

Chapter 3

Corporate Innovation and Intrapreneurship in the Middle East

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ABSTRACT

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. The objective of this chapter is to link intrapreneurship to the well-developed literature on entrepreneurship, to develop a model that will allow us to incorporate those factors that are critical to the intrapreneurial zone of an organization.

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INTRODUCTION

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. This will change because even though the manufacturing industry is still in its infancy compared to the developed countries, yet competition is also strong and if these companies plan to stay in the game and compete, then they need to use whatever tools available and one of them is CIP. In Lebanon in particular where the country prides itself with the human factor, it is greatly advantageous to use this tool especially that it is readily available and can provide strong results.

The objective of this chapter is to link intrapreneurship to the well developed literature on entrepreneurship, to develop a model that will allow us to incorporate those factors that are critical to the intrapreneurial zone of an organization, its size and its dynamics, and to link all of this to the value of the firm. The early part of the chapter discusses entrepreneurship and the profile of an entrepreneur in the hope that an existing large firm can identify entrepreneurs within its structures in order to harness their talents and to add value to the firm. Furthermore, various elements of intrapreneurship are identified, then considers the necessary and sufficient conditions for it to become a value driver within the firm. The various influencing factors are identified and some conclusions are drawn.

DEFINITION OF ENTREPRENEURSHIP

While some may claim that entrepreneurship as a concept started with Adam Smith however the term itself was coined by a French economist Jean Baptiste Say, an admirer of Smith, around 1800. Even though this term has been around since 1800, there is still some confusion concerning the true meaning of the word.

There are many views as to who is an entrepreneur and what an entrepreneurial behavior is. Kuratko et. al (2011) list seven main perspectives on the nature of entrepreneurship. The first is the creation of wealth referring to the undertaking of risks to facilitate production and make a profit. The second perspective is the creation of enterprise which is starting a new business venture that did not exist before. Third is the creation of innovation which is putting together a unique combination that makes existing methods or products obsolete. Next is the creation of change

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