



# Prioritizing effective factors on the economic achievement of home-based businesses in Iran

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## Abstract

Using creative ways in educational systems, promoting economics in all aspects, focusing on processes, expanding the strategic methods along with free business are improved gradually in organizations. Therefore, they are regarded as high performance organizations. In this study, we try to evaluate the role of prioritizing effective factors on the economic achievement of the home-based businesses. The study is of applied type and the method used is descriptive-correlation. Conducting the stage of theoretical studies and qualitative investigations by documentary method and the quantitative stage by fieldwork method, using a questionnaire are among the features of the present research. According to the findings, a Chronbach Alpha coefficient was found to be 0.71 in the home-based businesses economic section of the questionnaire. The sample consists of clients supported by Imam Khomeini Relief Committee in Hamedan (n=322). Prioritizing the studied factors based on CV shows that “the interest in the created occupations” in performer individual properties and “applying experiences of the experienced individuals” to the socio-cultural factors were on top priority.

**Keywords:** home-based businesses, effective factors, economic achievement.

## Introduction

Today, the concept of competition has evolved in the world of business and in the customers' access to new products and services by different channels simply such as internet and world markets. Thus, after a short lapse of initiating a business, the owner-manager of home-based foundation found that for supplying his products not only he must compete with local competitors but also he must compete with the other rival companies in all around world. On the other hand, increasing technology development may abolish the product of such companies as soon as possible (Edwards, 2006). It is often supposed there is such business in poor and least developed countries, but statistics show that home-based business and self-employment are considered as the remakable features of the developed countries. One of the important challenges, which a business

may face, is competing with available companies and newcomers in this area (khenifer et al, 2010). According to the definition Mason (2008) offered, a home-based business is: “each business unit, which operates in sectors like services/products presented to the market, is managed by independent individuals with or without some work force. It must be noted that the owner-manager manages and monitors the company affairs and work processes from his habitat”(p. 10). Close increasing competition among different organizations and communities and the developments made during the recent years have occurred so deeply, extensively and rapidly that there remains no opportunity to use traditional methods and legacy skills. In fact, it faces the future of those organizations with new opportunities and threats. (Ranga&Etzkowitz, 2010).

Since today, the organizations are successful that can thrive and survive in the intensive competition of today's world and constantly use appropriate communication methods in their organizations. It is evident that the innovative economic achievement of the businesses is extremely important for the development in the world. (Shahkahi, 2013).

Innovation methods do not necessarily mean to apply modern technologies; rather, through concentrating on thinking methods and finding innovative solutions, it may lead to application of technology. Therefore, techniques of innovation management are classified as the set of tools, techniques and methods assisting companies to adapt themselves with diverse conditions and to overcome related challenges in the market by benefiting from strategic methods (Tran et al, 2011) and decreasing per capita income of practitioners in this sector in proportion to their costs. (Ebrahimi, 2010)

One of the important problems and challenges facing small businesses is accessibility to the market. So, market development is vital for business stability. Marketing could be defined as the necessary activities done to adapt products with the market demand. In other words, in marketing, deciding on four categories is very important: product, price, place, and promotion which are known as 4 Ps of marketing. (Adel pour, 2012).

Today, home-based businesses are developing because factors such as development in services supply, simplicity of workforce relocation, technological developments and globalization markets are growing (Dwelly et al, 2005). The owner-managers of these businesses tend to administer their businesses individually or by another person (Carter et al, 2008). Results of the other similar studies show that women motivation for entrepreneurial is immaterial and they want to balance between their familial responsibilities and occupational ones. (Walker et al, 2009)

Main purpose: prioritizing effective factors on home-based businesses in Iran

Special purpose:

- 1-Prioritizing the performer individual properties in home-based businesses economic achievement in Hamedan province
- 2- Prioritizing the socio-cultural factors in home-based businesses economic achievement in Hamedan province
- 3-Prioritizing the educational factors in home-based businesses economic achievement in Hamedan province
- 4-Prioritizing the economic factors in home-based businesses economic achievement in Hamedan province
- 5-Prioritizing the sub-structural-environmental factors in home-based businesses economical achievement in Hamedan province

## **Material and Methods**

The present study is of an applied type using descriptive methods. The stage of theoretical studies and qualitative investigations is conducted by documentary method and the quantitative stage is done by fieldwork method, using a questionnaire. According to the findings, a Chronbach Alpha coefficient of 0.71 was found. The research population was composed of the all clients supported by Imam Khomeini Relief Committee (RA) in Hamadan. Furthermore, the sampling procedure used in this research project was random sampling (n=322). In this study, the independent variables are individual characteristics, social and cultural factors, economic factors, environmental factors, infrastructure and educational factors and the dependent variables are economic success and enforcement household jobs supported by Hamedan city committee.

## **Results**

Studying individual properties of studied subjects

**1-1 Age:** According to the findings, the average age of participants is 37.25, the



youngest individual is 18 years old and the oldest is 61 years old. Table 1-1 shows that

30.4% of the participants are under 35 years old and 11.5% are over 50 years old.

**TABLE (1): FREQUENCY DISTRIBUTION BASED ON AGE GROUP**

AGE GROUP	FREQUENCY	FREQUENCY PERCENTAGE	AGGREGATE PERCENTAGE
UNDER 30 YEARS OLD	98	30.4	30.4
30-40	117	36.3	66.8
40-50	70	21.7	88.5
OVER 50 YEARS OLD	37	11.5	100.0
TOTAL	322	100.0	

Minimum: 18 maximum: 61 average: 37.75 standard deviation: 9.63

**2-1 Gender:** According to the selected sample in this study, 80.4 % of clients are women and the remaining 19.6 % are men.

**3-1 Number of family members:** According to the obtained findings of the selected sample, the family members are 2.90 on average, the maximum of family members are 8 individuals which shows a maximum frequency related to the families which have fewer than 3 members.

**4-1 Marital Status:** 53.1% of participants are married and the remaining 46.9% are single.

**5-1 Literacy Level:** According to the obtained data, 23.3% of the individuals are diploma and higher education, 59% are lower than diploma and the remaining 17.7% are illiterate.

**6-1 Habitat:** According to the obtained data from Table 2-1, 76.1% participants dwell in cities and the remaining 23.9% dwell in villages.

**7-1 Prioritizing performer individual properties:** Prioritizing the studied factors based on change coefficient in Table 3-1 shows that “interest level in the created occupation” factor with change coefficient (21.07) is on top priority.

**8-1 Prioritizing socio-cultural factors:** Prioritizing the studied factors based on change coefficient in Table 4-1 shows that “applying experiences of the experienced individuals” factor with change coefficient (6.8) is on priority.

**TABLE (2): FREQUENCY DISTRIBUTION OF PRACTITIONERS BASED ON HABITAT**

HABITAT	FREQUENCY	FREQUENCY PERCENTAGE
CITY	254	76.1
VILLAGE	77	23.9
TOTAL	322	100.0

**TABLE (3): PRIORITIZING PERFORMER INDIVIDUAL PROPERTIES**

ITEM	OPINION(PERCENTAGE)						CHANGE COEFFICIENT	DEGREE
	WITHOUT ANSWER	VERY LOW	LOW	AVERAGE	HIGH	VERY HIGH		
TENDENCY TO RISK AND ADVENTURE	0.6	5.0	17.1	48.1	21.1	8.1	30.60	8
	AVERAGE=3.10 STANDARD DEVIATION=0.950							
NEED TO BUSINESS DEVELOPMENT	0.6	0.9	5.0	25.5	41.3	26.7	23.00	3
	AVERAGE=3.88 STANDARD DEVIATION=0.894							
INNOVATION AND CREATIVITY LEVEL	0.9	0.9	7.8	44.1	34.2	12.1		
	AVERAGE=3.49 STANDARD DEVIATION=0.843							
TENDENCY TO INDEPENDENCE	0.6	0.9	6.2	23.6	42.2	26.4	23.43	4
	AVERAGE=3.88 STANDARD DEVIATION=0.908							
ANTICIPATING INCOME AND COSTS ABILITY	0.9	2.5	11.2	38.2	38.8	8.4	26.12	6
	AVERAGE=3.40 STANDARD DEVIATION=0.887							
TENDENCY TO CREATED OCCUPATION LEVEL	0.6	0.3	4.7	20.5	46.6	27.3	21.07	1*
	AVERAGE=3.97 STANDARD DEVIATION=0.835							
TRYING TO SOLVE PROBLEMS	0.9	0.6	5.9	22.0	49.4	21.1		
	AVERAGE=3.85 STANDARD DEVIATION=0.843							
FACING UNANTICIPATED ABILITY	0.6	3.4	9.9	45.0	31.7	9.3	27.13	7
	AVERAGE=3.34 STANDARD DEVIATION=0.905							

**TABLE (4): PRIORITIZING SOCIO-CULTURAL FACTORS**

ITEM	OPINION(PERCENTAGE)						CHANGE COEFFICIENT	DEGREE
	WITHOUT ANSWER	VERY LOW	LOW	AVERAGE	HIGH	VERY HIGH		
RELATIONSHIP WITH OTHER PRACTITIONERS LEVEL	0.9	0.6	7.8	53.1	27.0	10.6	8.4	2
	AVERAGE=3.39 STANDARD DEVIATION=0.805							
APPLYING EXPERIENCES OF THE EXPERIENCED INDIVIDUALS	0.9	2.2	8.7	32.0	41.3	14.9	6.8	1*
	AVERAGE=3.88 STANDARD DEVIATION=0.894							
PRESENCE OF SUCCESSFUL INDIVIDUALS AS A PATTERN IN REGION	1.2	7.5	18.9	31.7	29.2	11.5	26.4	3
	AVERAGE=3.19 STANDARD DEVIATION=1.106							
PRESENCE CULTURE OF WORK AND TRYING IN FAMILY	0.9	4.0	10.6	28.9	44.1	11.5	28.6	5
	AVERAGE=3.49 STANDARD DEVIATION=0.971							
PARTICIPATION OF FAMILY MEMBERS LEVEL	1.2	9.6	10.2	31.4	30.4	17.1	28.3	4
	AVERAGE=3.36 STANDARD DEVIATION=1.171							
FAMILY ENCOURAGEMENT LEVEL	0.6	0.3	4.7	20.5	46.6	27.3	21.07	1*
	AVERAGE=3.97 STANDARD DEVIATION=0.835							



**TABLE (5): EFFECTIVE ITEMS ON EDUCATIONAL FACTORS**

ITEM	OPINION(PERCENTAGE)						CHANGE COEFFICIENT	DEGREE
	WITHOUT ANSWER	VERY LOW	LOW	AVERAGE	HIGH	VERY HIGH		
TECHNICAL SKILLS AND EXPERIENCE BEFORE PERFORMING PLAN	1.2	3.1	8.1	47.2	29.2	11.2	26.75	1*
	AVERAGE=3.38 STANDARD DEVIATION=0.903							
RELATIONSHIP BETWEEN CREATED OCCUPATIONS AND LITERACY LEVEL	1.2	19.6	21.4	35.7	17.1	5.0	42.40	4
	AVERAGE=3.88 STANDARD DEVIATION=0.894							
GETTING TECHNICAL AND OCCUPATIONAL PERIODS BEFORE PERFORMING PLAN	1.2	11.8	18.6	29.8	26.4	12.1	38.65	2
	AVERAGE=3.08 STANDARD DEVIATION=1.192							
PARTICIPATING IN SHORT-TERM PROMOTING LEARNING PERIODS	1.2	14.0	15.8	29.8	28.6	10.6	39.28	3
	AVERAGE=3.06 STANDARD DEVIATION=1.202							
PARTICIPATING IN SUPPLEMENT LEARNING TECHNICAL AND OCCUPATIONAL	1.2	20.5	12.7	23.6	28.3	13.7	26.12	6
	AVERAGE=3.02 STANDARD DEVIATION=1.343							

**TABLE (6): ITEMS AFFECTING ON ECONOMICAL FACTORS**

ITEM	OPINION(PERCENTAGE)						CHANGE COEFFICIENT	DEGREE
	WITHOUT ANSWER	VERY LOW	LOW	AVERAGE	HIGH	VERY HIGH		
RAW MATERIALS PRICE IN REGION	5.3	8.7	28.0	35.7	22.4		30.06	5
	AVERAGE=3.61 STANDARD DEVIATION=1.086							
PRODUCED PRODUCT PRICE IN REGION	0.9	4.7	29.8	40.4	24.2		23.13	1*
	AVERAGE=3.88 STANDARD DEVIATION=0.894							
MARKETING AND SELLING OF PRODUCED PRODUCTS IN REGION	2.8	9.9	31.7	25.5	30.1		2	3
	AVERAGE=3.70 STANDARD DEVIATION=1.087							
METHOD AND ACCESSIBILITY TO FINANCIAL RESOURCES	3.4	8.4	35.7	28.6	23.9		28.93	2
	AVERAGE=3.61 STANDARD DEVIATION=1.045							
COSTS RELATED TO PERFORMED PLAN LOCATION (HABITAT)	8.1	12.7	36.3	26.7	16.1		34.23	6
	AVERAGE=3.30 STANDARD DEVIATION=1.130							
EFFECT OF ECONOMIC FACTORS LIKE INFLATION, STAGNATION...	4.0	8.7	35.1	29.8	22.4		29.46	4
	AVERAGE=3.58 STANDARD DEVIATION=1.054							

**9-1 Prioritizing educational factors:**

Prioritizing the studied factors based on change coefficient in Table 5-1 shows that “technical skills and experience before performing plan” factor with change coefficient (26.75) is on priority.

**10-1 Prioritizing economic factors:**

Prioritizing the studied factors based on change coefficient in Table 6-1 shows that “produced products price in region” factor with change coefficient (23.13) is on priority.

**11-1 Prioritizing sub-structural-environmental factors:**

Prioritizing the studied factors based on change coefficient in Table 7-1 shows that “befitting region climate for activity”

factor with change coefficient (24.76) is on priority.

**Conclusion**

The majority of the studied individuals have age average of 37.25 years out of which the oldest and the youngest are 61 and 18 years old respectively. The most frequency is related to age degree 30-40, which 80.4 % of plans performer are women and the remaining 19.6 % are men. The results obtained from the study showed that socio-cultural factors on home-based businesses achievement, prioritizing educational factors, prioritizing economic factors are important.

**TABLE (7): ITEMS AFFECTING ON ENVIRONMENTAL AND SUBSTRUCTURAL FACTORS**

ITEM	OPINION(PERCENTAGE)						CHANGE COEFFICIENT	DEGREE
	WITHOUT ANSWER	VERY LOW	LOW	AVERAGE	HIGH	VERY HIGH		
BEFITTING REGION CLIMATE FOR ACTIVITY	0.3	1.9	7.1	40.1	37.9	12.7	24.76	1*
	AVERAGE=3.53 STANDARD DEVIATION=0.873							
THE SITUATION OF PERFORMING PLAN LOCATION	0.3	2.2	8.7	37.9	33.2	17.7	26.81	2
	AVERAGE=3.88 STANDARD DEVIATION=0.894							
ACCESSIBILITY TO RAW MATERIALS MARKETS AND PRODUCT SELLING	0.3	2.5	10.9	38.2	31.4	16.8	28.01	4
	AVERAGE=3.49 STANDARD DEVIATION=0.978							
APPROACH TO COMMUNICATIONAL WAYS	0.3	1.6	9.6	34.2	31.4	23.0	27.12	3
	AVERAGE=3.65 STANDARD DEVIATION=0.989							
ACCESSIBILITY TO UTILITIES SUCH AS WATER, ELECTRICITY AND GAS	0.3	1.9	15.5	27.0	31.1	24.2	29.78	5
	AVERAGE=3.60 STANDARD DEVIATION=1.073							
ACCESSIBILITY TO COMMUNICATIONAL MEDIA	0.3	4.7	27.6	21.7	22.4	23.3	37.18	6



Prioritizing the studied performer individual properties shows that “interest level to the created occupation” factor with change coefficient (21.07) is on priority. Prioritizing the studied social-cultural factors shows that “applying experiences of the experienced and practiced individuals” factor with change coefficient (6.8) is on priority. Prioritizing the studied educational factor shows that “technical skills and experience before performing plan” factor with change coefficient (26.75) is on priority. Prioritizing the economic factor shows that “produced products price in region” factor with change coefficient (23.13) is on priority. Prioritizing the studied environmental factors shows that “befitting region climate for activity” factor with change coefficient (24.76) is on priority.

### **Suggestions**

- 1-Promoting home-based businesses among the educated individuals because most of the graduated unemployed, participating in performing home-based businesses could decrease unemployment rate
- 2-Attending hold technical and occupational learning periods for home-based businesses applicants
- 3-Learning skills and increasing practical knowledge through holding technical and occupational learning periods for home-based businesses applicants
- 4-Holding promoting short-term learning periods for clients
- 5-Identifying such businesses performers with recent performed businesses findings
- 6-Feasibility investment on producing products according to costs
- 7-Attending region climate before investment in home-based businesses field

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