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## Social Entrepreneurship and Job Creation in the Lebanese Market

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### Introduction

Different research papers have viewed a significant number of varied definitions of social entrepreneurship (Zahra et al., 2009) judged by practice rather than by theory (Mair & Marti, 2006). Typically, social entrepreneurship is defined as entrepreneurship with a social mission, and is often considered as the combination of two concepts: entrepreneurship and social mission. Dees has defined social entrepreneurship as a “change agent” within the social sector (Dees, 1998). A more realistic approach considers that social entrepreneurship is the earning of financial revenues in the pursuit of social impact through a well-defined structure (Kruse, 2019). Haugh offers another view: the synchronization of financial, societal and environmental missions by enterprise structures (Haugh, 2007). Social entrepreneurship rests on a “continuum” (Munro & Belanger, 2017) and depends on the domain of study, which makes its definition

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inexact and disunited. Adding to what has been elaborated, the increase in social enterprise activity has intensified interest in social entrepreneurship on three different levels. First, academicians, scholars and researchers add value to the theoretical part. Second, policymakers and law experts work on the enhancement of law and government regulations that support social entrepreneurship. Third, practitioners and social entrepreneurs contribute through their activities and experiences in the field (Munro & Belanger, 2017).

In the Arab world, entrepreneurship and social entrepreneurship have formed a very important role in the economy. According to the Arabnet/Dubai SME (Small- and Medium-Sized Enterprises) report, in the Arab market between 2012 and 2017 the number of active investors increased by a compound annual rate of 31%. In fact, the number rises from 51 active entrepreneurs in 2012 to 195 in 2017. The increase shows a busy time for startups, since between 2015 and 2016 40 new funds were created. Also, between 2017 and May 2018 30 new funds were created from which 33% of the funding institutions were UAE based and 25% are in Lebanon. Also, in 11 different Arab countries from 2013 to 2017 the number of accelerators studied increased by 16% (ZAWYA, 2018).

In their book *The World Guide to CSR: A Country-by-Country Analysis of Corporate Sustainability and Responsibility*, in the chapter dedicated to the Middle East the writer highlighted that the Arab world is becoming an “international hubs of commerce and industry,” adding that the Middle East is becoming a “major player in today’s global business market” (Nick & Wayne, 2017).

Anass Boumediene, one of the founders of Dubai-based [eyewa.com](http://eyewa.com), told Zawya in a private interview that entrepreneurial development still lacks government support as in Europe, the US, etc.

European and US governments foster entrepreneurial initiatives through different approaches which have easy, simple and accessible legal frameworks, financial support funds and ecosystem-developing substructures (Zawya, 2018).

A higher level of entrepreneurial activity is related to higher growth and job creation as mentioned in the Arab Competitive Report released in August 2018 (World Economic Forum, 2018). Employment creation

is a top priority for the MENA (Middle East and North African) region. The region suffers from a long-term high unemployment rate (Anthony et al., 2011).

## **Social Entrepreneurship: Stipulation and Particularities**

Social entrepreneurship is a subject that contains its own specific particularities and dilemmas. Researchers, scholars and practitioners have not come to an agreement on one single definition to explain social entrepreneurship, which would add interest to research and provide researchers with the capacity to continuously add value to the subject. A social entrepreneurship definition remains subject to the discipline and background by which we choose to examine the subject. To establish the disciplines of our study we choose to do it in the following section by diagnosing the particularities of social entrepreneurship. We focus on the characteristics of entrepreneurship and the paradoxical combination between entrepreneurship and the social identity of the social enterprise. Also, we search for an understanding of social entrepreneurship particularities by comparing the concept to other models such as NGOs, CSR (Corporate Social Responsibility) activities and commercial entrepreneurship.

### **Entrepreneurship: What It Is and Is Not**

Do all new businesses initiatives fall within the entrepreneurial discipline? In order to answer this question it is imperative to elaborate on the definition of entrepreneurship.

Commonly, entrepreneurship is basically known as starting a business. However, the concept of entrepreneurship is far richer than this simple description.

Entrepreneurship might appear as a new concept, but it is only new as a terminology since it has a profound history in the life of different institutions. “It means different things to different people” (Dees, 1998).

When asked “what is entrepreneurship?” Coase and Wang in “*Coase on Entrepreneurship*” (Terjesen & Wang, 2013) highlight the novelty contained in the entrepreneurship model, where innovations could concern the market, the product, the marketing and trading process and the manufacturing operations. They added to these factors the importance of risk-taking. It is well known in the world of entrepreneurship that success is not always within reach. In fact, the ratio of failure is nine out of ten for entrepreneurship initiatives. Although this might be true, the influence of a successful entrepreneurship initiative influences the entire economic sector.

Nevertheless, not all enterprise or ideas are entrepreneurial. Entrepreneurship concerns different parts in the process. For example, the individual is an entrepreneur when they are ready to act, and have the mindset to find a gap in the market and bear the risk by acting toward covering it. Added to that, innovation might be essential to determine if the idea is entrepreneurial or not. When talking of entrepreneurship, the process and/or the result are novel. Then entrepreneurship can be linked to the potential scalability. To define an enterprise as entrepreneurship it should present a potential scalability. Being able to benefit from the same idea in different countries making profit and/or solving a social problem is entrepreneurial.

In this paper, we take time to discuss innovation, scalability and other aspects of entrepreneurship in order to link them specifically to social entrepreneurship, which is the aim of the study.

## **Social Entrepreneurship: Paradoxical Conceptualization**

The social and entrepreneurial areas of life are not compatible. Thus it is a paradox to combine the two different missions: social and financial.

Indeed, social entrepreneurship aims to balance two missions. One mission is to accomplish social improvements in societal, educational, environmental and health areas; while another aim concerns the achievement of financial profit (Munro & Belanger, 2017). Social entrepreneurship is a “hybrid organization” (Teasdale, 2012). In other words, the aim

of an entrepreneurial company is to make financial income from social entrepreneurship initiative(s).

Social entrepreneurship has conflicting institutional logics. It is subject to criticism because of its unlikelihood for dual, different or opposing missions (Mair et al., 2015). For example, when a decision needs to be made on giving preference to one mission or another—which mission should take the lead? In other words, it is not possible to equally assume two missions. For a business to be successful it should have a very clear and well-defined mission, being either financial or providing benefit to the stakeholders; in other words, aiming to make maximum profit—or social solutions to help the community.

According to different researchers, practitioners and specialists, the success of entrepreneurial experience shows that the concept of social enterprise is not only plausible but of great potential. It influences the economic sector by pointing resources to social gaps not only as problems but also as great potential for economic development. Adding to that, social entrepreneurship creates new industries and validates innovative business models (Santos, 2012).

Furthermore, the dual mission of social entrepreneurship gives an added-value compared to the commercial entrepreneurship, such as: easier resources availability, a wide network circle and varied market accessibility (Davies et al., 2019).

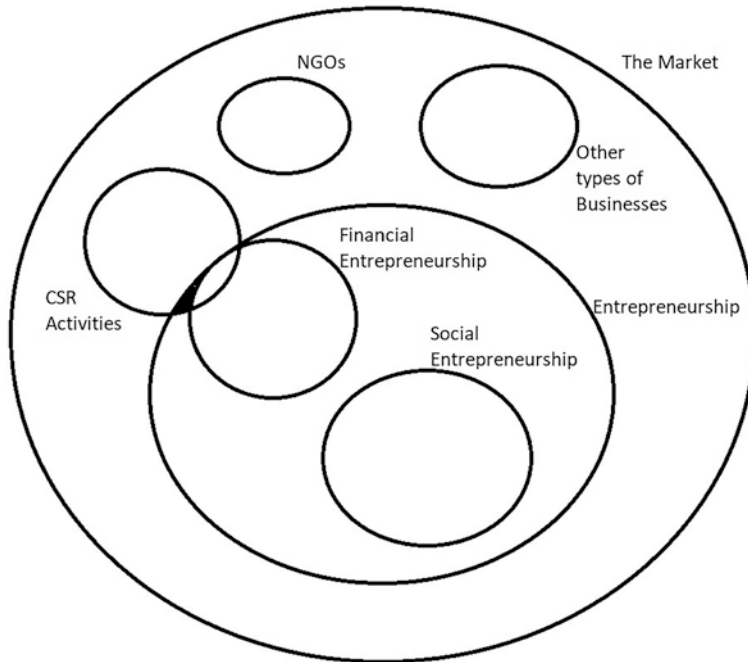
Correspondingly, the alignment achieved between social and economic value is identified as a “value-creating synerg[y].” The achievement of one value, either the economical or the social value, may support the achievement of the second value. That’s what dictates the sustainability and success of social entrepreneurship businesses (Lozano et al., 2006).

### **Social Entrepreneurship Particularities: Neither Charitable nor Philanthropic**

In this section we compare and contrast different types of activities and initiatives aiming to highlight some particularities of the social entrepreneurship concept. We do this in Table 9.1.

**Table 9.1** Comparison between NGOs, CSR activity, financial entrepreneurship and social entrepreneurship

	NGO	CSR activity	Financial entrepreneurship	Social entrepreneurship
Dominant mission	Pure social: giving the society	Financial with social para-activities (donations, community work, stakeholders wellbeing, etc.)	Pure financial: making the maximum profit for the stockholders could include CSR activities	Mix between social and financial: making a financial income while solving a social problem neglected or sometimes even created by the government
Financial activities	Not frequent sometimes to collect some funds	No financial return Invest the financial income of the commercial regular activity	Main objective	One of the objectives
Social activities	Only	Different than main commercial activities for the image of the company for tax exemption purpose Philanthropic matter	Not necessary present or as a CSR initiative	Main objective: make the life of the population better
Financial income	Grants government funds, private donations, etc.	Regular income invested in CSR activities	Sell/lease of products and/or services	Sell/lease of products and/or services
Dominant logic of spirit	Benevolence	Control business management with a philanthropic approach	Control business management	Empowerment (Santos, 2012)
Human capital	Employees and volunteers	Employees	Employees	Employees and volunteers



**Fig. 9.1** In the market: social entrepreneurship, financial entrepreneurship, CSR activities, NGOs, etc.

Figure 9.1 shows the overlaps between the different initiatives already discussed earlier in this section.

## The Social Entrepreneur: Pillar of Social Entrepreneurship

Social entrepreneurship meets the stakeholder theory developed by Freeman in 1984. In fact, according to Freeman, the firm has the responsibility to create value for all stakeholders, to the stockholders as well as to the firm's environment. By analogy, social entrepreneurship serves both for the benefit of society and also the social entrepreneur. For instance the decision-making process, particularly in social entrepreneurship, affects the internal and external stakeholders and vice versa. Indeed,

the internal and external stakeholders affect the decision-making process. In detail, the social entrepreneur is an important internal stakeholder force, primarily associated with the social entrepreneurship idea. In fact, the entrepreneur is equipped with the “entrepreneurial skills” to find and exploit opportunities to create a solution regardless of resources and assets accessibility (Lozano et al., 2006). The social entrepreneur is shown to have a direct influence on the firm’s size through the strategic decision-making undertaken during the different stages of the firm’s life-cycle.

We will study the social entrepreneur according to three determinants. We start with the social entrepreneur’s educational level and training. Next we discuss the social entrepreneur’s previous experience and family history. To finish, we deliberate on the social entrepreneur’s financial support. We do so in order to study the influence of the social entrepreneur on the social enterprise size, and its capability for creating jobs in the market (Rey-Marti et al., 2016).

## **The Social Entrepreneur’s Educational Qualifications and Training**

Professional and general training and academic education provide the individual, in this case the social entrepreneur, with the necessary knowledge and skills to effectively and efficiently manage the company. Thus, the company would be able to grow and also create more job opportunities. Research has shown that companies managed by individuals with a certain educational level perform better than other companies managed by individuals without any educational diploma. So social entrepreneurs having the necessary understanding of general business knowledge and/or specific industrial knowledge should make better planning and strategic decisions, develop and grow the company and influence stakeholders in a positive way. In other words, with accurate and necessary knowledge the company would better serve its society, benefit its stockholders, and offer employment to its environment.

According to Becker, human capital theory explores the importance of investing in schooling. It highlights that investing in an individual’s education and training is likewise a business investment in assets. Different



type of education (formal, informal, general or specific to entrepreneurship, etc.) predicts success from finding, exploring and growing opportunities.

Notably, education and training in the context of entrepreneurship covers different types of knowledge at different stages. For example, entrepreneurial awareness leads the individual to pursue a career in entrepreneurship instead of employment. It promotes an entrepreneurial mindset. Studies show a positive relation between entrepreneurial education and the abilities, intentions and outcomes of human capital (Bae et al., 2014).

Added to this, educational fulfillment includes both general education and also business knowledge acquired through courses at undergraduate or graduate levels of business administration in universities or business schools. A formal education in business knowledge is expected to affect the efficiency of new ventures through affecting the skills and motivation of entrepreneurs and/or social entrepreneurs (Soriano & Castrogiovanni, 2012).

Furthermore, educational attainment also includes industry-specific education. It concerns in-depth education within a certain sector, product/service or industry. Accordingly, it is a formal education pursued in specialized institutions with specific programs and professional courses. Specific education fulfillment enhances the ability of the entrepreneur to effectively identify opportunities, market potential, customer needs, etc. Moreover, specialized knowledge works on the capabilities of the entrepreneur to acquire and use resources professionally; so the cost of the firm operations are reduced and its performance is improved (Soriano & Castrogiovanni, 2012).

Last but not least, innovation having a significant presence and influence in entrepreneurship and social entrepreneurship highlights the need for continuous education and training to protect and increase the firm's market shares. We will take time to discuss innovation later in the chapter.

To conclude, a social entrepreneur's training and educational attainment affect the social enterprise management. Consequently, it affects the potential of innovation, scalability and growth of the business. As a result, the social entrepreneur's education and/or training affects the enterprise's ability for creating employment in general and in its environment in particular.

However, education and training are not the only influences on social enterprises. Their size can be influenced by the social entrepreneur's previous professional experience, and the experience gained while growing up in a family with an entrepreneurial history.

## **The Social Entrepreneur's Previous Experience and Family History**

In practice, management and governance are not only the result of education and training but also the fruits of previous experience in either professional in previous job positions. Added to that is the experience gained from growing up in a family with entrepreneurial history which gives the (social) entrepreneur, whether consciously and/or unconsciously, a background in (social) entrepreneurship. Professional experience includes either previous experience at a managerial level or in the same industry as the current social enterprise. The decision-making process is enhanced when it's also combined with personal understandings based on previous familiarity.

Furthermore, an entrepreneurial family history provides individuals with indirect training that helps the entrepreneur to make better strategic management decisions, and in consequence to work more efficiently.

An entrepreneur with a family background in entrepreneurship and/or previous experience in an entrepreneurial industry or managerial position makes less mistakes and take less time to succeed. The entrepreneurship initiative and development is more likely to achieve its goals. Through effective and efficient management, the enterprise masters the entrepreneurship or social entrepreneurship field and the specific business and gains a significant place in the competition and large market shares (Rey-Marti et al., 2016).

The effective performance of the (social) entrepreneur generates high productivity in the (social) enterprise. Arising from this, the need for hiring might increase. Thus, new job opportunities are available in the market. Entrepreneurs with entrepreneurial family histories have a higher probability for success than those entrepreneurs with different family

backgrounds. Family support gets translated into providing advice and guidance leading to better and faster solutions to a higher number of difficulties encountered, and to make the least possible mistakes (Soriano & Castrogiovanni, 2012).

In addition to education and previous experience, financial support has a major influence on the success of an enterprise, and in consequence to its capacity for job creation.

## The Social Entrepreneur's Financial Support

It is no secret that one of the most challenging parts of enterprise management is its financials. The inflow and outflow of financial resources influences the productivity and efficiency of the company, its potential to compete in the market, its capacity for grow, its strategic plan, etc.; therefore, in particular the social entrepreneur's financial support will influence the capacity of the company for creating job opportunities. According to value-based decision-making, the development of social entrepreneurship is not only subject to finance but also to ethics (Davies et al., 2019). In this section we take the time to discuss the finances of the social entrepreneur.

The social mission of the social entrepreneur is parallel to the duties of the government. The social entrepreneur sees an opportunity that either the government is not meeting its responsibility for, or the effort made is insufficient to meet the demands of the population. In both cases, social entrepreneurs are participating in ensuring citizens' rights. Added to the social mission, job creation is an additional benefit that social enterprises offer to the community, and in consequence taking charge of another governmental role. Governments have an interest in supporting social enterprises, expressed through direct financial injections or special tax exemptions. Nevertheless, the legal form of social enterprise is still a major question in the literature and in the practical world.

Nowadays, the significance and need for social enterprise is on the increase, but unfortunately government support has tended to decrease and social enterprises are constrained to find different financial resources.

Social finance is a new category of financing which began years ago, giving access to social enterprises to finance their work (Nicholls et al., 2015). In addition, donations and subsidies that believe in the enterprises' mission also finance social enterprises. Some entrepreneurs benefit from Social Enterprise Foundations, Social Business Angels and Eco Angels as mentioned in the study submitted by Davies et al. (2019). They also highlight the importance of alignment between the social mission and the financial mission of the enterprise, as the leveraging of the social mission mobilizes funds.

We aim to study the effect of the three determinants previously mentioned: the educational level, experience, and family background and financial support of the social entrepreneur—on the capacity of the social enterprise to create new opportunities for the market. These three determinants defining the scope of study will be considered in relation to the success of the social enterprise, implying job creation in the market.

## **Social Enterprise: The Idea Taking Form**

The social entrepreneur's idea is transformed into a plan. It takes a legal form to start the operation process and market its product or service. To elaborate on the subject of the social enterprise, we choose to discuss the following topics. First, talking about entrepreneurship is talking about innovation. Second, scalability is an essential ingredient of the social enterprise. Third, a social enterprise, in general, is the realization of the social entrepreneur's idea. When the idea turns into a plan and the plan is executed, the idea takes the form of a social enterprise involving a team which is formed by individuals from different backgrounds, collaborating and joining forces in order to give life to the initial social idea. At this stage, the social entrepreneur attracts a team who share responsibilities, management, benefits and credits and gives the social firm more credibility and professionalism.

In this section, we discuss the institutionalization of the social enterprise.

## Innovation

The economy is dynamic. New opportunities are always arising due to different factors. The needs of individuals and society change over time. New technologies are always being developed. New information come to light (Santos, 2012). These changes impel improvement and innovation in the organization. Amendments and new developments can inspire the supply and use of resources, and the products and service delivery. In consequence, innovation is imperative for commercial entrepreneurship. Innovation also influences the social enterprise financial mission as it influences the commercial enterprise activities and process (von der Weppen & Cochrane, 2012). In addition, innovation is a significant factor in a successful social entrepreneurship. It is also a vital factor in its social impact, influencing its capacity to realize its social mission (Munro & Belanger, 2017; Weerawardena & Mort, 2012).

Innovation in entrepreneurship pursues new opportunities either by entering a new market, or improving a service or a product or adapting a new operating process aiming to reduce the costs of operation. Entrepreneurship innovation leads changes in the economy. It drives the evolution of entrepreneurship in terms of trend and time (Terjesen & Wang, 2013). Competitors are left without the choice of whether to adapt their business or risking losing their capacity to compete, losing therefore their market shares. Coase and Wang in 2013 mentioned their interest as economists neither for the entrepreneur's personality, nor to their firm's efficiency, but to the lifelong impact on the economy such as new products, new production processes, new startups and new markets, and so forth (Terjesen & Wang, 2013).

Creativity in innovation is a vital capacity for an organization. In fact, entrepreneurial innovation influences organizational performance. It is studied as one of the six most important contributors to the firm's high performance. Continuous entrepreneurial innovation increases the performance of the firm (Lozano et al., 2006). As for the study mentioned above, entrepreneurial innovation is characterized by two dimensions: entrepreneurial spirit and value creation. The entrepreneurial spirit defines the ability of the entrepreneur to start up an innovative idea and

continue developing the business by trying new methods and better ways to achieve its goals.

Beyond commercial entrepreneurship, social entrepreneurship aims to create value. On the one hand, commercial enterprises search for achieving the greatest benefits for their stockholders. In the other hand, the social entrepreneur searches primarily to positively impact as many people as possible.

## Scalability

Scalability is a word defined by the *Oxford Dictionary* as the ability “to be changed in size and scale.” In the business world, scalability is the business potential of a firm. It can concern the number of products it sells and/or the number of markets it serves. It is important to different stakeholders. The creation of job opportunities and tax payments are a business potential from a social and community perspective. From the investors point of view, the business scalability is the foundation of valuation practices (Nielsen & Lund, 2015).

In fact, social enterprise targets a well-defined problem in a certain local geographic area with “global relevance” (Santos, 2012). A scalable social enterprise has an idea, a product and/or a process that has an advantage through being implemented in different geographical areas (Santos, 2012). In other words, scalability means it can be replicable, expanding the geographical area that is benefiting from the social impact. A larger segment of the population would benefit from its social mission and provide new financial resources for the firm.

Scalability gives the company an attractive image for different kind of investors.

It can facilitate and speed up the exit phase, the dream of nearly every entrepreneur. With such a positive image combined with other positive indicators, founders will find buyers such as individuals, international companies, NGOs even governments willing to buy the pattern and implement it on their own for billions of dollars.

By scaling, the company will need to decentralize its activity to ensure effectiveness and efficiently. Doing so, it will create new job opportunities for different type of employees such as white-collar and blue-collar employees.

## Institutionalization

Social enterprises no longer depend on the leader. In this case, the social enterprise doesn't rely solely on the person of the social entrepreneur; instead, it becomes efficient and effective through its structure, organization, procedures and policies, etc. (Lozano et al., 2006). The enterprise gains more confidence from society when it moves from being a single entrepreneur working as a one-man-show to a team fully devoted to the social cause of combined skills and backgrounds benefiting the social enterprise. It is the way entrepreneurial decisions are made, it shows the ability to delegate (Lozano et al., 2006), it can be through inviting individuals from different backgrounds to join the board of directors, sharing their shares in return for their experience and education and thus benefiting the company; recruiting, volunteering or increasing the pool of experts around the firm. To be able to share credits or not, the social entrepreneur's decision is influenced by educational level, previous experience, personality, etc. Likewise, the firm gains in professionalism.

A company with a board of directors performs better than a single person taking care of everything. It is true that the decision-making process in a team would consume more time than an individual decision, but the diversity also adds options and creativity to the problem-solving dilemma. Different personalities present different points of view and most probably new perspectives. The company will gain better performance and productivity. New knowledge, expertise and experience are added to the strategic management of the company. Also, responsibilities are divided.

In a study carried out by Davies et al. (2019) entitled *Barriers to Social Enterprise Growth*, nine of the social enterprises studied had multiple founders related by a network of friends and acquaintances.

Low costs and combined skills are the benefits of networking in creating social enterprises. In the case of the Alpha company, named by the company in order to ensure privacy for the participator, it is a social enterprise formed by one business developer specialist who collaborated with his marketer and brand specialist wife, an ex-solicitor and a PR specialist (Davies et al., 2019).

## Firm Size and Job Creation

The ability of a firm to create job opportunities is the translation into the increase of firm size. A company that increases in size and recruits more talent is the result of different firm-level modules. When a company grows at the micro level it recruits more talent, in other words, at the macro level it creates job opportunities for the market. This recruiting process can vary from one company to another depending on the culture, vision and business type. Nevertheless, the need to engage new talent into social companies is in general prompted by a certain number of dynamics. To be able to create long-term jobs, the social enterprise needs to be competitive and sustainable in the business.

## Social Firm Size: Creation, Growing and Legal Identity

The entrepreneur is an individual who sees a gap in the market and has the courage to try a new venture, resulting in success for solving the problem via a new process or the creation of new services or products. Social entrepreneurs search for gaps in the social life of the society, they aim to have a positive impact on society and to make the world a better place. Social impacts include civic rights, education, environment, safety, health, etc. Social entrepreneurs achieve their financial missions by serving society.

Moving from an idea to a real functional business or creating a social enterprise is the main step to employment potential. The idea takes a legal form in which people join the mission.

In talking about legal identity, the law does not specify any criteria for social enterprises. It is necessary to be recognized as a partner with the government, as this will benefit it from exemption from special treatment in terms of taxation, rules and regulations, financial facilities, etc. This is still a topic in the literature as well as in the business world.

The entrepreneur needs different types of employees, cohorts and/or partners with different or no expertise, to fulfill various positions to achieve the mission.



Recruiting is different for social enterprises than for regular enterprises. Social enterprises search not only for talented and skilled people, but also for potential employees driven by the same social interests.

## Social Competitive Advantage and Sustainability

Strategic decision-making is the process that secure advantages for the enterprise and social enterprise over its competitors. Competitive advantage concerns customer loyalty, for example: believing in the social mission of the company, customers would do their part for the social impact by supporting the social enterprise mission and buying its products and/or using its services. In addition, employees or volunteers give the social enterprise company a competitive advantage thanks to their motivations and beliefs in their capability to create social change through their activity in the social enterprise. Also, competitive advantage comes from good relations with stakeholders, especially suppliers, NGOs, governments of the state and country of operation, politicians and so on (Lozano et al., 2006). In consequence, social enterprise resources are increased and their capacity to create value is enhanced. Its legitimacy, internal and external support are greater.

Over and above competitive advantage, sustainability is achieved when the mission and values, the planning and discontinuities and the competitive advantage are all aligned and consistent in order to focus the scope and adjust to environment change. We recall the importance of continuous innovation in any enterprise, especially for the social enterprises studied in this chapter, to maintain social competitive advantage and sustainability. As highlighted in the study conducted by Lozano et al. (2006), creating a sustainable competitive advantage is strategically important in order to apprehend social initiatives and reinforce the firm's operational competencies. Social enterprises can achieve superior competitive advantage. This can be done through two channels: diversified funding sources and innovative community service.

Beyond the positive effects of competition in the business field such as engaging in better decision-making to better serve stakeholders' interests, achieving higher performance and increasing productivity, social

enterprises don't consider competition alarming, in fact it is perceived differently. Thus, more entities serving society means more people benefiting from the social mission and correspondingly more positive social impact for society (Santos, 2012). As mentioned earlier, social enterprises have a significant influence on the development of the economy. A larger and more professional ecosystem means higher and more significant results on economy development, and change toward better governance processes and procedures, social impact and environmental culture, resource management and preservation, beyond financial returns, decision-making sustainability, human resource dignity, etc.

### **Job Creation: Third Mission for Social Enterprise**

After elaborating on social entrepreneurship, entrepreneurs and enterprises, it is time for our study to focus on employment and job creation components.

Over the past few decades, the market for ideas has become of particular importance to the market, from being just a concept in law or political science to becoming a fundamental concept in economies. No economy can function without a labor force or human capital, because these factors are a vital input for production. The economy of today is more and more "knowledge-intense," and no input is more important than the idea itself, giving importance to the human resources of the firm (Terjesen & Wang, 2013).

Social enterprises, like any other enterprises, search for and hire talented people in order to achieve their goals. Additionally, social enterprises, more than any other types of firm, search for potential candidates whose values are aligned with its mission and who are driven by their motivation to make social change and have a positive impact on their society (Davies et al., 2019).

Hiring is not a regular activity for social enterprises as in any other enterprise. It is much more than that; job creation is an additional contribution to the society, added to the social mission. In fact, it is considered the third mission of the social enterprise.

According to the GEM (Global Entrepreneurship Monitor) in a special topic report on social entrepreneurship in 2015, when comparing the three factors of “current size of more than five employees,” “volunteers’ share” and “has growth expectations in the next five years,” in Australia, the US and in the Western European economies, the factor of more than five employees is the most dominant, at 55% and 46% respectively (Bosma et al., 2016).

Job creation and hiring is also a factor in high and effectively performing social enterprises. In other words, it includes creating and retaining talented people and talented teams. Effective and efficient social enterprises enhance a culture of innovation. Leaders are oriented to build on people, more than on fulfilling objectives (Lozano et al., 2006).

In addition, the human resources pool, considered as an intangible capital, includes in total the values of skills, capabilities, and talents of employees put at the service of the company to achieve its objective. This capital is a vital and dynamic resource for the company that needs to be managed. It needs to be nurtured and developed, in terms of knowledge and experience in the market, aiming to improve the productivity, performance, effectiveness and efficiency of the company. As for the study conducted by Lozano et al. (2006), it is more protective for an organization to obtain sustainable advantage if it develops this broad approach to the creation of value. In fact, to achieve coherence among the three organizational objectives of the social enterprise, namely, social impact, financial gain and job creation, it is imperative for the organization to act in good faith toward its employees, from the moment of hiring till the moment they leave the company. Overall, a high performance in human resource management in social enterprises is translated into a good labor environment in which employees identify closely with the social enterprise mission.

In a study conducted and published by the OECD, job creation and the ending of paid employee positions are linked to factors such as finance, funding, public contracts, sales of goods, market opportunities and skills availability (Buckingham & Teasdale, 2013).

It is clear that in the Middle East and North Africa region, entrepreneurial initiatives find their way, and they are an attractive occupation for the Arab worlds. Despite the existence of formal job options,

entrepreneurial behavior finds a way to emerge through innovative start-ups, entrepreneurship, etc. (Ismail et al., 2017).

Lebanon, with a GDP growth of 0.6% in 2017, and a GDP per capita of \$8997 in 2012, is considered to be one of the most entrepreneurial countries in the world (Hill, 2018). In detail, approximately one in four adults starts or runs a new business. It is ranked fourth out of 48 countries participating in the GEM 2018 survey report on adult populations (APS).

Entrepreneurship and social entrepreneurship initiatives' capacities, potentials and expectations are subject to different studies. According to the global entrepreneurship monitor national report on Lebanon in 2018, 3.7% of entrepreneurship initiatives were expected to create six or more jobs over the next five years. New businesses stimulate economic development, and it is an important source of job creation, innovation and income. In Lebanon, a culture dominated by small businesses, especially family-owned and managed, the entrepreneurial spirit and mindset are firmly rooted in Lebanese culture from its antecedents the Phoenicians. Entrepreneurial activities are well supported, both financially and socially; financial support schemes include those developed by the Banque du Liban (BDL) and socially by incubators and accelerators. Moreover, culturally they are viewed with considerable esteem. Young entrepreneurs are well educated and qualified (Faghieh & Zali, 2018).

## Conclusion

In conclusion, entrepreneurship and social entrepreneurship are making an increased impact on the world, especially in the MENA region and the Arab world. The social entrepreneur makes a social-impact change while making financial income through an institution, the social enterprise. To do so, the social enterprise creates job opportunities not only to make its mission conceivable but also to serve the market. The ability of the social enterprise to create jobs can be influenced by the social entrepreneur's education, experience, family history and financial resources.

To sum up, the identity and history of the social entrepreneur influences its third mission, job creation. A well-educated social entrepreneur,

with previous experience and/or belonging to a family with a history in entrepreneurship, and with accurate financing resources, would present a management and governance plan leading the company to higher performance and productivity, and so also to higher job opportunities.

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