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# An Analysis on the Effect of Social Capital on Opportunities Recognition in Agricultural Entrepreneurship Development

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**ABSTRACT:** As Timmons believes, entrepreneurship leads to creation of promotion and reconstruction for owners and opportunity is the heart of entrepreneurship. But, opportunity is expressed in relation to other effective components on entrepreneurship such as social capital or social energy. This capital is composed of informal values and play a significant role in recognizing opportunities by generating trust, common norms and bonds among individuals. Accordingly, the present paper aims at analyzing the effect of social capital on opportunities recognition in agricultural entrepreneurship development. Research population is composed of agricultural entrepreneurs of Kermanshah city (N=82) from which 58 individuals were selected as the sample based on Morgan's Table and using random sampling. The research is performed through descriptive – correlation methodology and required data were gathered by a questionnaire validity and reliability of which were evaluated using panel of experts and Cronbach's Alpha, respectively. Validation and determining data adaption and fitness were performed using structural equation modeling in AMOS software and the effect of social capital on opportunities recognition was examined by MANOVA method (between two groups having and lacking social capital) in SPSS. According to findings, research hypotheses on presence of a significant relationship between social capital and aspects of opportunity recognition (number and diversity of opportunities) in agricultural entrepreneurship and a significant relationship between diversity and number of opportunities in agricultural entrepreneurship were confirmed.

**KEYWORDS:** Social Capital; Opportunity Recognition; Agricultural Entrepreneurship.

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## 1. INTRODUCTION

Opportunity is a markets need, resources or capabilities not exploited well and are created or discovered based on chance and by innovative combination of resources to generate paramount value and to respond to a certain need, interest or demand of the market (Ardichvehili et al, 2003). Obviously, the chance is expressed in relation to other effective factors on entrepreneurship. As one of the main effective factors in this area, social capital is of great importance. Social capital or the immaterial dimension of a community, or a set of informal norms or values in social systems, reinforces coordination among community members and forms a source of mutual expectations with wider networks, trust and common values to be placed above individuals (Field, 2007). In Patnam's view, social capital is those features of a social organization that facilitate coordination for mutual profit and improve efficiency (Imani Jajarmi, 2002). Therefore, neglecting this capital, as a valuable property of social life, leads to loss of pure opportunities in achieving entrepreneurship goals and respecting it in entrepreneurship activities may enhance and facilitate added value and achievement of valuable opportunities by reinforcing spiritual capital and ease of knowledge management. This is while the index of entrepreneurship activities of the Global Entrepreneurship Watch Model reported the three-year average of perceiving entrepreneurship opportunities in Iran to be 35%. Considering the fact that no field study in performed in Kermanshah on this certain area and on agricultural entrepreneurship development, the main objective of the present paper is to analyze the effect of social capital on opportunity recognition in agricultural entrepreneurship development.

## 2. LITERATURE REVIEW

Cobert (2007) defines opportunity recognition as understanding a good idea and transmitting it to a business to enhance production, revenues and added-value. He believes that individuals come to the belief that they have a potential to create a new production which leads to economic value. But, undoubtedly, number and diversity of opportunities in proper conditions, concerning other effective factors on entrepreneurship such as social capital or social energy, is better expressed since social capital contains resources facilitating social relations and accumulative actions. The most important of these resources on which experts and scholars mainly emphasize is trust among individuals in a society. Trust includes level of confidence and individuals has on competencies, capabilities, tendency to fair, moral and predictable behavior of another person (Josef and Winston, 2005). In this respect, Mohamadi Elyasi et al (2011) believe that content of social relations, including trust, has the highest effect on recognizing entrepreneurship opportunities. That is, if trust is enhanced as an indicator of social relations among members of social networks, it will have the highest effect on recognizing opportunities by entrepreneurs. Java et al (2010) state that trust is effective on establishment of a strong relationship between network members and leads to acquisition of numerous information resources because of trust, more relations and emotional support and the consequence is recognizing more opportunities.

Norms are another resources of social capital. Coordination and participation in group activities and entrepreneurship are considered as norms. Sheikhy (2003) states that in the continuous process of participation, members are involved in all steps (planning, decision-making, implementation, supervision, evaluation) and also in interests. Timmon and Sapeinza (2003) believe that a managerial culture based on participation and coordination generates an efficient environment containing higher levels of knowledge and leads to information exchange and consistency of experiences individuals with modern knowledge. This also helps young people benefit from experience of experienced individuals and hence efficiency is improved. Shan (2003) suggests that information plays a key role in recognizing opportunities. Busenitz and West (2003) find that investing on information leads to consciousness and knowledge development



and, finally, this flow of information's results in opportunity recognizing and development, since, as Ardichvihi et al (2003) believe, knowledge of past creates a knowledge path in front of entrepreneur and allows him to recognize certain opportunities.

Networks are another resource of social capital. Putnam and Goss (2001) identify interpersonal social relations and their interaction as the most fundamental component and the origin of two mentioned components of social capital. Stam et al (2014) demonstrate that social capital acts like a bridge in formation of social networks. Motalebi Qumi (2008) believes that consultancy with others (by the entrepreneur) is directly and significantly correlated with other variables of social capital. This is while Robertson et al (2003) demonstrate that failure in new and entrepreneurial businesses originates from lack of consultancy, knowledge and required skills. Psychologists and community sociologists believe that, in most cases, are important resources of information. Mohammadi Elyasi et al (2011) found that the four aspects of social networks are effective on entrepreneurship opportunity recognition. They also believe that after content of social relations, the way information is transmitted among members has the highest impact, Sing (2000) states that social networks are more effective on opportunity recognition and those entrepreneurs in contact with wider social networks recognize more and better opportunities. Bhagavatula et al (2010) believe that the wider the social network of an entrepreneur, the more opportunities are recognized since such networks face the entrepreneur with more opportunities and resources. Kiss and Danis (2008) say networks with strong and limited interpersonal relations are less helpful than those with abundant weak relations. They believe that in open social networks with weak social bonds have more chance to achieve new ideas and achievements than closed networks with ling strains. Ruef and Aldrih (2003) believe weak relations and structural gaps provide for more diverse opportunities by establishing relations between various groups and cycles. In a research by James and Isaac (2005), poverty and lack of relations between members and farmers are considered as main failure factors.

### **3. THEORETICAL FRAMEWORK**

#### **3.1. Social capital**

Social capital may be divided into two general categories:

- Cognitive (relational) social capital: this is in micro level and is proposed in abstract form. It considers components such as trust, norms, values and interactions among individuals (Paras, 2003).
- Structural (institutional) social capital: is proposed in medium and macro levels of a society in a more visible form and considers aspects such as local procedures, organizations and networks among people which guide the society toward reaching cultural, social, economic and political goals (Chalabi and Mobaraki, 2005).

Most scholars emphasize on trust as an abstract part of social network. Putnam (1998) mentioned personal and social trust and identifies the later, referred to as "generalized trust" in social network literature, more beneficial for the society. He believes enhancement of civil participations and expansion of social networks are mechanisms of converting personal trust to social form. In his view, trust generates and regenerates social aspects. Mutual trust originates from generalized mutual standards and from performance of civil commitment networks. Putnam's emphasize on trust, as the heart of social capital, led most research on social capital to employ his theoretical framework. Trust network forms groups of people use same norms and values in their relations based on mutual trust. Creation of this type of trust, friendship and participation has significant impact on formation of their behaviors. Moreover, norms and expectations hidden in relations lead to coordination and empathy among individuals (Nahapiet and Goshal, 1998). Another abstract part of social capital is composed of norms and values. In group



activities, including entrepreneurship, components such as coordination and participation are considered as norms. As Alavi Tabar (2000) believes, participation is composed of individuals' emotional and intellectual involvement in group situations and motivates them to help each other achieve group objectives and participate in working responsibilities. Ahsan (2006) identifies participation as a form of conscious coordination based on an innate willing and with the intension to live better with others. Wandersman and Florin (2000) describe participation as a process through which members of organizations take part in decisions, plans and their effects. Putnam (2000) identifies a certain type of empathy norms as the most generative component of social capital and believes that generalized empathy is the milestone of social capital. "I do this now for you and have no immediate mutual expectation. I even don't know you. I'm trusted in the fact that you or other will respond my kindness somewhere in the path". In the balanced type of simultaneous exchange, valuable things are equal, like those days off in which co-workers change their shifts. But in the generalized form, there is a continuous exchange relation always one-way and imbalanced which generates expectations, based on the principle that a profit is donated and should be repaid in future.

The visible and more objective component of social capital is networks. Putnam and Goss (2001) identified individuals' social relations and their interactions as the most fundamental component of social capital and introduce networks as the origin of two other components. They also distinguished horizontal or equalist networks from vertical or "monopolist" networks and demonstrated that the latter is unable to establish trust and empathy norms. But, horizontal networks, in the form of civil participations (associations, clubs, parties, etc) generate trust and empathy because of presenting a cultural framework for coordination. Besides constructing a network, Putnam emphasizes the compactness or density of the network and believes that enhanced compactness of associations, possibility of membership in multiple enterprises and participation in numerous areas or social life are of great importance and effectiveness. As Prell et al (2007) suggests, interpersonal relationships in social networks show how strong relations, compared to weaker ones, lead to various consequences such as 1) deeper penetration in others, 2) charring similar views, 3) emotional support and giving help in emergencies, 4) effective relationship concerning complicated information, and 5) more trust in others.

### **3.2. Theories of Opportunity**

Generally, opportunity recognition includes two theories of detecting and creating the opportunity which differ in pre-existence, creation or manipulation by human (Alvarez, 2005).

Intellectual roots of opportunity detection and creation theories lay in works of Kresner (1979) and Shumpiter (1934), respectively. The main assumption in detection theory is that the environment is considered as a resource of opportunities and these exist as phenomena and objective existences and are waiting to be recognized and exploited by entrepreneur agencies and individuals. According to theory of opportunity creation, since the environment is of a positional nature, individuals' minds are considered as resources and opportunities are absent in objective forms independent of entrepreneurs, but they are an outcome of intellectual exploration of individual minds among social interactions to generate economic wealth. In other words, opportunities are created by individuals through generative or repetitive process. In opportunity creation, the entrepreneur provides an opportunity by manipulating a phenomenon and presenting a new composition of its body structure and behavior; an opportunity which did not exist in the past. By investigating market needs and being able to compose available needs and resources (in a modern way), entrepreneurs may create a new opportunity. Both detection and creation of opportunity are important, but some believe that since opportunity creation leads to generation of a new world and recognition expands the present world, the former is of greater importance.



### **3.3. Ways of opportunity recognition**

Chandler believes that there are 4 certain to recognize opportunities: active search, inactive search, accidental detection, and opportunity creation. Active search and accidental detection are consistent with the ontological approach of positivism / realism (opportunities exist out there and the entrepreneur detects them) and the opportunity creation approach is consistent with the ontological view that “opportunities are the product of individual minds”.

Piter Draker divided opportunity resources to seven items and presented them in two parts. The first part pertains internal environment and is first observed by those individuals working in a certain industry or a service section. This part includes the following resources:

- Unexpected events, unexpected situation, unexpected failure, and external unexpected events.
- Inconsistency (between a reality which practically exists and a reality which is assumed to exist or must exist).
- Innovation based on need processing
- Changes in the structure of industry or market of which individuals are not aware.

Remaining resources of opportunity are generated outside the company, in social and intellectual environments and include:

- Changes of demographic features
- Changes in perceptions, interests and conceptions
- New knowledge

These resources overlap but are different in levels of risk-taking, difficulty and complexity. Besides, in a certain time, more than one of them may be a cause of innovation (Draker, 1988).

Timmons identifies followings as opportunity resources which lead to emergence of entrepreneurship opportunities:

- Regulation change
- Reconstruction of value chain and distribution channels
- Self-owned (exclusive advantage) or owned by contraction
- Entrepreneurial leadership
- Commitment of market leaders to traditions and neglecting customers' needs and interests
- Unpredicted events
- Changes in the structure of industry
- Demographic changes
- Changes in customers' values
- New knowledge (Yeganegi, 2004)

Opportunity resources in Gandry's view include:

- Experience
- A similar business
- Personal hobbies and interests
- Good luck
- Family and friends

- Training and expertise (Yeganegi, 2004).

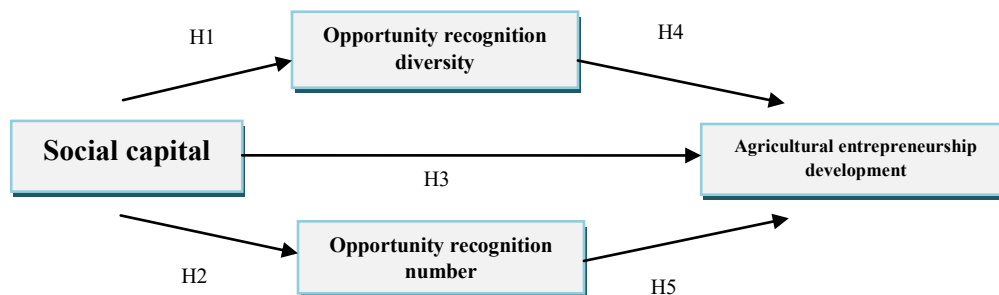
In Shumpiter’s view point, entrepreneurship opportunities emerge in the form a “creative destruction” process. Entrepreneurs do not detect opportunities but create them through taking advantage from change and innovation in economy. In his view, entrepreneur deteriorates society’s balance and leads it toward imbalance through entrepreneurship methods. In this period, entrepreneur gains profit and when the society gained its balance again, the opportunity is over.

Finally, our research hypotheses are presented as follow, based on literature review:

1. There is a significant relationship between social capital and diversity of recognized opportunities.
2. There is a significant relationship between social capital and number of recognized opportunities.
3. There is a significant relationship between social capital and agricultural entrepreneurship development.
4. There is a significant relationship between diversity of recognized opportunities and agricultural entrepreneurship development.
5. There is a significant relationship between number of recognized opportunities and agricultural entrepreneurship development.

According to review of literature and research background, the research conceptual framework (model) is presented below.

Figure 1: Research model



## 4. METHODOLOGY

The present applied research is performed through qualitative methodology. In terms of supervision level, control degree and type of data collection, the research is classified as descriptive – correlation one. A realized questionnaire was used to collect required data. It was conducted based on research objective and involved 6 sections: personal information including age, education, status of social capital (having or lack of it), items based on Likert’s Scale (1 = very low, 2 = low, 3 = medium, 4 = high, 5 = very high) (social trust with 7 items, norms with 5 items, networks with 7 items, opportunity recognition with 7 items and entrepreneurship development with 6 items) to analyze the effect of social capital on opportunity recognition in agricultural entrepreneurship development. Research population was composed of all agricultural entrepreneurs of Kermanshah city (N = 82) of which 58 individuals were selected, based on Morgan’s Table, as sample through random sampling. To validate and determine consistency and fitness of collected data and examining research model, structural equation modeling was used in AMOS. This method took the research close to complexities of social life and those of measuring hidden social –





cultural structures and allowed qualitative analysis of quantitative phenomena in a more accurate and realistic way. Model fitness, while the value of Square Chi was small, is Sig > 0.05. Smaller Root Mean Square Deviation (RMSD), as the fitness badness index (change between zero and one), and the value of other indexes is greater than 0.9, are acceptable. Since the Squared Chi (X2) of the model is a function of sample volume, most logical models with high sample volumes (if only the Squared Chi is considered) are not acceptable. Hence, the present paper calculated RMSEA, IFI (increasing fitness index), NFI (normalized fitness index of Bentler – Bount), index of Tooker – Lewis, and CFI (consistent fitness index) (Ghasemi, 2010). In order to examine the effect of social capital (between the two groups having and lacking social capital) on aspects of opportunity recognition (number and diversity), MANOVA was used in SPSS.

## 5. FINDINGS

Table 1 presents distribution frequency of respondents' personal specifications obtained from questionnaire data, based on age, education and social capital status.

Table 1: Distribution frequency of respondents based on their personal and Professional specifications (n = 58)

| Age                    | Frequency | Percentage | Accumulative percentage |
|------------------------|-----------|------------|-------------------------|
| 25 years and younger   | 5         | 8.6        | 8.6                     |
| 26 – 41                | 22        | 38.00      | 46.6                    |
| 41 – 60                | 31        | 53.4       | 100                     |
| Total                  | 58        | 100        |                         |
| Education              | Frequency | Percentage | Accumulative percentage |
| Illiberal              | 2         | 3.5        | 3.5                     |
| Primary school         | 7         | 12.00      | 15.5                    |
| Junior high school     | 11        | 19.00      | 34.5                    |
| High school            | 18        | 31.00      | 65.5                    |
| Higher than diploma    | 20        | 34.5       | 100                     |
| Total                  | 58        | 100        |                         |
| Social capital status  | Frequency | Percentage | Accumulative percentage |
| Having social capital  | 29        | 50.00      | 50.00                   |
| Lacking social capital | 29        | 50.00      | 100                     |
| Total                  | 58        | 100        |                         |

Source: findings

Table 2: correlation coefficient matrix of individuals having social capital (n=29)

| Variables                            | Entrepreneurship development | Having social capital | Diversity of opportunity recognition | Number of opportunity recognition |
|--------------------------------------|------------------------------|-----------------------|--------------------------------------|-----------------------------------|
| Entrepreneurship development         |                              |                       |                                      |                                   |
| Having social capital                | 0.89**                       |                       |                                      |                                   |
| Diversity of opportunity recognition | 0.78**                       | 0.73**                |                                      |                                   |
| Number of opportunity                | 0.71**                       | 0.72**                | 0.63**                               |                                   |



|             |                                |  |                                 |
|-------------|--------------------------------|--|---------------------------------|
| recognition |                                |  |                                 |
|             | * Sig in 5% level of deviation |  | ** Sig in 1% level of deviation |

Table 3: correlation coefficient matrix of individuals lacking social capital (n=29)

| Variables                            | Entrepreneurship development | Lacking social capital | Diversity of opportunity recognition | Number of opportunity recognition |
|--------------------------------------|------------------------------|------------------------|--------------------------------------|-----------------------------------|
| Entrepreneurship development         |                              |                        |                                      |                                   |
| Lacking social capital               | 0.51**                       |                        |                                      |                                   |
| Diversity of opportunity recognition | 0.50**                       | 0.37**                 |                                      |                                   |
| Number of opportunity recognition    | 0.55**                       | 0.41**                 | 0.49**                               |                                   |

\* Sig in 5% level of deviation      \*\* Sig in 1% level of deviation

Investigating two matrices above indicates that there is a positive, significant correlation between all variables in deviation level of 1%.

In order to examine research model, structural equation modeling method was employed in AMOS software. According to table 4 (individuals having social capital), it is observed that social capital (0.78), diversity of opportunity recognition (0.85), and number of opportunity recognition (0.34) have, respectively, the highest positive, significant direct effect on entrepreneurship development. Moreover, social capital has indirect effects on entrepreneurship development through diversity (0.33) and number (0.35) of opportunity recognition. Respecting general fitness indexes, it is inferred that the model possesses good fitness on individuals having social capital: IFI=0/91; TLI= 0/91; CFI= 0/93; RMSEA= 0/02) =1/79; p= 0/37; NFI=0/90. (X<sup>2</sup>

Table 4: analysis of variables effects (direct and indirect) on entrepreneurship development in individuals having social capital (n=29)

| Dependent                    | Independent    | Direct effect | Indirect effect | Total effect |
|------------------------------|----------------|---------------|-----------------|--------------|
| Entrepreneurship development | Social capital | 0.78          | -               | 0.78         |
|                              | Diversity      | 0.58          | 0.33            | 0.91         |
|                              | Number         | 0.34          | 0.35            | 0.69         |
| Diversity                    | Social capital | 0.77          | -               | 0.77         |
| Number                       |                | 0.86          | -               | 0.86         |

Source: findings

According to table 5 (individuals lacking social capital), it is observed that social capital (0.59), diversity of opportunity recognition (0.41), and number of opportunity recognition (0.35) have, respectively, the highest positive, significant direct effect on entrepreneurship development. Moreover, social capital has indirect effects on entrepreneurship development through diversity (0.27) and number (0.22) of opportunity recognition. Respecting general fitness indexes, it is inferred that the model possesses good fitness in both groups: IFI=0/90; TLI= 0/90; CFI= 0/91; RMSEA= 0/03) =1/92; p= 0/45; NFI=0/94; .X<sup>2</sup>





Table 5: Table 4: analysis of variables effects (direct and indirect) on entrepreneurship development in individuals lacking social capital (n=29)

| Dependent                    | Independent    | Direct effect | Indirect effect | Total effect |
|------------------------------|----------------|---------------|-----------------|--------------|
| Entrepreneurship development | Social capital | 0.59          | -               | 0.59         |
|                              | Diversity      | 0.41          | 0.27            | 0.68         |
|                              | Number         | 0.35          | 0.22            | 0.57         |
| Diversity                    | Social capital | 0.62          | -               | 0.62         |
| Number                       |                | 0.70          | -               | 0.70         |

Source: findings

To study the effect of social capital on opportunity recognition, MANOVA analysis was used in SPSS software. Since an assumption of MANOVA is equality of covariance matrices of the two groups, the analysis is possible only if both groups have the same number of samples, irrespective of default presumption (Todman and Dugard, 2007). Therefore, the equal number of 29 samples was selected for both groups. Based on MANOVA results, a significant difference in found between the two groups. Besides, Partial Eta Square as the best measure of effect, to determine the effect of independent variable on dependent one, shows that 82% of the total variance of dependent variables is explained by the difference between the two groups. In other words, it is inferred that the difference between groups is significant in terms of dependent variables.

Table 6: Difference of the effect of social capital in opportunity recognition among the two groups

| Dependent variable | Independent variables           |       |                                  |       | F       |
|--------------------|---------------------------------|-------|----------------------------------|-------|---------|
|                    | Having social capital<br>n = 29 |       | Lacking social capital<br>n = 29 |       |         |
|                    | Average                         | SD    | average                          | SD    |         |
| Diversity          | 4.89                            | 0.394 | 3.55                             | 0.786 | 32.11** |
| Number             | 4.85                            | 0.408 | 3.48                             | 0.780 | 28.28** |

\* Sig in 5% level of deviation

\*\* Sig in 1% level of deviation

Based on Table 6, there is a significant difference between the two groups. Average of all variables for the group having social capital on bigger than that of the group lacking social capital. Therefore, it is inferred that individual's giving social capital are more able in recognizing diversity and number of opportunities and hence they are more successful in their entrepreneurship activities.

## 6. DISCUSSION AND CONCLUSION

The main objective of this paper was to analyze the effect of social capital on opportunity recognition in agricultural entrepreneurship development.

Examining research framework, using structural equation modeling and showing direct and indirect effects of variables, indicates that 90% of variations of entrepreneurship development are explained by research variables. Besides, about individuals lacking social capital, variables direct and indirect effects show that 72% of variations in entrepreneurship are predicted by research variables. Respecting overall fitness indicators, it is inferred that the model possesses good fitness among the two groups.

MANOVA analysis between the two studied groups, to investigate the effect of social capital on recognizing entrepreneurship opportunities, indicates a significant difference between the two groups. Based on effect size, 82% of total variations of dependent variables is explained by the difference



between two groups and third difference is significant respecting dependent variables. In other words, it is observed that individuals having social capital benefit from social trust, norms and networks to support and realize strategies of entrepreneurship activities. This is while these lacking social capital are excluded from participation, norms and expectations hidden in relationships (which lead to empathy and coordination) because of neglecting such a huge capital. As a result, they are less able to recognize diversity and number of opportunities.

Results of hypotheses testing demonstrate that:

There is a positive, significant relationship between social capital and entrepreneurship development with 99% confidence. The correlation between the two variables (0.78) indicates importance and intensity of their relation. Positive direction of this correlation, also, shows that an increase in social capital will lead to an enhancement in entrepreneurship development, and vice versa. These findings are consistent with Aghaei and Karami (2012) who believe that social capital management in personal, group, social and organizational levels is effective on development of agricultural activities of entrepreneurs, Lutz (2011) who states that social capital has a positive and effective impact of development and human resource; and with Davidsson and Honig (2003) who emphasize on strong and reliable relations in social networks and effective factors on development of emotional social capital effective on detecting and recognizing opportunities for new businesses and taking primary paces toward entrepreneurship.

There is a positive, significant relationship between social capital and diversity of opportunity recognition in deviation level of 1%. The correlation between the two variables (0.73) indicates importance and intensity of their relation. Positive direction of this correlation, also, shows that an increase in social capital will lead to an enhancement in diversity of opportunity recognition, and vice versa. According to Mohammadi Elyasi (2006), main factors has social networks have essential effects on detecting and exploiting opportunities. These findings are consistent with Karami and Ali beygi (2014) who believe that social capital, on one hand, encourages growth of human capital and abandons creative energies of all individuals and, on the other hand, generates a learner society by creating a network of human capital dependent on experience and its relation to social capital of associations and the society, and this leads to development and progress of the association. These are also consistent with Busenitz and West (2003) who emphasize investment on information since they believe that this will result in consciousness and knowledge expansion and, finally, this flow of information leads to development and identification of opportunities.

There is a positive, significant relationship between social capital and number of opportunity recognition with 99% confidence. The correlation between the two variables (0.72) indicates importance and intensity of their relation. Positive direction of this correlation, also, shows that an increase in social capital will lead to an enhancement in number of opportunity recognition, and vice versa. Rostami (2009) believes that individuals access information, thoughts, economic opportunities, power, authority and emotional support through social networks and this lowers management and transaction costs and leads to creation of new values. Timmon and sapeinza (2003) also emphasize participatory management culture which results in information exchange and coordination between experienced individuals having modern knowledge by creating an efficient environment with high-level knowledge. Ubasaran et al (2009) confirm that past experiences of each entrepreneur help him in opportunity recognition.

There is a positive, significant relationship between diversity of opportunity recognition and entrepreneurship development with 99% confidence. The correlation between the two variables (0.78) indicates importance and intensity of their relation. Positive direction of this correlation, also, shows that



an increase in diversity of opportunity recognition will entrepreneurship development, and vice versa. This is consistent with Java et al (2010) who found that abundant information resources lead to recognition of more opportunities and development of entrepreneurship through trust, more relations and significant emotional support.

There is a positive, significant relationship between diversity number of opportunity recognition and entrepreneurship development deviation level of 1%. The correlation between the two variables (0.71) indicates importance and intensity of their relation. Positive direction of this correlation, also, shows that an increase in number of opportunity recognition will entrepreneurship development, and vice versa. This is consistent with Ardihvihi et al (2003) who emphasize past knowledge as a path facing entrepreneurs allowing them to recognize certain opportunities.

## **7. SUGGESTION**

Now, having the role of social capital in opportunity recognition and entrepreneurship development, following suggestions are presented:

- Since trust, as the heart of social capital, generates and regenerates social aspects, and a group of people use same norms and values in their interpersonal relations and interactions based on mutual trust, they may achieve better economic opportunities. Hence, holding educational workshops on the meaning of trust, in order to clarify its impact on entrepreneurship development in agriculture section may be helpful.
- Participation, as the most generative component of social capital, leads to intellectual and emotional motivation and involvement of individuals in group platforms and may play a key role in entrepreneurship development by involvement of individuals in decision-making processes. Thus, it is suggested to hold workshops on explaining participation and specifying the effect of its aspects on the ability to recognize opportunities.
- It is suggested to provide agricultural entrepreneurs with social networks as a strong tool to improve social capital. With doing so, they may access colleagues with whom they have common interests and needs. Hence, they may share their experiences in shortest time possible. Having relationship with agricultural entrepreneurs through social networks enables them to have easier access to more diverse opportunities concerning their activities.

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## **ETHICAL CONSIDERATION**

Authenticity of the texts, honesty and fidelity has been observed.

## **AUTHOR CONTRIBUTIONS**

Planning and writing of the manuscript was done by the authors.

## **CONFLICT OF INTEREST**

Author/s confirmed no conflict of interest.



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