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# Corporate Entrepreneurship in Lebanon: An Exploratory Research

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## Abstract

Skilled Lebanese are found all over the world succeeding in every endeavor, and providing benefits for their environment and community. However, the situation of the same talented people when operating inside Lebanon is different, and the performance and career path might be less advantageous than that they may attain abroad. Due to this fact, Brain-Drain syndrome has become a major dilemma for the Lebanese community which is constantly losing experienced and skilled talents to other Arab and western countries. Causes are related to job dissatisfaction as well as the unstable and expensive conditions of living inside Lebanon. The current research addresses Corporate Entrepreneurship (CE); a concept which is expected to improve the working conditions in Lebanon for both organizations and individuals. A survey questionnaire is distributed among employees, and middle-level and top managers from the Lebanese private sector to test the characteristics and preferences of the target audience and their reactions to the requirements and structures necessary to establish CE in this sector. Two research problems are addressed: the first is to assess the Lebanese employees' familiarity with the concept of CE; and, the second is to evaluate these employees' willingness to practice CE in Lebanon rather than abroad. Results and findings show that 80% of employees are ready to receive the adequate CE training if it is later translated into their daily work routine. Employees have a tendency for risk taking, which is a key factor for CE; when given the appropriate atmosphere and rewarding systems, employees prefer to implement CE in Lebanon rather than overseas, and feel that CE cannot be easily integrated into the Lebanese organizations due to the dominance of family owned enterprises. At the end, the paper provides recommendations to organizations for a continuous entrepreneurial process and talent retention.

**Keywords:** Lebanon, corporate entrepreneurship, talent, brain drain

## 1. Introduction

Pongklee & Ussahawanitchakit (2008) contend, as per their literature review, that Corporate Entrepreneurship (CE) is addressed as “the propensities, processes and behaviors that lead to entry into new or established markets with new or existing goods or services. Based on various models of firm-level entrepreneurship, five key features have been defined to characterize a CE, namely, autonomy, risk taking, innovativeness, pro-activeness, and competitive aggressiveness” (Para 9). Entrialgo, Fernandez and Vazquez (2000) examined the relationship between entrepreneurship and strategic management from the perspective

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of the process and from the point of view of the content. They found a positive relationship between entrepreneurship and practices of analysis, flexibility, locus of planning and control attributes, and strategy based on differentiation. While, the empirical results of Pongklee & Ussahawanitchakit's (2008) research suggest that CE improves a firm's performance by increasing the company's pro-activeness and risk taking, and by promoting product, process, and service innovations (Para 9).

Bahrami (1992) relates strategic flexibility to Corporate Entrepreneurship. He defines flexibility as "a multi-dimensional concept—demanding agility and versatility; associated with change, innovation, and novelty; coupled with robustness and resilience, implying stability, sustainable advantage, and capabilities that may evolve over time" (p. 48).

Hitt, Keats, and DeMarie (1998) contend that Corporate Entrepreneurship is advantageous to building strategic flexibility and competitive advantage through:

- "Building dynamic core competencies.
- Focusing and developing human capital.
- Using effectively new technologies.
- Engaging in valuable strategies: exploit global markets, use cooperative strategies.
- Developing new organization structures and culture: Horizontal organization, learning and innovative culture, manage as a bundle of assets" (p. 22).

While Javalgi, Whipple, Ghosh and Yong (2005), assert that any type of flexibility, whether strategic, tactical, or operational, will not help the organization create greater value and sustainable competitive advantage. On the other hand, Aragon-Sanchez and Sanchez-Marin (2005) found that small and medium enterprises (SMEs) may enjoy greater flexibility because of the simplicity of their internal organization, and because they are faster at adopting to change. Furthermore, Ling-ye and Ogunmokun (2008) indicate that range flexibility (extent of system adaptation) has a significant positive impact on new product innovation performance and cost-related economic performance.

### **Corporate Entrepreneurship in Developing Countries**

Despite the aforementioned advantages of Corporate Entrepreneurship, it is the least studied in developing countries although Reynolds, [Bygrave and Autio \(2004\)](#) report that over 400 million individuals in these countries are owners or managers of new firms. Of these, over 200 million are found in China and India alone as compared with just 18 million entrepreneurs in the United States.

The key to growth in the developing countries' economies resides in the potential for entrepreneurship and the will of governments and institutions to foster and support the creation of SMEs (OECD, 2004, p. 9). Furthermore, according to OECD, there is a general belief that "creating a business environment conducive to entrepreneurship and enterprise creation in which innovative young firms have scope to expand rapidly once they have established themselves requires a broad range of mutually reinforcing and supportive policies. Many of these affect the economy as a whole but impinge importantly on potential entrepreneurs and SMEs" (ibid). According to Lingelbach, de la Viña and Asel (2005), some distinctive attributes of entrepreneurship in developing countries appear to improve the probability of success for growth oriented firms; others appear to hold back these firms. Attributes identified as potential barriers include,

- Opportunity: Opportunities for entrepreneurs in developing countries are broader in scope than in developed markets. Emerging markets lack stable and mature markets and the consistency that such markets offer. On the other hand, the risks posed by economic, political and regulatory uncertainty is heightened. The rational is for entrepreneurs to spread resources across several separate but related businesses in order to mitigate systematic risk. The risk is then managed through portfolio diversification (Para 11).
- Financial resources: In developing countries, limited personal and family savings and the absence of financial innovation severely limits the growth prospects.

Entrepreneurs in emerging markets rely very heavily on informal sources of finance, while bank lending and venture capital play a very limited role in financing entrepreneurs (Para 14).

- Apprenticeship and Human resources: Technical, industry-specific training is an important component in the creation of globally competitive firms. These firms often form into geographically focused clusters such as India, Philippines and China.

Emerging markets require revolutionary change but have few people with requisite skills and experience to effect such a change. Therefore, potential stakeholders usually look for complete teams that include experienced executives in sales, marketing, finance and operations. In emerging markets, these skills are equally valid but often short in supply; as a result, entrepreneurs look for other characteristics that are pertinent to the local market environment, including the ability to see through the fog of politics and economics (Lingelbach et al., 2005, Para 24).

The current research has addressed Corporate Entrepreneurship (CE) as a concept identified to improve the working conditions for both organizations and individuals to continuously face the dynamic requirements of the changing conditions of the markets. However, little is known about either how employees, and middle-level and top managers from the Lebanese private sector deal with the concept under study; how deep is their knowledge of the characteristics and preferences; in addition, to what extent their reactions to the requirements and structures is necessary to establish CE in the Lebanese private sector. Therefore, in order to carry out an empirical exploration of the aforementioned questions, the writers will review how CE is approached in the MENA region in general and in Lebanon in particular so as to define the questions and the hypotheses to be researched in this paper.

### **Corporate Entrepreneurship in the MENA Countries**

Al Mashni (2011) asserts that one of the Middle East and North Africa (MENA) top priorities in the coming years is job creation for the youthful population whose size and energy could either accelerate economic activity at home or be lost to better opportunities abroad (Para 2). The World Economic Forum (2011) reports that the MENA region has one of the world's youngest workforces, with more than one half of its population under 25 years old (p. 7). Moreover, 75 million jobs must be created by 2020 to meet the requirements of the market. In nine years, 40% more jobs should be created than currently existing (ibid).

The situation poses both enormous opportunities and challenges to keep the youth engaged and prevent loss of talents to emigration.

“We believe that the key to accelerating job creation will be fostering a business environment in which entrepreneurs can easily start new companies, spread innovation and spur economic activity in general,” said Joe Saddy, Chairman of the Board of Booz & Company. “To do so, policymakers and business leaders must first identify what motivates people to start businesses; they must understand the elements of a healthy entrepreneurial ecosystem, and which of those elements are lacking or immature in the MENA region” (Al Mashni, 2011, Para 4).

Kollmann and Stockman (2008) contend that “entrepreneurial culture appears to provide an antecedent to entrepreneurial initiatives throughout the organization. Contemporary organic organization structures promote discovery and risk taking, which are crucial for entrepreneurial initiatives. Organic organizations are characterized by both formal and informal communication across divisional or hierarchical boundaries and build support and momentum for new ideas within the organization” (p. 15).

Moreover, Lekmat and Chelliah (2011) in their paper “Surviving the Next Economic Crisis: Corporate entrepreneurship strategies of Thai automotive SMEs” agree with Kollmann and Stockman; they found that corporate culture plays a critical role in shaping CE. In their literature review they contend that “culture that supports innovation tends to stimulate organizational members to take CE initiatives. Moreover, organizational culture characteristics such as management support, autonomy and work discretion, reward and reinforcement, time availability, and loose organizational boundaries are critical to foster an entrepreneurial culture in organizations” (p.21). In addition, Gray et al. (2003; cited in Lekmat and Chelliah,

2011, p. 21) affirm that culture influences the management style and shapes entrepreneurial behavior of individuals and groups in the company at all levels.

As per Soraya Salti, senior Vice- President MENA at INJAZ (cited in Al Mashni, 2011), “Encouraging entrepreneurship is one way to go - start-ups attract bright, innovative young people, whose determination for success drives economic activity, creates jobs and opens up new opportunities for others” (Para 10). Furthermore, the World Economic Forum (2011, October, p. 6) identifies 10 imperatives that all stakeholders in the entrepreneurial ecosystem should follow to create an entrepreneurial culture. These are summarized in Exhibit A.

#### **Exhibit A. Imperatives to Create an Entrepreneurial Culture**

- Established entrepreneurs should offer a helping hand.
- Change behaviors and evolve culture.
- Bring entrepreneurship to the classroom.
- Bring entrepreneurship to the office.
- Identify and leverage your own unique resources.
- Welcome new ideas.
- Break the stereotype.
- Embrace the Diaspora: tap entrepreneurs abroad for their advice.
- Eliminate red tape: support from government.
- Support from venture capital firms.

Source: World Economic Forum, 2011, p. 6.

As such, it can be deduced that a sense of autonomy gives employees the freedom to take initiative and act. Senior management commitment allows employees to explore innovative ideas without fearing damage to their reputation or, worse, the loss of their jobs. Lee and Peterson (2000; cited in Zgheib & Kowatly, 2011, p. 347) suggest that firms that act independently (autonomy) encourage experimentation (innovation), take risks, take initiatives (pro-activeness), and aggressively compete within their markets have a strong entrepreneurial orientation.

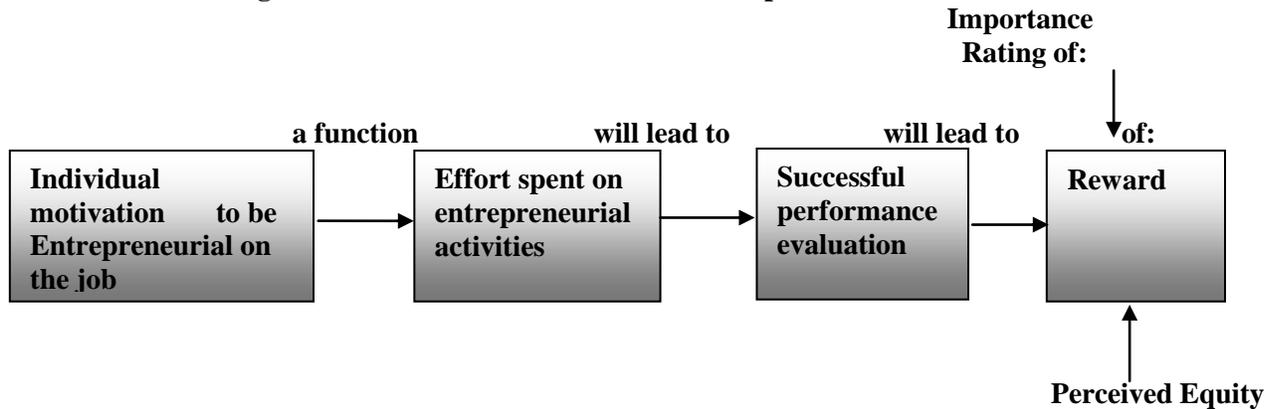
In summary, Corporate Entrepreneurship’s success is highly linked to the company’s culture, mission and vision. Entrepreneurial spirit starts with the top leaders and should be integrated within all divisions and company’s levels. The financial benefits of CE implementation can only be viewed on the long term and cannot be measured by direct, short term returns; therefore, it is highly essential for the company’s top management to possess the appropriate long term vision and the high commitment for entrepreneurial culture. Scheepers (2009) asserts that “CE capabilities cannot be developed, without skilled managers motivating their staff to ability to exploit opportunities and minimize threats” (p. 107).

#### **Human Resources Management and Entrepreneurship**

One of the most practical approaches to explaining an employee’s motivation to be innovative on the job, take calculated risks and be proactive is Porter and Lawler’s Expectancy Model. Scheepers contends that, “this model provides a constructive perspective of an employee’s motivation to engage in entrepreneurial behavior” (ibid, p. 109). According to Lawler (1978; cited in Scheepers, 2009, p. 109), this model is based on two concepts that explain motivation: (1) The concept of effort-reward probability which posits that an individual perceives the exerted effort on a certain task is tied to a specific reward or a positively valued outcome; and, (2) the perceived value of rewards offered or simply the employee’s perception regarding the attractiveness of the rewards offered. Later, Naffziger, Hornsby and Kuratko (1994) proposed a model of entrepreneurial motivation based on Lawler’s model, named “*the dynamic model of entrepreneurial motivation.*” Naffziger et al. (1994; cited in Scheepers, 2009, p. 109) explain the aforementioned model by stating that an individual’s decision to behave entrepreneurially is a function of the individual’s personal characteristics, goals, business environment, the nature of the entrepreneurial idea, past experience of the individual and those of co-workers, and also the value of intrinsic or extrinsic rewards

offered by the firm. On the other hand, Morris, Kuratko, & Covin (2011) provide more details pertinent to Lawler’s model as depicted in Figure A.

**Figure A. A Model of Motivation for Entrepreneurial Behavior**



Source: Morris, Kuratko, & Covin, 2011, p. 194.

According to Morris, Kuratko, & Covin (2011, p. 195), Figure A shows that the flow diagram can identify some of the reasons an employee might not be motivated to act entrepreneurially on the job; while Exhibit B depicts the manifested reasons that impede employees’ motivation .

**Exhibit B. Reasons an Employee Might Not Be Motivated To Act Entrepreneurially on the Job**

Starting with effort, an employee is likely to become unmotivated for the following reasons:

- Not understanding what management means by “being entrepreneurial on the job”.
- Not believing that it is possible to accomplish entrepreneurial behavior in this company regardless of efforts put forth.
- Not perceiving that he/she is personally capable of being entrepreneurial.
- Not seeing linkage between being entrepreneurial and how he/she is being evaluated.

This can happen for the following reasons:

- There is no performance appraisal or assessment of the employee.
- The performance appraisal criteria are unclear.
- The criteria on which employees are evaluated do not explicitly include innovativeness, risk-taking, proactive efforts.
- The evaluations are done in an arbitrary or unfair fashion.
- They are ways to get a good evaluation without actually doing entrepreneurial things (i.e. politicking).
- The employees do not see a linkage between doing well on the performance evaluation system and receiving a reward. Reasons for this can include:
  - Managers asking for one behavior but actually rewarding a different one.
  - Employee believes the reward will be earned regardless of the evaluation.

Finally, even if the employee sees a link between effort and performance and between performance and reward, he/she may be unmotivated because management is offering the wrong or unfair rewards.

Source: Morris, Kuratko, & Covin (2011, p. 195)

**Training and Development**

According to Goldstein and Ford (2002), **Training** is a systematic approach to learning and development with the purpose of improving individual’s, team’s, and organization’s effectiveness. Mondy and Mondy (2012) contend that conducting a **Needs Assessment** is the first phase in the training and development process that governs the development of training programs (p. 203). It is a process by which an

organization’s needs are identified and articulated in order to help the organization accomplish its objectives. The different levels and measures of the needs assessed are identified in Table A.

**Table A. Organizational Needs Assessment**

Level	Definition	Measures	Example
<b>Organizational Assessment</b>	Identifies the knowledge, skills and abilities employees will need in the future.	Where is the training needed in the organization and what are the conditions for training.	Departments with high turnover, high absenteeism, low performance.
<b>Task Assessment</b>	Compares job requirements with employee’s knowledge and skills to identify areas that need improvement.	What is to be taught, and what must be done to perform the job effectively.	Procedural and data entry training.
<b>Individual Assessment</b>	How individual employees perform their jobs, determined through performance reviews.	Who should be trained, and what kind of training do they need.	Performance review reveals gaps; manager and employee create improvement plan.

Source: Society for Human Resource Management (SHRM), 2012.

According to Aguinis and Kraiger (2009), “training activities can be beneficial regarding out comes at the individual, team, organization, and society level (e.g., attitudes, motivation, empowerment, team work, and performance)” (p. 453). Examples include but are not limited to: improved job performance to enhance trainees’ self-efficacy or self-management skills; and, enhanced declarative knowledge or procedural knowledge and strategic knowledge, defined as the knowledge of when to apply a specific knowledge or cross-cultural training which is effective in enhancing the expatriate’s success of overseas assignments (p. 454). Furthermore, Siddiqui (2009) added several other benefits to training activities, including: reduction in errors; increase in production; reduction in turnover; the lessening of necessary supervision; ability to advance; ability to perform wider range of jobs; attitude changes; employee/organization alignment; facilitation of organizational change; improved customer satisfaction; and, the increase in organizational competencies (Para 1).

**Methods for Measuring Corporate Entrepreneurship**

Researchers show that entrepreneurial actions should be studied on an individual (Hornsby, Kuratko & Zahra, 2002) as well as organizational level (Kwandwalla, 1977; Miller and Friesen, 1983; Covin and Slevin, 1989; Zahra, 1993; Morris and Sexton, 1996; Knight, 1997; and Morris, 1998). At an individual level, using the Corporate Entrepreneurship Assessment Instrument (CEAI), managers and other employees can examine and refine their leadership styles and characterize employees’ behavior over time. The CEAI instrument measures five internal factors that have emerged from the synthesis of the entrepreneurship literature. Hornsby, Kuratko, Holt, & Wales (2013, p. 939) posit that the greater the degree the individual perceives the existence of management support, individual’s work discretion, rewards, flexible organizational boundaries, and resources to facilitate innovation, the higher the probability of the individual’s decision to behave entrepreneurially. Furthermore, the aforementioned authors provide more explanation of the five dimensions, stating, “Management support includes ‘the willingness of top level managers to facilitate and promote entrepreneurial behavior, including the championing of innovative ideas and providing the resources people require to take entrepreneurial actions’; Work discretion, or autonomy, is ‘top-level managers’ commitment to tolerate failure, provide decision-making latitude and freedom from excessive oversight, and to delegate authority and responsibility to middle-level managers’; Rewards (Reinforcement) concerns ‘developing and using systems that reward based on performance, highlight significant achievements, and encourage pursuit of challenging work’; Time availability is about ‘evaluating workloads to ensure that individuals and groups have the time needed to pursue innovation and that their jobs are structured in ways that support efforts to

achieve short- and long-term organizational goals'. Finally, organizational boundaries is 'precise explanations of outcomes expected from organizational work and development of mechanisms for evaluating, selecting, and using innovations'" ([Hornsby et al., 2013](#), p. 939).

Thus, internal organizational factors may have significant practical implications. Measurement of the organizational antecedents is to help managers and leaders focus their efforts on encouraging Corporate Entrepreneurship activities within their organizations.

Morris (1998) contends that "the relative importance of the degree and frequency when measuring entrepreneurial actions may actually vary depending on certain strategic factors such as technological changes in an industry, the level of competitive intensity or the heterogeneity in the market demand" (p. 51). Moreover, Morris asserts that "at the organizational level, measures can be used to benchmark and track entrepreneurial performance, establish norms and draw industries comparisons, establish entrepreneurship goals, develop strategies and assess relationships between entrepreneurial actions and company performance variables over time" (p. 56). At this level, using the **Entrepreneurial Performance Index (EPI)**, managers were able to capture and measure both the degree and frequency of entrepreneurship as well as the underlying dimensions of innovativeness, risk-taking and pro-activeness ([Scheepers, Hough, & Bloom, 2008](#)).

### **Corporate Entrepreneurship in the Arab Countries**

Zgheib (2004) contends that "in most of the Arab countries, the private sector tends to engage in small-scale industrial activities. These are characterized by the production of food and textile products, by obsolete technology and by a high rate of capacity under-utilization. They also suffer from a low productivity which is exacerbated by limited business or marketing skills" (p. 149). Furthermore, Zgheib asserts that "while most entrepreneurs in the Arab region display a marked reluctance to participate in formal management training for themselves or their employees, the main motivation for establishing operations appear to be profit and a sense of achievement" (p. 152).

However, although Zgheib has observed a gap in the status of Corporate Entrepreneurship in the Arab countries, things are changing with time, especially that international corporations are trying to introduce many corporate responsibility activities in the region which are resulting in the betterment of entrepreneurship in the Arab countries. For example, in an article published in Al Bawaba on October 23<sup>rd</sup>, 2011, Intel Corporation in collaboration with three lead NGOs, Queen Rania center for entrepreneurship, Injaz, education for employment have signed individual agreements to boost entrepreneurial capacity in the Middle East ([AlBawaba.com, 2011](#), Para 1).

Based on the previous review of literature of CE and the important benefits it brings to both the employees and management, and considering the existing gaps in the Arab region, it is important to assert how a growing organization sustains CE. For that purpose, Zimmerman (2010) contends that for a growing organization to sustain CE while maintaining the procedures and rules needed for control, several techniques can be implemented, such as:

- CE Health audit: to be run periodically, including data collection, review of structures, control, human resources and culture.
- CE development training: to be conducted periodically for newly promoted individuals or new employees.
- Strategic approach: to set an agenda for entrepreneurs to share their ideas and plan an annual budget to fund initiatives.
- Internal corporate venture capital: to form a committee from various departments with the power to approve and fund any initiative that would add potential value to the company (pp. 111-112).

Beside the identification of techniques to sustain CE, which were extracted from best practices in the developed world, one also needs to identify the possible factors that act as barriers to progress, and which consequently impedes sustainability of CE. The authors opted to discuss the case of Lebanon. The United

Nations Development Program (2001; cited in Zgheib, 2004, p. 164) identified several factors which are impeding entrepreneurial growth in Lebanon, namely,

- Scarcity of credit and finance: Lebanese banks are not fully performing the expected role of channeling funds into productive investments.
- Cost of land and labor: The acquisition of a land in administrative Beirut is quite expensive, especially if it is needed for industrial production.
- The skilled Lebanese workforce does not cost particularly high, but what is really expensive is the cost of manual labor.
- The absence of linkage between different sectors due to the absence of governmental strategy and coordination.

It is worth noting that the contribution of the manufacture sector to gross domestic product (GDP) is at 19.1 percent, and employs 26% of the total 1,481,000 workers in 2010 (Economy Watch, 2010). Currently, two and half decades after the cessation of hostilities on Lebanese soil, the extensive rebuilding of public infrastructure has helped the revival of the economy. Zgheib (2004) contends that, “heavy government borrowing and debt-based spending have tended to crowd out private sector investment. As a result, entrepreneurial business activities have remained hesitant despite the support of European and Arab banks. However, within the right economic and political environments, Lebanon harbors a great potential for entrepreneurial development” (p. 149).

However, “innovation appears in some sectors such as multimedia, advertising, tourism, including hotels and entertainment, ‘cuisine libanaise’, education, press, prints, banking, information technology and software” (Burnet, 2000; cited in Zgheib, 2004, p. 156).

Moreover, Zgheib describes entrepreneurial innovation in Arab countries as “incremental, that is, progressive innovation manifested by improving products and management, installing quality systems and developing marketing strategies” (p. 155). Exhibit C shows the constraints on entrepreneurship in the Middle East.

**Exhibit C. Constraints on entrepreneurship in the Middle East**

<b>Rank</b>	<b>Percentage</b>	<b>Constraint</b>
1	42	Domination of rigid, public sector.
2	27	Overpowering patriarchal family ownership.
3	19	Brain-drain and dependence on imported technologies.
4	13	Search for quick high profits due to political unrest and instability.
5	11	Low indigenous financing and sterility of real estate investment.
6	7	Ownership regulations and sponsorship mechanisms.
7	5	Low productivity of human capital.

Source: Zgheib, 2004, p. 161.

### **Lebanese Entrepreneurial Characteristics**

Zgheib (2004) in his study of the Lebanese entrepreneurial characteristics (Table B) identifies the strengths and weaknesses of a selected sample of Lebanese entrepreneurs. The aforementioned characteristics reflect the entrepreneurial culture in Lebanon and show that a lot of areas can be improved in order to promote an entrepreneurial environment; in fact, education and training in entrepreneurship are missing at all levels. “An increasing level of entrepreneurial capacity requires substantial transfer of technical knowledge between academic institutions and the business world” (Zgheib, 2004, p. 171).

**Table B. Characteristics of Lebanese Entrepreneurs**

<b>Strengths</b>	<b>Weaknesses</b>
Creative/Innovative	Risk avoidance
Energetic	Insufficient professional experience
Sociable, fun person	Unreliable legal expertise
Ambitious	Taking failure as a rejection
Need for achievement	Inadequate salesmanship
Able to work under stress	Social mistrust and insecurity
Risk taker	Female in Arab society
Motivated and determined	Loss due to ambiguity
Hard worker	Seeking stability
Perseverance	Impatience-short term oriented
Autonomous/independent	Perfectionism

Source: Zgheib, 2004, adopted from Tables 4 &5, pp. 166-167.

Zgheib and Kowatly (2011, p. 358) surveyed a sample of 264 Lebanese entrepreneurs living overseas; they demonstrated that the Lebanese operating in the USA, Canada and Australia are highly individualistic, and their level of individualism and independence is higher than those in France and West Africa. Moreover, Zgheib and Kowatly found that the Lebanese are characterized by being pro-active, risk takers, and innovative; factors considered to be important for entrepreneurship.

## **2. Research Methodology**

The current research is exploratory in nature and uses a survey questionnaire as the research tool. Primary data is collected directly from a convenient sample of respondents.

The data collected was analyzed using the SPSS technique.

### **Current Research Model Variables**

The main factors which enable firms to adopt and implement entrepreneurship have been developed and tested by this research. This model specifically shows how Corporate Entrepreneurship behavior is influenced by two elements: the firm-specific characteristics and the individual-specific characteristics.

The factors that are considered as the independent variables in this study are

- Firm-specific characteristics: These are combination of factors, including firm’s contextual variables, and are the most important determinants of CE behavior.

Factors include: managerial and employment structures, organizational structure, technological infrastructure, staff-skill developments....

- Individual- specific characteristics: Given the fact that the Lebanese possess entrepreneurial strengths and weaknesses, factors will include the extent to which employees are ready to commit to the improvement of these weaknesses and invest in the Lebanese market.

Factors include: readiness for training, refusal of emigration, risk taking, and failure acceptance.

In this study, two dependent variables are studied: The familiarity with CE concept, and the willingness to practice CE outside Lebanon.

Questionnaires and interviews have been designed with the purpose of identifying the relation between these dependent and independent variables (Table C)

**Table C. Independent variables, Measurements and Measurement levels**

**Dependent variables: (1) Familiarity with CE concept.**

**(2) Willingness to practice CE outside Lebanon.**

Independent variables	Measurements
<b>Firm-specific entrepreneurial characteristics</b>	Managerial and employment structure Rewarding systems Organizational structure Staff-skill development Current trainings Cross functional teams Information flow Decision making
<b>Individual-specific entrepreneurial characteristics</b>	Readiness for training Enjoy work Networking Risk taking Failure acceptance Job outside Lebanon Job autonomy/commitment

**Questionnaire Design**

The questionnaire is divided into three sections: the first section assesses general information. The second refers to the individual- related characteristics where answers are used to assess the Lebanese employees’ awareness of the entrepreneurial characteristics as well as their preference to either practice CE in Lebanon or abroad. The third section is on the company-related characteristics, where answers are used to assess the organizational structure, culture, and the top management’s readiness to implement CE.

The questionnaire employs the 5-point Likert scale, the nominal, ordinal and interval scales, and fixed alternative in which the respondent is given specific limited-alternative responses and asked to choose among them.

**Causal Research**

The purpose of the current research is to assess the current situation of Corporate Entrepreneurship in the Lebanese private sector on an organizational and individual level, and to assess its constraints and opportunities.

Two research problems are studied in this project:

Evaluate the familiarity of the employees in Lebanon with the concept of CE.

Evaluate the willingness of Lebanese employees to practice CE in Lebanon rather than abroad.

**Research Questions and Hypotheses**

Suggested research questions and hypotheses were established to cover two main areas: The first is the organizations’ culture and readiness for CE implementation; the second is the individual willingness to implement CE inside Lebanese organizations.

Researchers have decided on 5 potential hypotheses to answer the research questions, and are to be tested for validation:

1) **Question 1:** Are employees ready to work on the needed areas of improvement to become better entrepreneurs?

1) **Hypothesis 1:** Employees are ready to receive the adequate CE training.

2) **Question 2:** Do employees in the Lebanese market have the appropriate characteristics to become good entrepreneurs?

2) **Hypothesis 2:** Employees in the Lebanese market have a high tendency for risk taking.

3) **Question 3:** Would employees prefer to practice CE outside Lebanon rather than in Lebanon?

3) **Hypothesis 3:** There is a high relationship between applied rewarding systems inside Lebanon and CE outside Lebanon.

4) **Question 4:** Do employees in Lebanon feel that CE can be easily integrated in the Lebanese organizations?

4) **Hypothesis 4:** Employees feel that CE cannot be easily integrated in the Lebanese organizations.

5) **Question 5:** Are employees willing to give up some of their salaries in exchange of trying a new business idea?

5) **Hypothesis 5:** Employees are ready to give up some of their salaries in exchange of trying a new business idea.

### **Sample Selection**

Convenience sampling technique is chosen for this study. Responses have been gathered from employees, middle and top level managers in the Lebanese private sector from various industries including Pharmaceutical, Construction and FMCG. Furthermore, the American University of Science and Technology's MBA students at Beirut campus were part of the sample selection; a fact that gave the researchers an interesting approach of assessing MBA students' familiarity with the CE concept, especially since they are at the same time employed in the Lebanese private sector.

A survey using emailed and handed questionnaires was conducted over a period of 20 days, which included the process of questionnaire distribution and collection. From the total of 130 distributed questionnaires, 127 replied (97.7% response rate).

## **3. Results and Findings**

### **Demographics**

Most of the participants in the research are young people: 62.3% of them are less than 28 years; 18% are 28 to 32 years, 18% are 33 to 43 years old; while only 1.6% is above 44 years old. Also, 54% of the respondents earn a monthly salary less than 1800 USD, 24.4% earn between 1800 USD and 2500 USD, 9.4% earn between 2501 and 4000 USD, and 4.7% earn more than 4000 USD. 7.9% of the respondents did not disclose their monthly salary.

Regarding the organization types, 45% of the respondents are employed in a family owned enterprise, 24% work in organizations owned by shareholders, and 31% work in multinational organizations. Moreover, 43% of the respondents work in organizations which hold more than 150 employees.

### **Respondents' Attitude toward CE**

#### **Familiarity with the CE Concept**

Regarding familiarity with the C.E concept— one of the two problems addressed in this research— only 37% of the respondents are familiar with the concept, 31% are not sure, and 32% are not aware of such a concept.

**Preference to Practice CE Outside Lebanon**

When respondents were asked if they prefer to practice the CE outside Lebanon instead of inside— the second problem addressed in the research— 50% rejected the idea, 39% approved, and 11% said they are not sure.

**Reasons to Practice CE Outside Lebanon**

39% of the respondents confirmed that they prefer to work outside Lebanon. Their choice was based on “more job security”, “better evaluation systems”, and “better external business conditions”.

**Readiness to Receive Training**

The most assuring of the findings is depicted with 85% of the respondents declaring their readiness to receive adequate training to become better Corporate Entrepreneurs.

**Reasons to Refuse CE Training**

For the ones who responded by ‘No’ or ‘Don’t know’ on the previous questions, the resultant justifications are as follows: 47.1% said that they don’t need it;

35.3% said that they will not be able to exercise it in their daily work; and,

17.6% think that it will not bring them any financial returns.

**Risk Taking**

For the question regarding the respondents’ reaction to risk taking, a major individual characteristic for CE, the highest percentage (24.6%) perceived themselves as somewhat risk takers, and (33%) as extremely risk takers, while the lowest percentage appeared to be somewhat for risk avoidant. These percentages are delineated in Table D.

**Table D. Risk Taking**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>
Valid	Extremely risk avoidant	11	8.7	9.3
	Somehow risk avoidant	8	6.3	6.8
	Neutral	31	24.4	26.3
	Somehow risk taker	29	22.8	24.6
	<b>Extremely risk taker</b>	39	30.7	<b>33.1</b>
	Total	118	92.9	100.0
Missing	99.0	9	7.1	
Total		127	100.0	

**Company-Related Variables**

**Job Duration**

The highest percentage of respondents has been employed at the same organization for less than 2 years, while the lowest percentage has been working for more than 4 years.

**Frequency of Training Provided**

When asked if employees are receiving the appropriate training at their current jobs,

the discouraging finding show that the highest majority of firms provide training less than once a year (42%), while the lowest percentage provide training more than twice a year.

**Information Flow inside the Company**

The appropriate flow of information inside the company is an important ingredient of an effective structure for CE implementation. When asked about the implementation of this flow at their organizations, 61% of the respondents agreed that a good flow of information is applied.

### **Cross Functional Teams**

Half the respondents stated that cross functional teams often work together on projects inside their organizations, which create opportunities for idea sharing.

### **Fair Evaluation and Rewarding Systems**

Evaluation and rewarding systems play a major role in the employee's motivation at the job as well as in their decision to whether to practice CE inside or outside Lebanon.

56.7% of the respondents think their organizations probably apply a fair evaluation and rewarding system, while 5.5% thinks that their organizations definitely apply a rewarding system. This finding contradicts the previous one where employees prefer to practice CE outside Lebanon due to the unfair evaluation and the rewarding system

### **Freedom at the Job**

When asked if employees are provided with a certain level of autonomy and freedom at the job to allow them to act on opportunities and take risks— a major tool for CE success— 41% of the employees feel that they are sometimes given freedom at the job while the lowest percentage are uncertain about this fact.

### **Access to Managers**

One of the most important requirements for employee's motivation at the job and innovative behavior is the smooth and easy communication with free access to managers for discussions, coaching and guidance. When respondents were asked if their current managers are easily accessed for discussion, 67% answered with a yes, while the lowest percentage are uncertain and have a rare direct access to their managers.

### **Job Rotation and Promotion**

Job rotation and promotion processes have a highly important impact on employee's future commitment to the job as well as the employee's retention at the company.

Promoting employees and ensuring enriching job rotation for current employees is very important in addition to recruiting external employees with skills that are not found inside the organization. 37% of the respondents stated that job rotation and promotion sometimes occur from inside and outside the organization; the next percentage answered always.

### **Correlation between Variables**

Correlation analysis examines the relationships between a metric dependent variable and one or more independent variables in order to determine the strength of association between these variables. Accordingly, several correlations are tested, and whose outcomes will help construct the necessary regression equations to address the two problems investigated in this paper.

#### **Fair Evaluation / Rewarding System & Preference to Practice CE Abroad**

By running the cross tabulation between "Fair evaluation and rewarding system to all employees" and "I prefer CE outside Lebanon for", shown in Table E, contradictory answers of the respondents (32 out of 69 or 46.4%) appeared for those who answered that they think their organizations apply fair rewarding systems, but who at the same time prefer practicing CE outside Lebanon for better evaluation and rewarding systems. This could be because they still think that better evaluation and financial rewards are available abroad, even if their current systems are fair compared to the Lebanese market; or, it could be related to their perception that the evaluation systems are unfair to them while suitable for other employees.

**Table E. Evaluation System and Preference to Practice CE Abroad**

Count		I prefer CE outside Lebanon for			Total
		More job security	Better evaluation and rewarding systems	More environmental security	
Fair evaluation and rewarding sys to all employees	Definitely not	4	3	0	7
	Probably not	2	10	2	14
	Don't know	0	4	0	4
	Probably yes	8	31	3	42
	Definitely yes	0	1	1	2
Total		14	49	6	69

**Appropriate Network & Familiarity with the CE Concept**

Table F. shows that there is no clear link between familiarity with the Corporate Entrepreneurship concept and the degree of network developed by the respondents at their current jobs. 18.86% (23 out of 122) of the respondents who are familiar with the CE concept confirmed that they have developed an appropriate network at their jobs. While 15.57% (19 out of 122) of the respondents are not familiar, and 22.95% (28 out of 122) of the respondents, who are not sure of the CE concept, confirmed that they have developed an appropriate network at their jobs. One possible reason for such an outcome can be that the respondents practiced CE in their work, but are unfamiliar with the denomination.

**Table F. Appropriate Network and Familiarity with CE Concept**

Count		Appropriate Network for Idea Sharing					Total
		Definitely Not	Probably Not	Uncertain	Probably Yes	Definitely Yes	
Familiarity with CE	Yes	1	2	18	15	8	44
	No	1	2	16	17	2	38
	I'm not sure	0	8	4	21	7	40
Total		2	12	38	53	17	122

**Organization Type and Preference to Practice CE Abroad**

By analyzing the cross tabulation between the organizations' types and preference for CE implementation abroad, it is noticed that 26 out of 57 employees (more than 45%) who work in family owned enterprise prefer to practice CE outside Lebanon, while 50.9% prefer to practice CE inside Lebanon. Table G depicts the results.

**Readiness for CE Training \* Willingness to Give up Financial Benefit to try out a New Idea**

Table G. shows that 85.7% of the employees (108 out of 126) of the sample are ready to receive training in order to become better in CE. But for the same employees, and when it came to giving up a part of their financial benefits in exchange of trying a new business idea, the answers differentiated and were "normally distributed" going from strongly agree to strongly disagree. Here, 39 out of 126 employees (almost 31%) are willing to give up some financial benefits in exchange of trying out a new business.

**Table G. Enterprise Type and Preference to Practice CE Abroad**

		Enterprise Type			Total
		Family owned	Owned by Shareholders	Multinational	
Practicing CE outside Lebanon	Yes	26	7	17	50
	No	29	20	14	63
	Don't know	2	4	8	14
<b>Total</b>		<b>57</b>	<b>31</b>	<b>39</b>	<b>127</b>

**Table 8 Willingness to Give up Financial Benefit and CE training**

		I would be willing to give up some financial benefit in exchange To try out a new business					Total
		SA	A	N	D	SD	
Ready for a better CE training	Yes	11	28	27	27	15	108
	No	7	2	2	0	0	11
	Don't know	0	3	4	0	0	7
<b>Total</b>		<b>18</b>	<b>33</b>	<b>33</b>	<b>27</b>	<b>15</b>	<b>126</b>

**Hypotheses Testing**

**Hypothesis One**

80% of employees are ready to receive the adequate CE training.

H0:  $\pi \leq 0.8$  and H1:  $\pi > 0.8$ .

**Table H. One-Sample Test**

	Test Value = 0.80					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Ready for a better CE training	8.599	126	.000	.39685	.3055	.4882

Table H. shows that the probability associated with the calculated value of the test statistic is 0.000. This is less than the level of significant of 0.05. Hence, the null hypothesis is rejected (H0:  $\pi \leq 0.8$ ). It is concluded that the proportion of employees who are ready to receive an adequate training for CE is greater than 80%.

**Hypothesis Two**

**Employees in the Lebanese market have a high tendency for risk taking.**

Calculations show that the mean of risk taking exceeds 3.0; which is the neutral value on a 5 point-Likert scale.

H0:  $\mu \leq 3.0$  and H1:  $\mu > 3.0$ .

The probability associated with the calculated value of the test statistic is 0.000 (see Table 10). This is less than the level of significant of 0.05. Hence, the null hypothesis is rejected. Therefore, risk taking level exceeds the 3.0 level.

It is concluded that employees in the Lebanese market have a high tendency for risk taking.

**Table I. Risk Taking - One-Sample Test**

	Test Value = 3.00					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
In face of risk I'm a risk taker	5.611	117	.000	.65254	.4222	.8829

**Hypothesis Three**

**When given the appropriate atmosphere and rewarding systems, employees would prefer to implement CE in Lebanon rather than overseas.**

H0: there is no association between the 2 variables.

H1: there is an association.

Using Cross tabulation and Chi-square testing:

By analyzing the Cross tabulation results it was found that some employees, even if they were rewarded, still prefer to practice CE outside Lebanon.

By running the Chi-square testing, the results shown in Table 11 are found:

**Table J. Practicing CE outside Lebanon \* Fair Evaluation and Rewarding Sys. Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
<b>Pearson Chi-Square</b>	<b>15.873<sup>a</sup></b>	8	<b>.044</b>
Likelihood Ratio	13.668	8	.091
Linear-by-Linear Association	.226	1	.634
N of Valid Cases	127		

Table J. shows that Pearson Chi-square 0.044 is less than 5% error (95% confidence level). Therefore, H0 is rejected and there is an association between the 2 variables. That is, the reward and evaluation systems are important factors that increase the readiness of employees to practice the CE on the Lebanese soil rather than abroad.

**Hypothesis Four**

**Employees feel that CE cannot be easily integrated into the Lebanese organization structures.**

H0: There is no association between the 2 variables.

H1: There is an association.

**Table K. Chi-Square Tests**

	<b>Value</b>	<b>Df</b>	<b>Asymp. Sig. (2-sided)</b>
<b>Pearson Chi-Square</b>	<b>12.051</b>	<b>4</b>	<b>.017</b>
Likelihood Ratio	12.873	4	.012
Linear-by-Linear Association	2.455	1	.117
N of Valid Cases	127		

Pearson Chi-square has an asymptotic significance of 0.017 which is less than 5% error (95% confidence level) (see Table K.). Therefore, H0 is rejected and there is an association between the 2 variables. Hence, the organization type is an important factor which influences employees’ decision to practice CE inside or outside of Lebanon.

**Hypothesis Five**

Employees are willing to give up some of their salaries in exchange of trying a new business idea.

H0: there is no association between the 2 variables.

H1: there is an association.

Using the Chi-Square test, shown in Table L, it is noticed that most of the employees in the sample are ready to receive training in order to become a better CE; however, for the same employees and when it came to giving up some of their salaries in exchange for trying a new business idea, the answers differentiated and were “normally distributed” going from strongly agree to strongly disagree.

**Table L. Readiness for CE training \* Willingness to give up some salary, Chi-Square Tests**

	<b>Value</b>	<b>Df</b>	<b>Asymp. Sig. (2-sided)</b>
<b>Pearson Chi-Square</b>	<b>31.928</b>	<b>8</b>	<b>.000</b>
Likelihood Ratio	29.616	8	.000
Linear-by-Linear Association	7.406	1	.007
N of Valid Cases	126		

Pearson Chi-square has an asymptotic significance of 0.000 which is less than 5% error (95% confidence level). Therefore, H0 is rejected and there is an association between the 2 variables. That is, most of the participants are ready to receive training in order to be better CE, but when it comes to losing some financial benefit in return, they refuse.

**Regression Analysis**

In the regression analysis, a predictive model is integrated into the data; this model is used to predict an outcome of the dependent variable from one or more independent variables. According to [Hejase & Hejase \(2013\)](#) a multiple regression model is needed when the researcher faces the scenario where more than one independent variable is causing variations in the dependent variable under study (p. 478). Therefore, the next step is to construct possible relationships which may help assess and analyze the questions under discussion.

So, SPSS is used to construct the proposed causal relationships.

As stated in Table C, two dependent variables representing the two problems investigated in this paper are tested; the correlation between the dependent and independent variables for the two problems are: the familiarity with the CE concept and the preference to practice CE outside Lebanon. Running two regression models has resulted in the summary depicted in Table M.

**Table M. Summary of the model variables**

<b>Dependent Variable</b>	<b>R<sup>2</sup></b>	<b>R</b>	<b>Significance</b>
Familiarity with CE Concept	0.207	0.455	0.037
Preference to practice CE outside Lebanon	0.324	0.570	0.002

**Variable 1: Familiarity with CE Concept**

R<sup>2</sup> = 0.207, shows that 20.7% of the variation of the independent variables contribute to the variation of the dependent variable.

**Variable 2: Preference to practice CE outside Lebanon**

R<sup>2</sup> = 0.324, shows a similar behavior as the aforementioned relationship.

*Familiarity with the CE Concept Regression Equation*

**Dependent Variable:** Familiarity with the CE Concept

**Independent Variables:** Decision making is based on competency/expertise, job outside Lebanon, and cross functional teams often work on projects

Table N depicts a summary of the model showing standardized Beta values.

**Table N. Familiarity with the CE Concept Regression results**

<b>Independent Variables</b>	<b>Beta</b>
<b>Job outside Lebanon</b>	<b>- 0.262</b>
<b>Cross functional teams</b>	<b>- 0.190</b>
<b>Decision Making</b>	<b>+ 0.394</b>

The technical information necessary to describe model one is presented next. Results indicate that the model is quantitatively suitable due to the marginal values of the coefficient of correlation (R = 0.455) and the coefficient of determination (R<sup>2</sup> = 0.207); however, the model is qualitatively acceptable and statistically significant with F-value = 4.473, with an associated probability of 0.037 which is less than  $\alpha = 0.05$ . Moreover, ANOVA testing indicates that the regression equation predicts better than would be expected by chance. The F-value = 9.667 with an associated probability of 0.000, which is less than  $\alpha = 0.01$ .

Finally, the standardized causal equation resulting from the analysis is depicted as follows:

**Familiarity with CE = 0.394 [Decision making is based on competency/expertise] – 0.262 [Job outside Lebanon] – 190 [Cross functional teams often work on projects].**

Standardized weights are observed to be positive as well as negative values. When the independent variable increases (or decreases) by one standard deviation (SD), the dependent variable will increase (or decrease) by the amount of the Beta value of a SD. Therefore, the resultant causal equation is interpreted qualitatively as follows:

76.4% of the respondents agree that decision making is based on competency and expertise. Having such a notion in mind will definitively encourage the respondents to educate themselves further on Corporate Entrepreneurship; therefore, this relationship is positive and direct (Pearson Chi-Square value is 18.551, Asymp. Sig. = 0.005 less than  $\alpha = 5\%$ ). Also, 86.5% of the respondents do not seek a job abroad. With such a conviction in mind, these respondents will seek to build awareness of Corporate Entrepreneurship. The relationship is negative due to the response direction (majority answered no and only 37.3% are familiar with

CE). However, the relationship is valid (Pearson Chi-Square value is 6.579, Asymp. Sig. = 0.037 less than  $\alpha = 5\%$ ). Finally, 65.1% of the respondents work on cross-functional projects although only 37.3% are familiar with CE. This relationship is negative due to the coding direction (where agreement direction starts with disagree and ends with agree). However, it is valid (Pearson Chi-Square value is 26.702, Asymp. Sig. = 0.001 less than  $\alpha = 5\%$ ).

Preference for CE Outside Lebanon Regression Equation

**Dependent Variable:** Preference for CE Outside Lebanon

**Independent Variables:** Ready for a better CE training, and I' m more committed if they give me more autonomy

Table O depicts a summary of the model showing standardized Beta values.

**Table O. Preference for CE abroad - Regression Analysis**

<b>Independent Variables</b>	<b>Beta</b>
<b>Readiness for CE training</b>	<b>- 0.499</b>
<b>Commitment/Autonomy</b>	<b>- 0.345</b>

The technical information necessary to describe model one is presented next. Results indicate that the model is quantitatively suitable due to the marginal values of the coefficient of correlation ( $R = 0.570$ ) and the coefficient of determination ( $R^2 = 0.324$ ); however, the model is qualitatively acceptable and statistically significant with F-value = 10.206, with an associated probability of 0.002, which is less than  $\alpha = 0.05$ . Moreover, ANOVA testing indicates that the regression equation predicts better than would be expected by chance. The F-value = 14.169 with an associated probability of 0.000, which is less than  $\alpha = 0.01$ .

Finally, the standardized causal equation resulting from the analysis is depicted as follows:

**Preference for CE abroad = - 0.499 [Ready for a better CE training] – 0.345 [I' m more committed if they give me more autonomy].**

Standardized weights are observed to be positive as well as negative values. When the independent variable increases (or decreases) by one standard deviation (SD), the dependent variable will increase (or decrease) by the amount of the Beta value of a SD. Therefore, the resultant causal equation is interpreted qualitatively as follows:

There is an indirect relationship between the two independent variables and the dependent variable. 85.5% of the respondents (when considering all the respondents) are ready for better CE training locally. However, when cross tabulating the dependent and this independent variable, results show that 63 out of 69 respondents who seek CE abroad agree to have better CE training (91.3%); they seek CE abroad because of the better evaluation and rewarding systems. The relationship is negative due to the direction of coding. The relationship is valid because Pearson Chi-Square value is 18.289 with Asymp. Sig. = 0.001 less than  $\alpha = 5\%$ .

On the other hand, 82.4% of the respondents (when considering the whole sample) agree that they would be more committed had they more autonomy. However, when cross tabulating the dependent and this independent variable, results show that 38 out of 68 respondents who seek CE abroad agree that they will be more committed if given autonomy (55.9%); but, if they seek CE abroad they will do it because of the better evaluation and rewarding systems. The relationship is negative due to the direction of coding.

#### 4. Conclusion

Two research problems are addressed in this paper; the first problem is to assess the Lebanese employees' familiarity with the concept of CE, and the second is to evaluate their willingness to practice CE in Lebanon rather than abroad. The collection and analysis of the primary data run in this research show the following results:

- 33% of the sample is familiar with the Corporate Entrepreneurship concept.
- 86% of the sample is ready to receive the adequate training to become better entrepreneurs.
- 50% of the sample prefers to practice CE outside Lebanon.
- 71% of the reason behind the latter preference is because they think that companies outside Lebanon have better rewarding and evaluation systems.

**Table P. Dependent variables: Familiarity with CE Concept**

Independent variables	Measurements
<b>Firm-specific entrepreneurial characteristics</b>	(1) Cross functional teams (2) Decision making
<b>Individual-specific entrepreneurial characteristics</b>	(3) Job outside Lebanon

As shown in Table P, the independent variables which have high degrees of significance on the familiarity with the CE concept are:

- The existence of cross functional teams which increases the idea of sharing and openness to new concepts.
- Decision making which is based on competency/expertise
- Seeking jobs outside Lebanon in order to gain experience and broaden the thinking horizon

**Table Q. Dependent variables: Willingness to practice CE outside Lebanon**

Independent variables	Measurements
<b>Firm-specific entrepreneurial characteristics</b>	None
<b>Individual-specific entrepreneurial characteristics</b>	(1) Readiness for training (2) Job Autonomy/Commitment

The most significant factors that are linked to practicing CE abroad are shown in Table Q:

- Readiness for training (-): in case organizations in Lebanon are ready to provide training, employees prefer to practice CE locally.
- Autonomy at work, which shows a direct link to job commitment and therefore job satisfaction.

It is worth mentioning that employees assess the rewarding and evaluation systems outside Lebanon as being better and more satisfying; this is a major factor for employee's preference to practice CE abroad.

Upon conducting hypotheses testing, the hypotheses herein proved to be acceptable:

- 80% of employees are ready to receive the adequate CE training if it is later translated into their daily work routine. In general, Zgheib (2004) found that a lot of areas can be improved in order to promote an entrepreneurial environment (p. 171). Providing training closes the gap observed by Chakour (2001; cited in Zgheib, 2004) who contends that education and training on entrepreneurship are missing at all levels.
- Employees in the Lebanese market have a tendency for risk taking, which is a key factor for CE. This result matches Zgheib & Kowatly's (2011) findings about the Lebanese entrepreneurs operating worldwide, "the overseas Lebanese entrepreneurs were found to be high risk takers" (p. 358).

- When given the appropriate atmosphere and rewarding systems, employees would prefer to implement CE in Lebanon rather than overseas. Scheepers, Hough and Bloom (2008) concluded in their research that “rewards for CE encourages entrepreneurial behavior” (p. 69).
- Employees feel that CE cannot be easily integrated into the Lebanese organizations due to the dominance of family owned enterprises. Moreover, Scheepers, Hough and Bloom (2008) contend that “without strategic commitment and support from top management, there is little incentive for the traditional organization system to change and support existing and future CE initiatives” (p. 69)
- Employees who are willing to receive adequate training to become better CEs are ready to give up some of their salaries in exchange of trying a new business idea.

## **5. Recommendations and Implications**

The secondary data collected show the advantages of the CE implementation in terms of creating value, increasing productivity, increasing job satisfaction, etc... Studies also show that what gives Lebanon a distinctive advantage of entrepreneurial implementation in the region is the combination of three factors: A developing country, the availability of skilled workforce, and the entrepreneurial experience of successful Lebanese expatriates (Zgheib & Kowatly, 2011; Zgheib, 2004). These studies also highlight the great need to implement CE in the MENA region, and the necessity to create job opportunities for young people in the region and therefore minimize the brain-drain.

From the collected secondary data, it is noticed that the Lebanese have the appropriate individual characteristics to become successful entrepreneurs such as risk taking, autonomy, creativity.

This research’s analysis of the primary data leads to generate the appropriate recommendations for organizations as well as individuals which would, in turn, increase the awareness for Corporate Entrepreneurship, for employees to become more satisfied in their jobs and for them to prefer practicing CE inside Lebanon rather than abroad.

For the Corporate Entrepreneurship to be successfully implemented, Lebanese organizations should possess the appropriate environment and structure which could ensure CE implementation and sustainability. Moreover, results lead to identify that the major area of focus for management should be the rewarding systems as well as conducting CE and technical training sessions. Also, to develop a continuous entrepreneurial process inside their organizations, managers need to follow examples of quality movement as detailed herein:

### **Recognizing Managers and Employees**

- Recognitions should always be positive and should be given to those actions that have resulted in success. Recognitions should be publicized throughout the company, should be carefully tailored to the needs of people, should be given soon after they have been earned, and the relationship between the achievement and the reward should be clearly understood by the personnel.

### **Conquering Fear:**

- People fear change, and expression of opinions (especially the negative ones), taking the initiatives on projects, and making decisions and failing.

When people become involved in meetings, discussions and quality efforts, there will be more willingness to speak out, admit mistakes, reorganize and improve. According to Scheepers, Hough and Bloom (2008), “strategic leadership and top management support for CE are crucial to cultivate CE capability” (p. 69).

### **Continuous Improvement:**

- In general, continuous improvement relies on two developments: consistent incremental gains and radical innovation. However, the continuous improvement process should be viewed as incremental and

additive rather than explosive and revolutionary. Organizations would rather move a step each day rather than remain where they are for an indefinite period while waiting to make a giant leap forward. Zgheib (2004) found that the competency of “turning failure into an opportunity” is ranked third as an entrepreneurial competency requiring improvement in Lebanon (p. 168).

#### **Compensation and Benefits System:**

- The objectives of the compensation's and benefit's systems should be compatible with the organization's mission, strategy and culture, appropriate for the workforce, externally equitable (comparing to others in the same industry), and internally equitable (meet employees' needs for a fair wage and benefits, recognize and reward employees' contributions without discrimination), and make effective the recruiting and retention procedures. Tosti (2007) assures that “understanding that every organization at its most basic level is a human performance system is critical to the success of almost any attempt to improve or maintain performance results. An effective, operational human performance system requires that people perform tasks competently and also demonstrate the kind of practices that support the achievement of results” (p. 25).

#### **Talent management:**

- Such management is needed to secure the appropriate job-person match and to keep employees motivated and willing to provide added value to their organizations; the latter should apply a comprehensive talent management approach. Wellins, Smith, & Erker (2009) contend that “organizations must know that they must have the best talent in order to succeed in the hyper-competitive and increasingly complex global economy. Along with the understanding of the need to hire, develop, and retain talented people, organizations are aware that they must manage talent as a critical resource to achieve the best possible results” (p. 1). They recommend that “careful planning, culminating in a sound talent strategy that is tightly connected to the organization's overall business strategies and business needs, is required for talent management to become ingrained in an organization's culture and practice” (p. 10). Only then talent management is effective and sustainable.

#### **Other Conditions**

- Necessary for organizations to successfully implement Corporate Entrepreneurship include: investing in Information Technology, adopting a cross-functional organization, and encouraging autonomy (Zgheib & Kowatly, 2011; Scheepers, Hough and Bloom, 2008; Zgheib & Zannad, 2004) and risk taking at the job.

Finally, results show that less than half of the sample is familiar with the Corporate Entrepreneurship concept. However, the high majority is ready to receive the adequate training when they became aware of the advantages and benefits of CE. On the other hand, most of the employees are reluctant to practice CE inside Lebanon due to the unfair and unclear perception of the rewarding systems.

Although few studies have been conducted in Lebanon on the topic (Zgheib & Kowatly, 2011; Zgheib & Zannad, 2004; Zahra, 1993 & 1999), it is important to note that the findings of the current research are exploratory in nature; although they may not be generalized, but can be used by other researchers, Middle Eastern or others. Consequently, cross-cultural comparisons could be performed. Moreover, another contribution of the current study is its stimulating effect that might lead others to further explore the Lebanese entrepreneurial dimensions versus the different constituencies of the workforce at large.

#### **Future Research**

Based on the data and recommendations elaborated in this research, future related and interesting researches can include:

- The operational methods and procedures which would help employees translate CE into their daily work routine.
- The factors which would help switching the Lebanese culture from focusing on short-term financial profits to a long-term perspective, concentrating on all tangible and intangible benefits.

- The means to convince top managers and owners of the advantages of CE and ensure its implementation within the Lebanese companies.
- The analysis of CE within the Lebanese industries: efficiency and priority for implementation.
- The analysis of gender attitudes toward CE.
- The conduction of similar researches within the MENA region, where points of parity and difference with the Lebanese environment can be compared.

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