

# Preface

## OVERVIEW OF THE VALUES OF ENTREPRENEURSHIP AND INNOVATION

In a true sense, core values are vital in innovation. They are essential, lasting and intended to direct constructive change. These values are capable to unite and inspire to achieve a healthier, stronger and more productive environment, as well as empower and energize creative minds that are involved for higher achievements. The first of those values is definitely the nourishment of the *Entrepreneurial Drive*. The second is *Hard Work*. Thirdly is *Honesty*. Last but not least is *Precision*. If we can combine these values against cultural nature in the Middle East where unfortunately, un-precision seems to be in the genes, we can seize opportunities, create tremendous values and help events help society.

## ENTREPRENEURSHIP IN THE MIDDLE EAST TODAY

On this special phase of the life cycle of the Middle East region, Business is entering an exciting period with plenty of opportunities for innovation and entrepreneurship. Academic research stands as the witness of time and of change. Yet there is a recipe for success; there is a way to meddle with the law of probability and make the dice roll to our favor. On one hand, there is the passion to create, the desire to progress and the courage to act; On the other hand, there is a thorough assessment of the reality, of one's capabilities and of the challenges we face. A first intuition for a successful recipe is to have a balancing act between the two dimensions; the courage and passion from one side and analytics and synthetics on the other side.

Peoples of the Middle East have so much neglected Mother Nature, heaven's most precious gift. Mankind is now living on borrowed time. It is the duty of today's young generation to live up to this new awareness threshold and to correct what the past generations have done. Eco-Entrepreneurship is focusing on the ecological

dimension. The ultimate awareness of societies is when they grasp the environmental friendly dimension. This is certainly a sign of maturity and evolution. It is about understanding that if we do not close the loop of consumption and production, if we do not recognize the subtle balances of the preservation of cycles, life itself can be disrupted and continuous unfolding of evolution will be interrupted.

The Middle East has acknowledged the importance and need of entrepreneurial activities which would flourish the economy and open new opportunities for employment. Providing employment to a young and growing population is the major challenge faced by countries in the MENA (Middle East and North America) region. Everywhere in the world, it is small firms that contribute most to job creation. Their ability to thrive and generate jobs is a function of the environment in which they operate and their capacity to deal with continuous change and build assets for the future. Hence firm competitiveness is high on the development agenda. In today's global environment, firms rather than nations have become the engine of growth, and competitiveness is the key for firms to survive.

## **TARGET AUDIENCE**

This assembly of current research is intended for advancing values of innovation and business entrepreneurship among academics, business executives as well as policy makers of the wider Middle east region. Particular areas that are targeted in this review include 2 main regions: The Near East Levant along the Eastern shores of the Mediterranean, and the Arabian Gulf region. Contributing authors come from a wide variety of business background, as well as regional diversity, including universities from Lebanon, Saudi Arabia, Iran, Turkey, UK, and Africa.

## **BOOK CONTENT AND CHAPTER DESCRIPTIONS**

The early part of the book provides macro-economic overview of business environment in the wider Middle East region. Following part addresses innovation and entrepreneurial drive in a wide variety of business settings, Then, the latter part of the book covers in depth and in extensive variety several country scenarios of a rich entrepreneurial experience in specific sectors, and in diverse business fields. The following section provides a quick coverage of the book by chapter and by author. A quick summary is provided for each section.

## **Chapter 1: Sustainability of Family Business Entrepreneurship in the Middle East**

An entrepreneur that establishes a new venture, in general, works following the logic of 'Going Concern', that is a long-term perspective of survival of the venture, and its future establishment as a market player. For this long-term perspective to survive the initiation, growth and development stages in the market, it needs to satisfy a number of criteria and factors. These criteria and factors include a creative idea, managerial skills, financing and proper financial management, etc. ..., succession planning and sustainable decision-making processes in family businesses

## **Chapter 2: Cooperative Entrepreneurship in the Middle East**

Socio-cultural characteristics as defined by Hofstede lay out the basis for understanding entrepreneurial characteristics within a given society. Masculinity, collectivism, and uncertainty avoidance are related to competitive behavior, then cooperative versus competitive dilemmas are analyzed in the cultural setting of Middle Eastern entrepreneurial activity. The purpose is to prove that a relationship exists between culture, and entrepreneurial attitudes. Among Middle Eastern countries, Lebanon is found to go against generally acceptable relationships between cooperation and entrepreneurial autonomy.

## **Chapter 3: Corporate Innovation and Intrapreneurship in the Middle East**

Corporate Intrapreneurship (CIP) is still viewed in many cases in the Arab region as a western concept that does not apply to the Middle East. Whereas Corporate Intrapreneurship (CIP) has been an area of increased interest in the United States and in Europe in the last few decades, stimulated mainly by the hope that it will revitalize and regenerate the manufacturing industry, among others, in these countries, especially in the face of increased competition, in the Middle East CIP is still a somewhat new and sometimes vague concept with little understanding to its benefits and uses

## **Chapter 4: Accelerating Entrepreneurship in MENA Region – Opportunities and Challenges**

The Middle East and North Africa (MENA) region is at a turning point in its development. How MENA region address the employment needs of its rapidly increasing population of young people will determine whether the MENA region will become a region characterized by stable, knowledge-based economies that have dynamic working middle class. Entrepreneurship is considered vital to drive this transition of MENA region. Increased entrepreneurial activities will not only spur job growth but also generate ideas, attract investment and inspire future entrepreneurs to follow footsteps of successful entrepreneurs. This chapter explores the entrepreneurial ecosystem of MENA region. The chapter discusses various challenges and provides specific recommendations to boost entrepreneurial activities in MENA region.

## **Chapter 5: Making Innovation Development Policies Work for MENA – The Need for Entrepreneurship**

This chapter analyzes the Middle Eastern North African economies growth prospects and investigates the role of entrepreneurial activities in achieving sustainable economic growth and social development. It explores the existing macroeconomic, political and social characteristics of the region and brings the different literatures together to understand the policy implications of theory and practices. The chapter shows that entrepreneurial activities can cure a lot of problem in the region as long as supported by the central authorities, and the region has a strong potential to be used by the entrepreneurs.

## **Chapter 6: Empowerment Against All Odds – Women Entrepreneurs in the Middle East and North Africa**

The number of women-owned businesses worldwide has increased significantly, a development, which extended to other parts of the world, such as the Middle East and North Africa (MENA). This region's cultural and socioeconomic idiosyncrasies offer unique perspectives on women entrepreneurship. We provide a critical overview over the situation of female entrepreneurship in the region, which takes into consideration challenges and opportunities on the level of the individual entrepreneurs, as well as on the macro environmental level. We finally discuss constructive solutions in order to increase the number of women business founders.

## **Chapter 7: Succession Challenges Facing Family Businesses in Saudi Arabia**

The aim of this study is to examine how succession planning is carried out in family-owned businesses in Saudi Arabia. The study adopts a qualitative methodology which involves semi-structured, face-to-face interviews. The major findings of the research is that most of the family businesses in Saudi Arabia do not have a proper succession plan due mainly to socio-cultural issues such as mistrust and conflict of interest between the older and the younger members of the family and also subservience of women in the society generally. The implications of the study are discussed including a paradigm shift where women are encouraged and given the opportunity to get involved in the running of their family businesses.

## **Chapter 8: Critical Review of Entrepreneurship in Oman**

Entrepreneurship has assumed super importance for accelerating economic growth both in developed and developing countries. It promotes capital formation and creates wealth in country. It is hope and dreams of millions of individuals around the world. It reduces unemployment and poverty and it is a pathway to prosper. The word entrepreneur is of French origin and literally means the person that takes between – the middlemen; in a more free translation, the individual who pursues a commercial activity. In spite of various studies, defining entrepreneurship is still a major dispute among researchers and the word entrepreneur still has no common meaning among the academic community. So, espousing a very broad definition for entrepreneurship that incorporates business owners and self-employed individuals and adopting a grounded theory approach with in depth literature review of published documents and data, the core of this chapter is to review critically entrepreneurship in the Middle East with specific focus on Oman.

## **Chapter 9: Agency Problem Types From a Corporate Governance Perspective**

Corporate Governance systems adequately address problems related to accountability and transparency in developed countries. However, in emerging economies these systems are susceptible to exploitation by self-interest-minded individuals entrusted in managing the organization in some cases, by majority shareholders in other cases and at times by third parties from outside the organization. This exploitation falls

under the concept of Agency Theory which emerges as a matter of concern that should be dealt with by Corporate Governance systems. Under the Agency Theory, the author classifies the Agency related problems into three types; “Type One”, “Type Two” and “Type Three”. All three types emanate from the separation of ownership and decision making complemented by the natural reality of self-interest requiring thus internal mechanisms of control in order to mitigate the Agency problems along with all Agency related costs. The paper then deals with such mechanisms.

## **Chapter 10: Developing Blue Ocean Strategy in Construction Using an Improved Model of Kano**

Blue ocean strategy includes a consistent pattern of strategic thinking in the creation of new markets in various industries. This chapter examines how to create a blue ocean and its role in improving the construction industry. This is library research along with case study. It has been prepared based on information gathered from articles published in international journals and referring to large and reputable builder companies. In the concept of strategy, “Blue Ocean” is referred to two overall scope of blue and red ocean. In this chapter, we used the Kano method for evaluation and selection of the features in the construction industry and then, through a four-step approach, it was decided what features should be removed, innovated, enhanced or improved. Finally, using improved hybrid model of Kano and the pillars of the blue ocean strategy, we concluded that economic factors and psychological factors that impact on the consumers need investment and more attention.

## **Chapter 11: Entrepreneurship and Innovation in the Lebanese Healthcare – Road to Employee Job Satisfaction**

In a world that is swiftly evolving, working life conditions are continuously changing too; this chapter will deal with changing environment and its impact on our lives; it will cover the historical background of healthcare in Lebanon, the entrepreneurial factors affecting the Lebanese hospitals stressing on the working life needs especially the skills needed to learn new things which will provide a better ability to adapt to changing working environments. This chapter also stresses on the role of Core competences among entrepreneurs in special fields of social and health care. The healthcare industry has experienced a worldwide growth and proliferation of innovation aimed at improving our lives, its quality and providing better treatment in addition to creating a good working environment enhancing employees performance and self-satisfaction

## **Chapter 12: The Lebanese Way – A Cultural Propensity Toward Entrepreneurship**

Within this diverse and often unstable environment, the social phenomenon of entrepreneurship has emerged. Although this concept is found in many segments of society and individuals, it is often linked to the small business venture, and this environment is where our research will take place. Defining the term presents some challenges because it is more of an activity encompassing a wide range of character traits and skills than just a static concept. Additionally, the Lebanese context may share in the collective nature of a definition, but will also offer unique displays of entrepreneurship that may differ from other societies.

## **Chapter 13: Lebanese Expatriate Entrepreneurship Worldwide**

The Lebanese have always been great travelers and emigration played an important role in their history. It became inevitable then that entrepreneurship played a major role in shaping the life of those Lebanese residing outside their motherland, as they had to rely on new and creative ways to sustain their living. Although Lebanese entrepreneurs know how to pinpoint opportunities, they still have limited knowledge of the administrative aspects of managing a business. In other words, Lebanese entrepreneurs have the talent but lack organizational skills. Lebanon is a country where management styles are still traditional. Thus, trying to apply modern management practices can be rather difficult. New technology and product diversification are introduced informally through individual efforts of entrepreneurs.

## **Chapter 14: Social and Civic Entrepreneurship in Lebanon and the Middle East**

Social and civic entrepreneurship is looking at what is happening around you and coming up with an idea or business plan to take help solve the situation. Social Entrepreneurship makes a person more aware of what is happening around them. It also looks at a problem and finds the best solutions for them. Entrepreneurs around the world are different and their approach to problems are different some work collectively and other individual. In Lebanon most entrepreneurs are individual where they work with close families and pass the work down every generation. Also Lebanon encountered many problems from wars to economic problems, that lead to most people working alone and in the private sector. The idea of Social and Civic Entrepreneurship can help the country move forward and get past its current problems. An example of social entrepreneurship is given on how a simple idea could be used to solve the garbage crises.

## **Chapter 15: Entrepreneurial Innovation and Islamic Banking**

Instruments of Islamic finance have recently reemerged as an innovative tool for entrepreneurial transactions. Purpose of this chapter is to: a) define Islamic banking Product; b) compare with nearest western banking equivalent; c) highlight advantages and disadvantages of product; d) state and defend your opinion about future progression of banking towards convergence or divergence between Islamic and Western banking; and e) finally evaluate the role of client focus and customer driver performance in the future trends of entrepreneurial funding.

## **CONCLUSION AND FIELD IMPACT**

This book offers a platform of various guidelines for creative minds to venture into entrepreneurship and benefit their surrounding community. In addition, it allows the reader to create a mind map to follow in order to fulfil business dreams, whether it's a private or family business. The most common characteristic among people who aim at becoming an entrepreneur is the fear of risk taking and investment, however, this book aims to stimulate the reader to take risks and transform dreams into reality, by providing concrete examples and case studies around Lebanon, Middle East and the MENA region. By discussing the status of entrepreneurship in various forms in this region, this book puts entrepreneurial innovation in perspective to form an idea of what step to take and how to take it. Naturally, this book is addressed towards entrepreneurs who are already established and would like to expand their knowledge or accelerate their business. It is also beneficial for young adults who aim at launching their own creative businesses and using their skills to benefit the community. Interestingly, it also describes the status of business women in the region, and caters for motivating them into taking action against all obstacles to become entrepreneurs and break the wall of gender in this field. Moreover, by showcasing the different ways a person can be an entrepreneur as well as the issues and obstacles this field is facing, the targeted readers are able to create a holistic idea of what precautions to take, what to focus on and what to avoid in order to reach a successful endeavour. The organization of this book is illustrated in such a way by moving from chapter to chapter that narrows down the ideas of the entrepreneur while reaching one conclusion that is the catalyst for taking action. The book discusses 3 different areas of business practice distributed over 15 chapters, the macro scale discussed is the Middle East and the status of entrepreneurship and business development in the region, the smaller scale is the MENA region where the need for entrepreneurship is discussed for developing countries, and finally the micro scale where business culture is taken into consideration and how It impacts the actions people take to-



wards developing their own businesses. It is important to mention that this book is a very powerful tool for entrepreneurs and non-entrepreneurs alike to benefit from, given the positive impact it creates within the reader by describing the status of the field and the urgent need for it. Finally, by delivering it to the hands of the public, this book will have a great impact on the young generation especially in such a way that allows them to take action and initiate their ideas realistically, while activating their business dreams.

*Philippe W. Zgheib*

*Lebanese American University, Lebanon*