entrepreneurial activities among the members of society. For instance, the positive attitude about profit acquisition

from entrepreneurial activities can increase the level of these activities in the society. As a result, in the societies that people have negative view on the entrepreneurial activities less follow the exploitation of entrepreneurial opportunities. Second, the social norms influence the number of people who are ready to be involved in the activities so that it can create the role models of entrepreneurship. Most of the knowledge in the field of entrepreneurial activities have been taught by means of practice and are transferred via social networks, internship or observing others' behavior. The existence of role models for entrepreneurship increases the knowledge level of entrepreneurship in a social group and can facilitate the people's access to the knowledge. As a result, the new entrepreneurs appear in the societies in which have a higher level of role models of entrepreneurship. Third, there are specific cultural beliefs causing encouraging the entrepreneurial activities. Exploitation of entrepreneurial opportunities entails having the specific types of decision-making, specific approaches for acquiring the sources, specific strategies and organizational designing methods. The specific cultural norms and beliefs have relationship with these types of activities. For instance, the social norms, encouraging a personal judgment on making decisions, cause the increase in the rate of entrepreneurial activities. Similarly, cultural beliefs emphasize the ethical commitments. For facilitating the acquisition of sources under the circumstances of informational uncertainty and asymmetry, the entrepreneurial activities increase. The empirical studies show that the rate of entrepreneurial activities is high on the geographical areas in which there exists a positive inception for the entrepreneurial activities. The studies also proved that existence of role models can increase the exploitation of those activities (ibid.: 95).

Information Access

A number of people may more possibly discover the opportunities rather than others because they have information which others do not. The information offers an opportunity to the person whereas others overlook it easily. The empirical studies report three factors increasing the accessibility of people to the valuable information: previous experience of life, social network structure, and search for information (Shin: 1388/2009: 37).

Social Network

According to this viewpoint, the entrepreneurship is a process locating in a variable network of community relations and these relations can facilitate or limit the relationship of entrepreneur with the sources and opportunities. The networks consist of three general properties by which the efficiency of network can be measures: concentration, accessibility, and centrality. Concentration is the plurality of communication between people. Accessibility is the network domain and the number of communicative interfaces or groups. Centrality is the distance of person from the other people and the number of people who can access him/her. In general, network is the collection of people who have communication via certain relations with each other and can play five important roles in the process of establishing the companies: the ease of thought conversion to a real scheme, increasing motivation, provoking thoughts, presenting the practical help, and support (Ahmadpoor-Daryani: 1391/2012: 30).

Child Training and Education Method and its Effect on Inner Personality of an Executive Manager

Kucharan states that the inner personality of the executive manager is framed due to the education and training in the culture of that society (and especially in childhood). O'Brien believes that the relationship between the framework of entrepreneurship role based on personality type of people related to it, and the current needs and imposed sanctions is so close and classifies these in the set of socio-cultural factors (Seyyed-Naghavi and Ezzati: 49). Everybody stipulate that the childhood experiences have sticking effects on the future life of that person. It is for the sake of this importance that there have been so various studies about childhood situations. One of these is divorce or death of parents. The studies show that 37 percent of entrepreneurs have lost one of their parents in 16. Also, the fathers of 58 percent of them were remote from home under 16 (at least for a four-year period). There are some widespread-done studies in 1986 by David Silver. They show that 74 percent of entrepreneurs have experienced sensitive situations in their childhood such as poverty, insecurity, death or divorce of parents (Ahmadpoor-Daryani: 1391: 108).

Conclusion and Recommendations

Change and transformation are the confirmed scientific facts and principles in today's world, even the materialized and stable phenomena are no exception. Now the world is on the brink of profound change. Changes occurring today will be intensified in the coming years, and these changes will be in the range of very large and startling. These changes may transform the structure of society, the family, and production method, the overall structure of culture and social mores and even reflection in the business methods much deeper and faster than previous changes.

In summary, the following solutions and suggestions have been focused in order to create productive employment and develop career opportunities and reducing unemployment rate of youth in society.

1. Using the existing capacities and current domestic workshops in the country and increasing their capacity to support youth.
2. Minimizing the government, developing the private sector and allocating a percentage of delegation to the youth.
3. Changing the higher education system, training properly according to the needs of the labor market with an entrepreneurial approach, so that education is not just to achieve academic knowledge but to prepare people toward working and living.
4. Paying attention to the labor market properties in the case of policy-making and giving sources in the field of establishing small businesses (with emphasis on the home businesses) promotionally and not temporarily and making the youth debtor.

5. Designing training courses for elementary, primary and high schools on entrepreneurship and establishment of small businesses especially home businesses with emphasis on no-need to large capital as well as their efficiency on acquiring the entrepreneurial skills and increasing motivation, collaboration on learning, developing creativity, self-confidence in the case of empowering the entrepreneurial soul and creating readiness for the periods after these times.
6. The government's approach towards education program innovation and value creation young entrepreneurs through the authorized organizations such as the National Youth Organization, Ministry of Cooperatives Labor and Social Affairs.
7. Producing continuously television programs on the introduction of entrepreneurs in the field of small businesses and paying more attention to small and home businesses to create double motivations on young people for working in this type of business.
8. Introducing risky investments to the youth to accompany them in the home businesses.
9. Introducing experienced people to the youth and necessitating to have experienced consultations to establish a business.
10. Establishing youth affairs offices in the government fields so that the youth authorities such as the National Youth Organization can move a percentage of activities toward the youth.
11. Setting up youth councils in the locales and systematizing their social networks in pyramid-like forms so that they become ready and equipped by the presence in these circles to learn group working and self-management.
12. Establishing the cooperatives for the youth according to their situations and regulating specific laws for establishing such cooperatives in the schools.
13. Supporting them in the material and spiritual manners in the area of home businesses and allocating long-term loans with privilege of repaying exceptions in the first two years because of their effective role in the economic development.

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