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ORIGINAL ARTICLE

Analyzing Role of Economic Factors on Improvement of Innovation Capacity in Rural Women Active Cooperative of Tehran Province¹Azita Zand, ²Seyed Jamal F Hosseini, ³Seyed Mehdi Mirdamadi, ⁴Farhad Lashgarara^{1,2,3,4}Department of Agricultural Extension and Education, Science and Research Branch, Islamic Azad University, Tehran, Iran

Azita Zand, Seyed Jamal F Hosseini, Seyed Mehdi Mirdamadi, Farhad Lashgarara: Analyzing Role of Economic Factors on Improvement of Innovation Capacity in Rural Women Active Cooperative of Tehran Province

ABSTRACT

This research studies role of economic factors on improvement of innovation capacity at rural women active cooperative of Tehran province. Methodology is applied and correlation method. Statistical universe of this research is 788 women member in cooperatives of Tehran province. Results show that rural women less apply from economic mechanism for improving innovation capacity of rural cooperative. Importance of economic mechanism for improving innovation at rural women cooperative was very high.

Key words: Innovation Capacity, Economic Factors, Active Cooperative, Analysis**Introduction**

Whereas key role of women cooperative on economic activity of rural women in compliance with potential and actual capacities of villages, permanent income, playing effective role at management of economic chain of agricultural crops, through having innovation in performance of cooperatives, it is possible to prepare suitable grounds for attracting necessary investment in this field [6]. It is required to improve performances related to business and marketing crops of cooperative through improving innovation capacity, structures and processes [2]. Therefore it is appropriate time that in addition to facilitating and offering capital and training for establishing women cooperatives, to recommend some strategies for stability and activation of non-active and damaged rural women cooperative [7].

Some of the problems of rural women cooperative are including: not applying suitable strategies, not having official and unofficial training to improve level of skills and management of cooperative companies, reducing productivity and developing cooperative market, not facilitating access of cooperatives to required facilities and resources for making investment on innovative performances, not support from creating network and not having effective communication at cooperative of rural women of Tehran province. Thus, support of government for improving innovation capacity and improving quality of production chain for obtaining continuous success at women cooperative in

undeniable [4]. The gap created between developing countries and developed countries and not paying enough attention to concept of innovation and entrepreneurship is ever-growing which is mainly not due to having innovation in such countries, rather it is due to other reasons that innovation does not reduces this gap. Because of not studying the concept of innovation and publishing it in country, not only innovation does not make organization stable, but also it is eliminated within a short term [9]. Older companies due to applying from knowledge management quickly access to innovation; however, rate of innovation in different countries based on their performance is either less or high. Studies reveal that cooperatives with great number of members have higher probability of obtaining innovation [5].

Arabshahi [3] in his research stated that innovation is regarded as growth and factor for establishing and developing successful cooperatives. Through recognizing innovation tools, innovation capacities, establishment of new technologies, offering new application as new products and services, developing new markets, establishing organizational associations based on innovation culture, it is possible to increase net value of consumers and their commitment toward cooperative. Attitude toward establishing new innovation systems was because of this fact that agricultural markets are moving toward development basis and only production regardless to customer requirements is rejected. Knowledge, information

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and technology are produced on ever-growing basis and are continuously offered to farmers through private sector. In addition the structure of knowledge at agricultural sector of many countries had considerable changes and developing agriculture is faced with global business and competitive environment. Consequently, innovation in agriculture is accompanied with technical, institutional and organizational changes for obtaining to suitable demands [11].

General Goal: Applying importance of economic mechanism for improving innovation capacity of rural women cooperative of Tehran province

Specific Goals:

- 1) Prioritizing application of economic mechanism
- 2) Prioritizing importance of economic mechanism

Materials and Methods

In order to perform this research it was applied

from field method and questionnaire. Volume sample was selected by using class random sampling method. Upon collecting 240 questionnaires and analyzing them by using SPSS software, level of Alpha Cronbach for applying economic mechanism was 0.79 and importance of economic mechanism was 0.81. Dependent variable of this research is improving innovation capacity of rural women cooperatives of Tehran province and the independent variable is economic mechanisms.

Result:

Application of Economic Mechanism:

Results of table 1 reveal that comment of members and paying attention to properties and quality of new product of cooperative, independence of cooperatives for making financial decision, level of capital and financial reserves of cooperative is at acceptable level.

Table 1: Prioritizing application of economic factors and improving innovation capacity

Level of Paying Attention/ Application of Economic Mechanisms (Available Situation)	Mean	SD	CV	Rank
Properties and quality of new product	4	1.24	0.310	1
Independence for making financial decision	3	1.06	0.353	2
Level of capital and financial reserve of cooperative	3	1.07	0.357	3
Budget for advertising and introducing products of innovative cooperatives	3	1.10	0.367	4
Economic level of innovative activities of rural women cooperative	3	1.12	0.373	5
Support from standardization at cooperative	3	1.13	0.377	6
Recognizing new markets and improving marketing capacity	3	1.18	0.393	7
Offering loans to innovative cooperatives	3	1.20	0.400	8
Financial support and making investment on cooperative on behalf of government	3	1.39	0.463	10
Accessing to new markets	3	1.43	0.477	11
Physical facilities of rural women cooperative	2	1.04	0.520	12
Investment of government on rural women cooperative	2	1.09	0.548	13
Size of innovative cooperatives	2	1.10	0.550	14
Offering loan and export encouragement for innovative cooperatives	2	1.15	0.575	15
Economic credit for women member at innovative cooperatives	2	1.17	0.585	16
Studying conditions of crops produced by rural cooperative	2	1.21	0.605	17
Developing required infrastructures for developing innovative performance	2	1.25	0.625	18

Importance of Economic Mechanism:

Results of table 2 shows that supplying budget for advertisement and introducing products of innovative cooperative with minimum coefficient of changes is regarded as the most important and priority issue. In addition the following issues are

very important for improving innovation capacity of rural women cooperative including: recognizing new markets, improving marketing capacity, economic level of innovative activities of rural woman cooperative, physical facilities of rural woman cooperative, properties and quality of new product and studying conditions of production at this region.

Table 2: Prioritizing importance of economic factors for improving innovation capacity

Level of Importance of Economic Mechanism (Suitable Condition)	Mean	SD	CV	Rank
Budget for advertisement and introducing products of innovative cooperatives	4	0.71	0.178	1
Recognizing new markets and improving marketing capacity	4	0.74	0.185	2
Economic level of innovative activities of rural women cooperative	4	0.75	0.188	3
Physical facilities of rural women cooperative	4	0.76	0.190	4

Properties and quality of new products	4	0.77	0.192	5
Studying conditions of products of this region	4	0.77	0.192	6
Obtaining new markets	4	0.80	0.200	7
Offering financial support and investment on cooperative on behalf of government	5	1.00	0.200	8
Investment of government for establishing rural women cooperative	4	0.80	0.200	9
Intensity of competition	3.5	0.71	0.203	10
Independence for making financial decision	4	0.88	0.220	11
Size of innovative cooperative company	4	0.89	0.220	12
Level of capital and financial reserve of cooperative	4	0.89	0.222	13
Offering loan to innovative cooperatives	4	0.91	0.228	14
Support from standardization of cooperative	4	0.93	0.232	15
Developing required infrastructures for improving innovative performance	4	0.94	0.235	16
Export encouragement for innovative cooperative	4	0.95	0.238	17
Financial credit of women member at innovative cooperative	4	1.01	0.252	18

Conclusions:

Paying attention to properties and quality of new product in cooperative with minimum coefficient of changes is regarded as first priority and most important issue and paying attention to required infrastructures for innovative performance on rural women cooperative with maximum change coefficient is regarded as less important and final priority factor. Paying attention to independence of cooperatives for making financial decision, level of capital and financial reserves of cooperatives are at acceptable level; nevertheless, other components of economic mechanism for improving innovation capacity of cooperatives specifically studying conditions of production at this region and developing required infrastructures for developing innovative performance of cooperatives are neglected. In relation to importance of economic mechanism it is concluded that supplying budget for advertising and introducing products of innovative cooperative with minimum coefficient change has highest importance and financial credit of women member at rural women cooperative with maximum coefficient of change has less importance. Recognizing new markets, improving marketing capacity, economic level of innovative activities of rural women cooperative, physical facilities of rural women cooperative, properties and quality of new products and studying condition of production at this region have the highest importance for improving innovative capacity of rural women cooperative. Generally results showed that applying or paying attention to economic mechanisms for improving capacity of creative thinking process and turning it into new products and services is regarded as useful economic method; therefore, it is possible to assist organization under competitive condition and advance organization and offer better response to customer requirements [1]. Innovation is regarded as creating new knowledge based on business. Innovation is applying change at available situation [10]. According to comment of Schwill activity in the phase of economic based innovation includes: analyzing environmental messages for technologies,

market, policy, collecting, filtering factors and conditions related to domestic and foreign market, paying attention to decision making process through available information, absence of having capital at rural society specifically rural women resulted in depression and losing important part of income obtained from production and women cooperative companies through accumulating capital of members should cooperate each other in the field of production [2]. Lunnan et al [8] believes that growth of entrepreneurship and innovation of women cooperative at local level increases stability of cooperative in societies that its capital is obtained domestically.

Recommendations:

According to the results of economic factors, the following practical solutions are recommended for improving innovation capacity of rural women cooperative:

- 1) Financial credit for women member at innovative cooperatives
- 2) Economic encouragement for innovative cooperatives
- 3) Economic encouragement system and customs encouragement system for innovative cooperatives
- 4) Developing required infrastructures for improving innovative performance
- 5) Support from standardization of cooperative
- 6) Offering loan to innovative cooperatives
- 7) Establishing financial and economic organizations in order to support women cooperative

According to results of importance economic factors, the following practical solutions are offered to improve innovative capacity of rural women cooperative:

- 1) Allocating budget for advertising and introducing products of innovative cooperatives
- 2) Recognizing new markets and improving marketing capacities
- 3) Improving economic level of innovative activities of rural women cooperative
- 4) Preparing physical facilities of rural women

cooperative

5) Suitable informing in the field of properties and quality of new products

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