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**THE CYRUS INSTITUTE OF KNOWLEDGE
AND THE SCHOOL OF BUSINESS,
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Joint 2016 Conference, Cairo, Egypt**

Conference Theme

**ENTREPRENEURSHIP, RESPONSIBLE MANAGEMENT,
AND ECONOMIC DEVELOPMENT**

PAPERS AND CASES SPECIALIZATIONS

- 1. ENTREPRENEURSHIP**
- 2. ECONOMIC/DEVELOPMENT/FINANCE**
- 3. INNOVATION**
- 4. OTHERS**

1.

ENTREPRENEURSHIP

**INVESTIGATING THE EFFECT OF ENTREPRENEURSHIP ECOSYSTEM ON
BRIDGING THE SECTORAL GAP: CASE OF EGYPT AND JORDAN**

**Hala Hattab,
Dina Sherif,**

and

**Salma Elhady
American University in Cairo, Egypt**

Abstract

This study is implemented by the Center for Entrepreneurship as a milestone to build the Arab Region entrepreneurial ecosystem and help understand further the dynamics in the Region. This sector analysis study will be conducted in both the Egyptian and Jordanian context. The objective is to identify existing gaps in terms of sectors and develop a set of recommendations on how to bridge these gaps and ensure sustainable growth. Technology based startups are more dominant in both markets, this phenomenon is attributable to various factors including the type of accelerators, available funding, and global trend; as part of the research this phenomenon will be analyzed in depth to better understand the status quo in both countries which will help develop a roadmap capitalizing on existing resources. The study will be used to support different entities in identifying sectors that require more focus and how to employ entrepreneurial ventures in solving critical issues in our Region such as water scarcity, energy, food, health, and education.

**INTRODUCING SOCIAL ENTREPRENEURSHIP IN THE PUBLIC
UNIVERSITY SCHEME IN EGYPT**

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and

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Abstract

The overall study of available literature about entrepreneurship in Egypt reveals several gaps and barriers in the ecosystem; human Capital represented in education institutes and skilled labor comes at the forefront. Absence of entrepreneurship in the educational curriculum in most universities is a major contributor to the weak human capital. This research investigates, describes and analyzes the existing situation of social entrepreneurship in faculties of commerce, the natural home of entrepreneurship education. The objective is to critically-understand the symptoms and causes of this gap through faculties' bylaws and regulations. Also, it defines the role of supporting and supervising institutions - like the Supreme Council of Universities SCU and its supreme sub-councils - in order to design an intervention applicable and compliant with the existing official and institutional framework.

The study involves primary and secondary data collection and analysis. Semi-structured interviews with business professors in several public universities as well as key persons from the social entrepreneurship ecosystem in Egypt are conducted to reveal perspectives and feedback of stakeholders. Secondary data is used to build on existing researches and findings about the Egyptian context. In addition to this, I study the evolution and development of social entrepreneurship curriculum in some universities to come up with best practices and lesson-learned applicable to the Egyptian context.

Faculties of commerce launch 78,625 graduates with different majors annually. There are no academic courses, major or minor on both undergraduate and graduate levels on entrepreneurship and social entrepreneurship. The only available course is Management of Small and Medium Enterprises that is being offered to senior management students.

Despite the bureaucracy and stagnation of the public universities in Egypt, there is a clear opportunity of change given the size and distribution of public universities that can contribute to poverty alleviation and job creation, if steered towards social entrepreneurship. Existing bylaws and procedures dictate starting the approval process from the department to the college to the dean to the head of the university then approval from the SCU. Each university and college has its own, independent bylaws; however introducing new curricula mirrors existing curricula in local universities if any. New curricula will cut the quotas of existing professors and might face serious objections by old professors. The SCU has agreed to make Entrepreneurship major curricula in universities as advertised on February 2015. This should be a green light to trigger implementation by all public universities.

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Recommended intervention must engage management professors, SCU, and NGOs like Ashoka and, Injaz in a collaborative project to pilot new curricula at some faculties. The new course should be a basic course to senior undergraduates and graduate students in Arabic. Respectively other faculties can kick start their programs.

International evolution model shown expansion of the course into majors and minors in social entrepreneurship on both undergraduate and graduate levels. On the graduate level, faculties can easily offer a new, open-access diploma on social entrepreneurship. This would be much easier and will not overlap with existing programs.

WOMEN ENTREPRENEURSHIP: FACE OF CHANGING INDIA

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Abstract

Entrepreneurship is the key element in the economic development of the country and contribution of women remains significant. With the changing time, women have overcome all the challenges and have emerged as the world leaders in all sectors. Legislators have also contributed by making laws and policies which seek to uplift the status of women in the Indian Society. The policy and institutional framework for developing entrepreneurial skills, education and training has widened the horizon for economic development of women. Women's are contributing in changing the face of the Indian society by taking the creative ideas to the market and making right decisions for the profitable growth of the business. The increasing presence of women in the business field as entrepreneurs has changed the demographic characteristics of business and economic growth of the country. Women-owned business enterprises are playing a more active role in society and the economy.

This study has been undertaken with a view to understand the growing women entrepreneurship in Indian market and to create awareness about the same. Women entrepreneurship has proved to be potential human resource in various sectors of economy. Despite the fact that time and again women have proven to be successful business entrepreneurs, women constitute only one third of the economic enterprise.

The paper has been divided into four parts emphasizing and covering all aspects of women entrepreneurship in India. The first part lays emphasis on the socio cultural facets and the various issues and challenges faced by the women. Secondly, it discusses various laws and policies which has significantly contributed to women empowerment. Thirdly, it critically analysis the position of women entrepreneur in each sectors providing a detailed analysis of Federation of Indian Women Entrepreneurs (FIWE). And lastly an attempt is also made to provide legal and social suggestions which could possibly accelerate the scope and nature of women entrepreneurship in India.

Keywords: Women Entrepreneurship, development, entrepreneurship in India, women empowerment, FIWE

**EGYPT’S SOCIAL ENTREPRENEURSHIP ECOSYSTEM:
THE IMPORTANCE OF ACCOUNTABILITY**

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and

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Abstract

The significance of social entrepreneurship in a country like Egypt stems from the facts that societal challenges are consistently expanding, and that traditional non-profit and public sector approaches are unable to address them. In Egypt, the number of social enterprises (SEs) has in fact expanded over the past years^{1,2}. SEs are now seen as an avenue for civic engagement, and arriving at viable and locally driven solutions to pressing socioeconomic challenges³. The ability of Egypt’s social entrepreneurship sector to fulfill such a promise relies on many factors, including the strength of the ecosystem that embeds emerging social enterprises. The core components of a social entrepreneurship ecosystem include potential and aspiring social entrepreneurs themselves; conducive regulatory and financing frameworks; and support organizations⁴.

When putting the Egyptian social entrepreneurship ecosystem in context, another key prerequisite for fulfilling the promise of social entrepreneurship becomes evident: the degree to which accountability principles are engrained within its constituents. Accountability is at the core of a flourishing social entrepreneurship movement in Egypt given the facts that Egyptian SEs exist in an environment that is characterized by low levels of accountability (Transparency International, 2014), and that social enterprises by nature, are susceptible to more complex accountability issues since they should be governed in accordance to the interests of multiple equally important stakeholders and value propositions⁵.

The objective of the paper at hand is to better understand the means by which Egypt’s emerging SE ecosystem can engrain accountability principles within its constituents. The paper will focus on the role of selected components of SE ecosystems in fostering accountability, namely legal frameworks, financing frameworks, and support organizations. The paper will rely on a thorough review of literature about the key prerequisites and mechanisms for a highly accountable social entrepreneurship ecosystem; with a focus on the preciously listed components. Literature available about the nature and characteristics of the selected SE ecosystem components in Egypt will also be

¹ Abdou, E. et al., (2010). “Social Entrepreneurship In The Middle East Toward Sustainable Development For The Next Generation.” *Silatech*. Retrieved from: http://www.brookings.edu/~media/research/files/reports/2010/4/social-entrepreneurship/04_social_entrepreneurship.pdf

² Younis, A. (February 3, 2015). “The Rise of the Social Entrepreneurs Is Egypt's Silent Revolution” *Huffington Post*. Retrieved from: http://www.huffingtonpost.com/alyaa-a-younis/the-rise-of-the-social-en_b_6787054.html

³ Ibid.

⁴ Sonne, L. (n.d.). “Regional Social Enterprise Ecosystems in India A Conceptual Framework.” *Okapi Research*. Retrieved from: <http://okapia.co/admin/upload/Villgro%20Sonne%20Regional%20Social%20Enterprise%20Ecosystems%20Framework%20Final.pdf>

⁵ Wang, W. (n.d.) “Accountability in Social Enterprises: An Analytical Framework.” Retrieved from: <https://intranet.weatherhead.case.edu/document-upload/docs/241.pdf>

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reviewed with the objective of better understanding the degree to which they meet the identified accountability mechanisms and prerequisites. Results will be utilized to shed light on the gaps and opportunities for ensuring accountability through the selected components of Egypt's SE ecosystem, and to generate recommendations for the way forward.

THE CENTER FOR ENTREPRENEURSHIP STRATEGIC DIRECTION

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Abstract

AUC established its first academic center to support the growth and evolution of the entrepreneurship ecosystem in Egypt and the Arab region. The Center is a result of what was once the Entrepreneurship and Innovation Program (EIP), which was designed to create a high level of awareness about entrepreneurship in the region. AUC launched the Center for Entrepreneurship during September 2015, designed to act as a regional hub to promote entrepreneurship and enable our ecosystem to serve each and every entrepreneur across the region. The Arab region is different from the rest of the world in terms of culture, family ties, structural problems, level of growth and unique demographics. Accordingly, the Center is different from similar centers around the globe and it is designed to serve the region with an internationalized direction. The Center had started implementing a unique strategy to enable the role of AUC in the creation of a more sustainable ecosystem. The 3 main pillars of the Center are Research and knowledge creation, training and awareness and ecosystem building. Under each of these pillars, a set of activities are being enacted to ensure the impact creation:

- Research and knowledge:
 - Case studies development
 - In-depth research
 - Blog
- Training and awareness:
 - Lecture series
 - Training sessions
- Ecosystem building:
 - Roundtables with regional institutions
 - Local roundtables
 - Monthly breakfast
 - Faculty members training
 - Study trip to boost students' exposure.

**GENDER DISCREPANCIES AND ENTREPRENEURIAL
ACTIVITIES IN EGYPT**

**Ayman Ismail,
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and

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Abstract

The claim that the Egyptian Revolution has promoted a culture of entrepreneurship is a serious question that needs in-depth investigation. Are the revolutions given too much credit over the already-growing attitude among youth? Recently, new institutions emerged in the scene to support entrepreneurs in Egypt, including Cairo Angels, Flat 6 Labs, and the AUC Venture Lab; incubating start-ups and linking them to mentors and investors. Of the nearly 50% growth in ecosystem stakeholders in the Middle East since 2010, Egypt has produced a quarter of these new institutions supporting entrepreneurship. In addition, over the past decade, significant efforts have been exerted to boost women's entrepreneurship in Egypt, including Goldman Saachs' 100 Women program hosted at American University in Cairo. While the likes of "Best Mums" and "Joud" are successful examples of female-run businesses in Egypt, studies indicate that the country is not an easy place for women to set up their own companies.

Socio-demographics significantly contribute to explaining the entrepreneurial intention of respondents as well as startup activity rate with the expected signs. Age and gender are two of the most popular variables in empirical studies on the determinants of the individual decision as to whether or not to become an entrepreneur (Reynolds et al. 2004; Brixy et al., 2012; Bergmann, 2011). It is widely acknowledged that females are less likely to be entrepreneurs (Brixy et al., 2012). According to Wagner (2007), this difference is mainly caused by their attitudes toward the willingness to take risks. Davidsson (2006) finds out that there is underrepresentation of females among nascent entrepreneurs, but there is no consistent discrimination among them once they are involved in the process. GEM data on 28 countries suggests that perceptual variables are important to distinguish between entrepreneurs and non-entrepreneurs; there are only insignificant differences between entrepreneurs of the two sexes (Arenius and Minniti, 2005). For instance, in Germany, the differences between entrepreneurs and non-entrepreneurs are striking as well, but nevertheless a remarkable variation between males and females remains. To gain a deeper insight into the differences, separate estimations will be conducted for males and females based on different factors.

Relatively little research has dealt with gender discrepancies in more than one phase of the entrepreneurial activity, particularly in a developing country like Egypt, which has faced significant political changes over the past few years. While advanced phases of the entrepreneurship process, especially from nascent entrepreneurship onwards, have received increasing attention from empirical researchers in the recent research (e.g., Davidsson 2006; Gartner et al. 2004), few studies covered all phases of entrepreneurship, particularly when it comes to gender differences at each stage.

The objective of this study is to analyze the effect of gender on entrepreneurial activities in Egypt from 2008 to 2015. In addition, this study aims to analyze gender differences over the three stages of entrepreneurial activities: Established Business, Nascent Business and Baby Business using three key determinants: Fear of failure, entrepreneurial environment, and access to finance. This study is designed using a triangulation approach, whereby three sets of data will be analyzed and integrated: 1) GEM APS data on Egypt (2008, 2010, 2012 & 2015); 2) GEM's NES data on Egypt (2008, 2010, 2012 & 2015); and 3) in-depth interviews with experts and policy makers in Egypt, analyzing the eco-system.

GROWING THE ENTREPRENEURSHIP ECOSYSTEM IN EGYPT

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and

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Abstract

Building an ecosystem to support and grow entrepreneurship has emerged as one of the sought after tools for fostering economic development that is based on innovation and technology in a competitive and open market. However, building an effective ecosystem has proven to be a challenging task. Over the past five years, many actors have tried to promote entrepreneurship in Egypt by supporting some elements of the ecosystem, including startup accelerators, incubators; angel investment networks venture capital funds, and entrepreneurship education and awareness. The outcome has been a nascent ecosystem that has attracted positive energy and enthusiasm, despite its small size and track record. In this paper, we assess the different elements of the entrepreneurship ecosystem in Egypt based in the authors' active engagement as well as the outcomes of the Global Entrepreneurship Monitor Expert Survey, which includes more than 50 experts in 9 ecosystem areas. Based on our analysis, we identify key areas that need to be further developed to strengthen and grow the ecosystem.

Keywords: entrepreneurship, Egypt, entrepreneurship ecosystem, economic development

GLOBAL ENTREPRENEURSHIP MONITOR OVERVIEW

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Abstract

The Global Entrepreneurship Monitor (GEM) project is an annual assessment of the entrepreneurial activity, aspirations and attitudes of individuals across a wide range of countries.

Initiated in 1999 as a partnership between London Business School and Babson College, the first study covered 10 countries; since then over 100 ‘National Teams’ from every corner of the globe have participated in the project, which continues to grow annually. The network of National Teams is home to over 500 experts in entrepreneurship research; the project has an estimated global budget of nearly USD \$9 million.

GEM is the largest ongoing study of entrepreneurial dynamics in the world.

GEM explores the role of entrepreneurship in national economic growth, unveiling detailed national features and characteristics associated with entrepreneurial activity. The program has three main objectives:

- To measure differences in the level of entrepreneurial activity between countries
- To uncover factors leading to appropriate levels of entrepreneurship
- To suggest policies that may enhance the national level of entrepreneurial activity.

To secure international comparability, GEM collects primary empirical data in a standardized way. There are two main data sources: First, the Adult Population Survey (APS) provides standardized data on entrepreneurial activities and attitudes within each country. Second, the National Expert Survey (NES) investigates the national framework conditions for entrepreneurship by means of standardized questionnaires.

In order to monitor the entrepreneurial performance in the country, Egypt participated in the 2009, 2010, and 2012 cycles along with many other countries. This study is important for Egypt for three key reasons: 1. it is the first study that captures the effect of the Global Economic Crisis on entrepreneurship in the country. 2. It is the first study that addresses the level of awareness among entrepreneurs and adult population of the Government support. 3. An increase in the number of countries especially from the Middle East and North Africa region.

AUC is delighted to be the lead research partner in this important study for 2015 and to contribute to the promotion of entrepreneurship in Egypt, not just through the research activities but through the education of our students. We trust that the information contained in this report will influence Egypt’s leaders and policy makers, as well as inform our students and Egypt’s youth of the importance of enterprise to the economy and the future prosperity of the country

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This presentation aims to provide the audience with a detailed overview of the GEM report and its usage in both academic publications and practical applications, including in policy making. It will also describe the process of data collection and the instruments used in the study.

UNDERSTANDING ENTERPRENEURSHIP IN DEVELOPING COUNTRIES

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Abstract

Entrepreneurship is crucial for raising income levels and alleviating poverty in developing countries and more generally. However, processes and decision-making on entrepreneurship in developing markets differ from those observed in developed countries. These differences are often notable between and within developing countries. For example, China and India, deserve special attention as they represent the vast majority of entrepreneurial activity worldwide and have distinct entrepreneurial cultures and traditions themselves.

Better understanding of these differences is crucial for private sector development in developing countries. However, the typical model for understanding entrepreneurship in developing countries draws heavily on the conventional finance tool-box based on the interaction between uncertainty, investment and corporate profit. Entrepreneurs are assumed to be driven by roughly the same motives and impulses as in the developed world. Rational behavior is conceived of as maximizing behavior. However, rational behavior cannot be easily reconciled with the basic entrepreneurship functions: coordination, arbitrage, innovation, and uncertainty bearing (Barreto 1989). Entrepreneurs do engage in risk-taking activity despite the odds of newly-created firm survival (which is larger in developing countries), exhibiting considerable differences in ambiguity aversion, self-control and susceptibility to framing and formulating business evolution (Bhidé, 2000). These differences have to be properly analyzed and understood if entrepreneurship policy is to be successful. Recent information embodied in international surveys, e.g. the World Business Environment Survey (WBES) and the Global Entrepreneurship Monitor (GEM) project, can help understand the diversity and the dynamics of new firm formation in developing countries.

However, not all entrepreneurial activities are key for sustainable growth. Indeed, new and growth-oriented enterprises are very important as they have a greater capacity to create sustainable economic growth relative to microenterprises or long-established companies with limited growth prospects. The differences between growth-oriented entrepreneurs in developing and developed markets are rooted in the different ways that markets operate in those countries as well as in the types of response that entrepreneurs have to such differences, which are often surprising by conventional standards. Empirical evidence has highlighted several “irregularities” in entrepreneurship behavior in developing countries: opportunity entrepreneurship in poor countries is *not* significantly correlated with more free and competitive countries, or with recently growing countries, or with countries with higher protection of property rights and levels of corruption (Reynolds et al., 2004). Thus, entrepreneurship policy success may *not* be significantly related to the improvement of the general *business* environment, as standard development finance institutions tend to argue about.

If entrepreneurial success in the developing countries is to be understood then both the individual and social-cultural aspects on “animal spirits” must be comprehended. The former (individual) require a dive into the inherited psychological norms of behavior prevalent in the developing countries. The latter (social-cultural) aspects of entrepreneurial initiative in developing countries require an understanding of the distinctive features of developing country environments. Three key factors are important in this respect: entrepreneurial opportunity, access to finance, and human capital enhancement.

Entrepreneurial opportunity in developing countries is broader in scope than in developed ones. Developing markets lack the consistency offered by stable and mature markets. Consequently, entrepreneurial opportunity in developing markets is pervasive: developing market entrepreneurs operate less subject to specific rules and more closely to the core of decision-making centers: political, economic, and regulatory; and they adjust to their interaction. Further, while entrepreneurial opportunity is broader in developing countries, it is also limited by inadequate personal and family savings, general financing constraints and an absence of financial innovation that severely limit the growth prospects of promising startups in developing countries. Finally, entrepreneurial opportunity in developing countries is also affected by the network of within-industry and between industry-and-finance interactions that condition the innovation efficiency of industrial clustering. Inventions and ideas can only be good if translated into commercial innovations. But, entrepreneurship is a lonely profession that needs recurrent mentorship and apprenticeship to flourish. The well-trained talent can be innovative if it is nourished in a culture that encourages coordinated and sustainable support for innovation and new business creation.

In this paper, these key issues related to entrepreneurial opportunity, access to finance and human capital enhancement, will be analyzed in more detail, and will be located within an effective policy reform. Further, based on the analysis, suggestions will be made on developing an entrepreneurship research agenda that is suitable for developing countries.

**OPPORTUNITY ASSESSMENT AND ENTRY DECISIONS OF EGYPTIAN
ENTREPRENEURS: DECONSTRUCTING NARRATIVES OF THE ANTECEDENTS TO
ENTREPRENEURIAL START-UPS**

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and

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Abstract

This research examines the antecedents to entrepreneurial start-ups; that is the opportunity assessment decision and entrepreneurial entry decisions. During these activities crucial triggers affect entrepreneurs; it is these triggers that this research focuses on. First, in terms of opportunity assessment decision and motivations, entrepreneurs are similar in how they respond emotionally to entrepreneurial opportunities which in turn affects decisions related to opportunity. Moods and emotions influence the assessment of opportunities such as fear which reduces the assessed attractiveness of acting on an opportunity (Welpel et al. 2012). While there is an understanding in extant studies in how entrepreneurship evaluate opportunities and make decisions, this has generally taken a static perspective and largely ignored that various factors can change over time. The role of time in decisions related to entrepreneurial opportunity and decision making is scant and longitudinal studies that follow changes in entrepreneurs' decisions over time are called for. In terms of decision making extant work has largely focused on economic factors suggesting that many entrepreneurs are driven by economic drivers. Although work on social and environmental entrepreneurship suggests that there are non-economic drivers to entrepreneurial opportunity related decisions (c.f. Grant 2007 on prosocial motivation), this has not sufficiently been addressed in terms of aspects such as the effect of human capital and socially impactful opportunities. Second, with regards to entrepreneurial entry decisions, although extant studies have identified various factors that motivate entrepreneurs to start a new venture and the decisions involved, these are largely static, and there is little appreciation and empirical evidence to support the fact that motivations change over time and affect decision to start a new venture. Nascent entrepreneurs for example may engage in a range of activities for some time and then decide against starting a new venture. There is little known about what these factors are that may alter an entrepreneur's decision to change direction or not go ahead with a new venture. Thus understanding the different motivations of nascent entrepreneur is important in identifying the link between these motivations and the ability to start and new venture. There is little known about how different motivations such as economic, intrinsic and prosocial affect nascent entrepreneurs differently, or not. Our research strategy involved collecting data from in-depth interviews from entrepreneurs where we adopted a narrative approach in collecting data, i.e. we collected account of their 'stories' of the entrepreneurial process. In this work we present our theoretical framework and empirical findings thus far.

ENTREPRENEURSHIP IN BRAZIL

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Abstract

The main vehicles in the Brazilian model for scientific and technological production are the Master's Degree and Doctoral programs of the CAPES (Coordination for the Improvement of Higher Learning Personnel) of the Ministry of Education (MEC). The Brazilian evaluation system of post-graduation programs has been evolving since 1976, and is considered one of the most efficient and modern in the world. In 2013, the Brazilian evaluation system was made up of 4,070 programs, of which 2,030 included both Master's Degree and Doctoral programs, 70 had only one Doctoral course, 1,260 had only an academic Master's Degree course, and 710 had a professional Master's Degree course. It should be highlighted that the Professional Master's Degree (PMD) is a post-graduation modality that focuses on the training of professionals in many fields of knowledge through the study of techniques, processes or themes that meet the requirements of the work market. The first professional Master's Degree in Administration (MBA) concerning entrepreneurship in Brazil was proposed by the University of São Paulo (USP) and approved by the CAPES to begin in early 2014. The Master's Degree in Entrepreneurship complied with the norms and structure of the CAPES Evaluation System in the following criteria: Program Proposal, Teaching Staff, Student Body, Intellectual production and Social Inclusion.

**EXAMINING FEAR OF FAILURE IN ENTREPRENEURS IN EGYPT:
DEVELOPING NEW INSIGHTS FOR ENTREPRENEURIAL SUCCESS**

**Nellie El Enany,
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and

**Ayman Ismail
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Abstract

Decision making, judgement and emotions have a strong tradition in management and in research on entrepreneurship. Extant literature highlights how fear in the decision making process influences individuals' behavioral and cognitive responses (Damasio 1994; Gray 1971) during the emotional journey (Baron, 2008) where entrepreneurs take a leap into new terrains. Fear of failure results when beliefs or cognitive schemas about aversive consequences of failing are activated by situations in which failure is possible (Conroy and Elliot, 2004). The role of this construct in entrepreneurship studies center largely on two main areas. First, it is examined in relation to the decision of whether to start up or not, and the focus on fear is only on its negative and detrimental aspects across entrepreneurship studies where fear of failure is often defined in terms of risk aversion (c.f. Ray 1994; Arenius and Menniti 2005; Hessels et al. 2011). Second, studies conceptualise fear as a negative emotion correlated to entrepreneurs' perceptions of environmental threats (c.f. Welpe et al. 2011). In this sense, fear of failure is related to entrepreneurs' individual personological (personality and psychology) orientations or their motivation for entrepreneurship in relation to how they experience fear of failure as a result of environmental factors based on their own psychological and behavioral outcomes. Despite this, there are still areas where research on entrepreneurship is empirically weak. Research on fear of failure in entrepreneurship has largely examined it as a barrier to entrepreneurs and their behavior despite the potential benefits fear of failure may have on individual behavior and cognition. Fear is almost always attributed as a negative construct with relation to entrepreneurship and in a wealth of studies is methodologically restrictive when measuring fear of failure (Cacciotti and Hayton, forthcoming). For example, limited single-item response measures such as "fear of failure would prevent me from starting a business" in the Global Entrepreneurship Monitor (GEM) are used. Given the current conceptual and methodological shortcomings of fear of failure in the entrepreneurship literature and the rise of entrepreneurs in Egypt, we suggest that Egyptian entrepreneurs are ideal participants to shed light on how fear of failure can be used as a positive construct in entrepreneurial processes. In this work, we examine the whole fear of failure experience across the entrepreneurial process and capture chronological dynamics and temporary states through a longitudinal study as opposed to extant studies which capture fear of failure statically and at one point in time and assume it to be a negative emotion and barrier to entrepreneurial activity. Since little is known about the role of incubators on entrepreneurs' motivations, cognition and behavior we chose our site of study as a venture lab located within a Business School. First, entrepreneurs were tracked longitudinally in the Venture Lab, an entrepreneurial incubator and accelerator, where close attention was paid to their motivations, behaviors and the impact being in an incubator has upon these non-economic factors. Second, those entrepreneurs who were not shortlisted for the Venture Lab, were asked to participate

in the study. The rationale of using this latter group of participants was to examine how those who operate within incubators differ from those who ‘go it alone’ in terms of their motivations and behaviors and how these change over time, or not. As with Pettigrew et al. (1992) the research adopted a longitudinal strategy across comparative cases, which encompassed the data sources over a period of two years (in progress). Our research strategy involved collecting data from in-depth interview data and observational field notes. Further, since emotions changes over time, it was important to capture how these affective and cognitive components impact behaviors and not to simply rely on retrospective accounts. It is unrealistic to assume that participants recall all aspects of a ‘real-time emotional experience and then read off details from a perfectly faithful mental representation of that episode’ (Scherer 2001: 337). We sought to catch these changes in motivations and emotions over time by developing an application that participants accessed at their convenience to input how they felt, brief information about their motivations, emotions and aspirations for their ventures. In this work we present our theoretical framework and empirical findings thus far.

**DIGITAL ENTREPRENEURSHIP IN EGYPT:
OPPORTUNITIES AND OBSTACLES**

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and

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Abstract

Entrepreneurship is an important means towards creating knowledge economies around the world. Leading economies around the world have transformed into knowledge economies, and entrepreneurship has become one of their key drivers of sustainable growth and development. Advances in Information Communication Technologies (ICT) have played a crucial role in this phenomenon, and have also meant that digital entrepreneurship in specific is growing at unprecedented rates. Despite a sub-par environment, including a weak institutional and legislative framework and limited support for research and development (R&D), entrepreneurship is on the rise in Egypt. The main research question we address is what key factors are needed to create an enabling ecosystem for digital entrepreneurship to thrive in Egypt? In order to assess those key factors, we need to examine what obstacles digital entrepreneurs face, and assess the existing scaling up opportunities available to them. With Egypt's Ministry of Communications and Information Technology (MCIT) viewing "digital socio-economic development" as Egypt's "way forward,"⁶ the potential developmental impacts of digital entrepreneurship are of vital importance.

According to Egypt's MCIT, the number of Internet users in Egypt reached 27.25 million users in 2014, with 31.07 percent penetration rate.⁷ Complementing budding entrepreneurial activity has been a growing interest to develop the role of accelerators and incubators by civil society actors, the private sector, and state actors. This has resulted in the creation of networks and hubs for entrepreneurial endeavors, some of which specifically target information technology (IT) related entrepreneurial activities. A recent report by Mercy Corps and Endeavor Insights found that almost 5,000 employees are currently directly hired in the local tech ecosystem in Cairo.⁸ This number is expected to grow by a third annually. In a country with a large segment of the population in the youth bracket, any potential source of sustainable job creation should be capitalized on.

⁶ Ministry of Communications and Information Technology, "Digital Socio-Economic Development: The Way Forward to Prosperity, Freedom, Social Equity," January 2014, available at: http://www.mcit.gov.eg/Upcont/Documents/MCITstrategy2013_en.pdf (accessed 23 December 23, 2014).

⁷ MCIT (2015). "Information and Communications Technology Indicators Bulletin." *Ministry of Communications and Information Technologies*, available at: http://www.mcit.gov.eg/Upcont/Documents/Publications_1272015000 ICT Indicators Bulletin MarchEN%20 2015 12_7.pdf (accessed 28 September 2015).

According to ICT access and use by households and individuals in 2014.

⁸ Endeavor Insights and Mercy Corps Egypt (2015). "Network on the Nile: The Multiplier Effect at Work in Cairo's Tech Sector," available at: <http://www.cairotechmap.com/networkonthenile.pdf> (accessed 28 September 2015).

Based on empirical evidence collected via a series of interviews with key digital start-ups in Cairo and key stakeholders in the ecosystem, this paper aims to provide a framework that identifies the factors that contribute to the creation of an enabling environment for digital entrepreneurship in Egypt. Reviewing the state of digital entrepreneurship in Egypt creates a knowledge pool for policy makers and enables informed higher-level analysis that can be pursued within further research, as well as potential for comparative research in the region. The paper will also contribute towards providing potential grounds-up alternatives to existing policies that govern the entrepreneurial ecosystem.

Preliminary insights from on-going fieldwork indicate a number of common factors cited by the different digital start-ups, in relation to challenges to their growth and variables to their success. These include the existing Internet infrastructure, financing and the availability of suitable and willing workforce. These factors, together with many others, will contribute towards developing a framework to flourish the digital entrepreneurship ecosystem in Egypt.

**WOMEN SOCIAL ENTREPRENEURSHIP IN AFRICA:
A HUMAN RIGHTS LAW PERSPECTIVE**

Feruz Tewelde
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Abstract

Due to a variety of reasons, the world is changing. Many of these changes are societal and are dynamic and complex. Some of these changes effect women more than men. Poverty, for example, has such a profound effect on women that if poverty was a government sponsored program, the program would be “sexist”, as noted by any women’s right activists. Seventy per-cent of world’s poor are women. Women do 2/3 of the world’s work and grow half of the world's food and yet 2/3 of the world’s women live in poverty. Research links poverty to gen-der-based violence, sex trafficking and other issues that negatively affect women.

Human problems are complex. People are constantly devising new strategies and mechanisms to address these complex problems. Social entrepreneurship (SE) combines innovation and business skills to create solutions to pressing social, economic, and environmental problems. Although SE is a fairly new concept, its implementation in some African countries has been proven to be effective. Kenya and, South Africa are leading examples of this assurance.
SE from the Human rights law perspective

According to many international human right instruments, and particularly in the case of African women article 13 of the protocol to the African Charter on Human and People’s rights on the Rights of Women, States have an obligation to provide for the realization of hu-man rights, including economic rights of its citizens. However all states are not on the same economic footing, which the International Covenant on Civil, Economic and Social Rights recognizes in article 2(1). 1.

Each State Party to the present Covenant undertakes to take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means, including particularly the adoption of legislative measures.

Social entrepreneurship initiatives can help the government fulfill its obligation. It can fill the gap the government and non-governmental organizations (NGOs) are not able to effectively fill.

My presentation will address the following questions and I will use the policy-oriented jurisprudence methodology:

1. Does international law define SE? What is the importance of a universal or regional definition or recognition of SE? How can governments encourage SE initiatives in order to promote women's rights? What measuring impacts should we consider?
2. Is it necessary to provide domestic laws that advance SE in order to promote women’s rights? Or if a country is contemplating making new laws, should it consider or base its legislation on the incorporation of international human rights conventions or instruments?

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3. As a continent blessed with variety of cultures and home to various tribes, how important is culture specific approach to SE?
4. How does political instability or an economic system affect the emergence and sustainability of SE initiatives? Is political reform necessary for SE to exist or work effectively?

**INVESTIGATION OF THE EFFECTIVE FACTORS IN WOMEN
ENTREPRENEURSHIP IN ISFAHAN**

Zahra Akhavannasab
Isfahan Chamber of Commerce Industries
Isfahan, Iran

Aims and Objectives:

Entrepreneurship is an essential component in growth and development that it is commonly referred to as the economic engine in every country. Since women comprise a large portion of the society, job creation for this group of people is of paramount importance. One of the crucial indices for the assessment of growth and development in every country is women's participation in the process of production. Statistics show that less than 10 percent of women are involved in entrepreneurship in Iran. Over the last two decades, more women have stepped into business as entrepreneurs. Investigation into the psychological effects of women employment and entrepreneurship reveals that working women have more planning power and higher rate of participation in decision-making. They do not view their job as an obstacle to performing motherhood and spousal duties. In women entrepreneurship and employment, factors such as social and cultural milieu, economic condition of the country, marital status, educational level, number of children, husband's income, children's age, and family customs and traditions play important roles. This research is an attempt to study the effective factors in women entrepreneurship in Isfahan city.

Methodology:

This is a survey research. The sample consists of 101 women participating in entrepreneurship conference in Isfahan. A questionnaire was used in order to collect data. Factors such as being native to a place, number of children, education, marital status, employment, number of brothers and sisters, mother's level of education, and area of residence were investigated.

Results and Conclusion:

Descriptive results revealed that the highest level of education was Bachelor of Arts with 48.5. Also, 0.79 of the participants were born in Isfahan. Results indicated that 77.2 of the participants did not have a working mother. Eighty eight percent of them are married. Most women have more than two children. Women with primary education had the highest number of children. The average number of brothers and sisters was 5. Twenty nine percent lived in middle-class area and 0.28 lived in upper-class parts of the city.

Women's native land and university degree were effective factors in their entrepreneurship. Because 79 percent of women did not have working mothers, it could be concluded that they wanted to have financial independence contrary to their mothers. Marriage was not an obstacle to their entrepreneurship. Number of children, area of residence were not influential in their entrepreneurship and therefore not a limiting factor. All in all, results show that despite women's double roles, they have a positive attitude toward their activities.

2.

**ECONOMIC,
DEVELOPMENT,
AND FINANCE**

**THE POTENTIAL IMPACT OF INCLUSIVE BUSINESS ON THE SUPPLY CHAIN
OF PROBLEMATIC ORGANIZATIONAL CULTURE**

Tamer El Nashar
American University in Cairo, Egypt

Abstract

The recent business environment along with the social environment are witnessing a significant negative influences, business encounters low performance and problematic organizational culture, society encounters poverty and high level of ignorance due to corruption, educational problems, lack of career opportunities, gendered problems, that all contribute negatively to the approaches of sustainability growth and their role in livelihood. Therefore, inclusive business is an initiative that substantially keeping its for-profit-nature and unsubstantially its not-for-profit nature contributes to poverty and ignorance reduction through the inclusion of low income communities in its value chain. Despite low communities demand the contribution of inclusive business, there is evidence that organizations of problematic organizational culture also demand the low income communities' contributions.

As organizational culture, which is a pattern of collective behaviors and assumptions that are taught to new organizational members and are a way of perceiving and even thinking and feeling, produces a criticized culture in several aspects. Consequently, the recommendations to exchange the benefits amongst all parties are evolving to the extend to help improve the supply chain of organizations and raise the quality of organizational culture of major problems by determining and identifying the potential impact of inclusive business on such perspective.

This paper examines the expected value of inclusive business for a probability distribution of inclusive business scores for a sample of correlated variables subjected to supply chain improvement and problematic organizational culture, based on estimation of their probabilities to show the appearance of potential impact of inclusive business on the supply chain improvement and problematic organizational culture. This paper uses the expected value and variance of a random variables test to analyze potential impact of inclusive business for the purpose of raising the significant question of: Is there a potential impact of inclusive business on the supply chain improvement and on resolving problematic organizational culture. Empirical results as for the current stage of this paper is still unapparent until this paper is finalized and results become apparent for discussion. Therefore, this paper recommends more studies currently and in the future in this field whereas results may differ and be affected by deliberations.

MEASURING THE EMPLOYABILITY GAP

Nehal El Naggar

Royal university for Women, Bahrain

Abstract

Employability refers to a person's capability of gaining initial employment, maintaining employment, and obtaining new employment if required; employability may be perceived differently from managers to employees leading to an employability gap. This research aims at measuring the *Employability Gap* from both the demand and the supply sides and to develop a set of recommendations to be able to better manage the employability gap in the future.

The sample selected consists of two groups of respondents; the employees themselves and their immediate managers working in different sectors in Egypt (i.e.: Banking, Education, Construction, Oil & Gas, Real Estate, Finance & Insurance, Automotive, Manufacturing, Health, and Telecommunications). Data has been collected through a structured questionnaire based on the employability measures previously developed and tested by Rothwell & Arnold (2007). Since the unit of analysis was dyadic- managers and employees- and the main objective of this research was to measure the gap between both perceptions, therefore, the unmatched questionnaires between both set of respondents were excluded from the analysis yielding 339 set of respondents (339 managers and 339 employees). 70% of respondents were males; the average age was 45 years old, 70% were married with children, 84% were bachelor degree holders, 42% with an average of 6 years of experience, and 58% worked in the Finance and Insurance sector.

Reliability tests, factor analysis, correlation analysis and regression tests were conducted on the data collected to test reliability, validity, and to test the research hypotheses. There has been an Employability Gap between Managers' Rated Employability and Employees' Self-Rated Employability yet there were variations among the three employability dimensions; Self Perceived Employability (Internal and External), Subjective Career Success, and Professional Commitment; There was no significant gap on the Internal Self Perceived Employability and the Professional Commitment dimensions implying that managers and employees align and have the same perception regarding the employees' employability and commitment on the internal employability and the internal workplace. In contrast with the significant gap on the External Self Perceived Employability and the Subjective Career Success dimensions In contrast, there was a negative gap on the external employability dimension which might be due to the fact that respondents tend to report a strong belief that their skills would transfer to other occupations and organisations, and they might rate their capabilities higher than the managers' ratings.

Recommendations are directed towards increasing the awareness about employability and on how to use it in the future to increase the overall performance and competitiveness of organizations and to set a policy in organizations to urge managers to learn more about their employees' accumulated knowledge and their Subjective Career Success to reduce the overall Employability Gap in the future. Future researchers are encouraged to study the impact of more demographic and other variables on the Employability gap, to replicate this research on various industries, to conduct a cross-industry analysis and to try to develop other Employability Measures to reflect the Egyptian Market.

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Keywords: *Employability, Employment, Competencies, Skills, Occupational Experience, Organizational Psychology.*

INVESTMENT PERFORMANCE OF REAL ESTATE: 1978-2012

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Abstract

This study provides evidence on the relative performance of the U.S. real estate, its effectiveness as a risk diversifier and as a hedge against inflation (actual, expected and unexpected), and also its share of investment within the optimal portfolios of bonds, stocks and real estate. Quarterly total return data (distributions and price changes) were obtained for bonds, stocks, inflation and real estate from a variety of sources for the years 1978-2012.

The data for real estate includes a national price index covering the entire US market and a price index for each of the four main regions of the country that form the national index: East, Midwest, South and West. The data for common stocks (CRSP Value-Weighted Index), bonds (10-year Treasury), and bills (30-day Treasury) were obtained from Morningstar, Inc. Inflation data (Consumer Price Index) was sourced from the U.S. Bureau of Labor Statistics, while expected inflation data was taken from the Quarterly Survey of Professional Forecasters (SPF) conducted by the Federal Reserve Bank of Philadelphia. The data sample runs from the first quarter of 1978 to the last quarter of 2012, yielding 140 quarterly observations. The effect of actual, expected and unexpected inflation on asset returns is estimated using Cochrane-Orcutt regressions as employed in Rubens, Bond and Webb (1989).

The results show that over the study period real estate outperformed both bonds and stocks on a risk-adjusted basis, with the East region providing the highest risk-adjusted return. The results also show that real estate served as a partial hedge against both actual and expected inflation and that, within the Markowitz optimization framework, it made up a major share of the optimal portfolios constructed for various target returns in combinations with bonds and stocks.

Keywords: Real estate, diversification, asset allocation, inflation hedge

Rubens, J. H., M. T. Bond and J. R. Webb (1989). The Inflation-Hedging Effectiveness of Real Estate. *Journal of Real Estate Research*, American Real Estate Society, 4(2): 45-56.

**IMPACT OF THE REAL ECONOMY ON STOCK MARKET PERFORMANCE:
EVIDENCE FROM ARAB COUNTRIES**

**Mariam Khaled Hasseeb
British University in Cairo**

and

**Ahmed Elshahat
American University in Cairo, Egypt**

Abstract

Numerous studies modeled the relationship between stock prices and real economic activities in terms of production rates, productivity, unemployment, inflation, interest rates, and so forth. However, the economic role of stock markets in relatively less developed countries is less clear. Specifically, how do less developed markets respond to changes in their fundamental economic variables, compared with the well-developed and more efficient markets? The answer to this question is still in need to a great deal of researching and studying to help bring such economies and the economies of the Middle Eastern countries particularly within the attention of the community of researchers. They have to be presented as a block and the findings of such studies can thus be compared with the first-category economies in a way that may facilitate transmission of information across the categories of economies.

The Arab region witnessed, and still, wars, political turmoil, revolutions and economic instability. As a result, these countries have not yet emerged as economic powers, which could explain the lack of academic research on this regions' capital markets. Moreover, it is unclear whether emerging markets in this region react, similarly, to economic and political shocks like other emerging markets and/or developed markets. Thus, the purpose of this paper is to make an in-depth analysis of 15 Arab capital markets in order to assess how they can improve their capital market.

**MARKET AND CREDIT RISK AS COMPONENTS OF BANK ENTERPRISE RISK
MANAGEMENT**

Ahmed Elshahat

and

Heba Abdel-Aziz

American University in Cairo, Egypt

ABSTRACT

Risk is a very important aspect to consider in the banking sector. The risk model used in the developed economies can be very attractive, but very misleading when used in the emerging economies. This paper analyzes the need for ERM in the banking sector in the emerging economies and whether there is a relationship between market and credit risk in emerging economies banking sector or not. Despite the technical problems, such as, the lack of historical data to work with in the emerging economies and the markets inefficiency that I faced while doing this paper. This study show on a small scale that market and credit risk affect one another and ERM is very important tool to enhance risk measurement and supervision in the banking sector. There is a lot of work to be done to improve the quality of data to be used to measure this interaction. However, it is not an impossible task. Risk interaction in emerging economies is often neglected and this paper contributes to this area. My results show that despite the fact that not a lot of banks out of my sample show that market and credit risk affect each other, there are a lot of factors contributing to these results. The results show give an important implication that ERM has to be implemented in the emerging economies banking sector and the current regulatory framework should be changed to accommodate the ERM program.

**FOREIGN EXCHANGE MARKET MICROSTRUCTURE:
LIQUIDITY INTEGRATION DURING THE EURO ZONE SOVEREIGN DEBT CRISIS**

Hsin-Yen Wen
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Abstract:

The foreign exchange (FX) market liquidity integration is tested during the Euro zone sovereign debt crisis. Liquidity is a major issue especially during turbulent periods and it can have a very quick impact and would threaten the stability of financial systems. This research uses a unique FX composite data set created by Thomson Reuters Eikon following the FX market scandal of 2013. This data set collects FX data from multiple contributors and integrated those prices in such a way that no one contributor can manipulate the composite price. Significant commonalities are found across currency pairs using different measurements, and strong commonalities are also found between the FX currency pairs and the FX market-wide liquidity.

**AN INVESTIGATION OF THE POSSIBLE ADOPTION OF CROWDFUNDING AMONG
SMALL BUSINESS ENTREPRENEURS IN RWANDA**

Marvin Mbassana
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Abstract

Crowdfunding is a rapidly growing alternative in the entrepreneurial finance. An increasing number of individuals and firms are entering the world of crowdfunding to raise capital to expand their business ventures or start a new business. Crowdfunding is also a platform that facilitates the emergence of new business ideas on one side and investors on the other side. This paper intends to introduce crowdfunding to small business entrepreneurs as a viable source of funding, and investigate it among Rwandan entrepreneurs.

The purpose of this research is to explore the potential use of crowdfunding as an entrepreneurial strategy in Rwanda among small business entrepreneurs. Crowdfunding is currently regarded as a “recent trend” (Mollick, 2014), putting this research at the cutting edge.

There is limited published research concerning crowdfunding among African entrepreneurs. Thus, exploring their awareness, knowledge and willingness to use crowdfunding as a potential funding method in the development of the business activities is associated with this trend. As this is exploratory research, two main research questions can be formulated.

In order for entrepreneurs to use crowdfunding, they need to be aware of crowdfunding and have an understanding of how it operates.

Thus, RQ1 is stated as follows: To what extent are Rwandan entrepreneurs, aware of crowdfunding as a strategy, and have knowledge of the functioning of crowdfunding? Understanding and knowledge alone are not sufficient drivers of action, and the willingness to use crowdfunding becomes the allied issue in the research.

Thus, RQ2 is stated as follows: To what extent are Rwandan entrepreneurs willing to engage in crowdfunding for the development of the entrepreneurial ventures?

Description of the project research methodology

This study will be an exploratory study. Qualitative research will allow for the investigation of crowdfunding while also allowing the researchers to probe into the level of knowledge that exists concerning this phenomenon. Depth interviews will be the primary method of data collection. Use will be made of a detailed interview guide. The population consists of all entrepreneurs in Rwanda, but a convenience sample of entrepreneurs will be identified in Kigali with the help of the Private Sector Federation. Our assumption is that businesses in Kigali are more developed than elsewhere in the country. In addition, the crowd, which is an important component of the project, is more experienced in Kigali than elsewhere in the country. It is estimated that 15-20 interviews will be conducted, or until saturation is reached. Interviews will be conducted with both male and female entrepreneurs to determine their perception towards crowdfunding.

Expected users of the research:

The outcomes of this research might be useful to small business entrepreneurs especially those with

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limited access to finances and who might consider crowdfunding to finance their ventures, to policymakers that are called to regulate this financing practice, and to financial operators intending to enter this new area. Knowledge of crowdfunding and how it can be used as well as suggestions for policy are an integral part of this research.

ORGAN TRAFFICKING: CHALLENGES AND SOLUTIONS

Reza Saidi
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Abstract

Advancement in organ transplantation has brought hope to thousands with end organ failure. That success has unexpectedly led to a growing crisis. Shortage of organs has given rise to an illegal global market and exploitation of the poor.

Transplantation tourism' is a euphemism for human trafficking. Of the Earth's 7 billion population, 1 billion people are without clean water and 850 million live on the edge of starvation. Extensive poverty is a seedbed for organ trafficking, which is thought to account for 10% of 63 000 transplants performed annually worldwide. In an effort to monitor this problem, the World Health Organization (WHO) has planned for a Global Knowledge Base on Transplantation, and there is consideration of a European directive to assure quality and establish a mechanism for tracing the process of organ acquisition. Concern that trafficking involves children as well as adults has led to a call from the United Nations for a worldwide tightening of measures to protect children.

For many participants in the global market trade, the consequences have been tragic. The black market for organ sales is a serious and highly profitable business. The WHO advocates noncommercial legally governed efforts to increase the number of kidneys from deceased donors. A comparable increase in cadaver organ availability has been achieved in the USA through establishment of an Organ Donor Breakthrough Collaborative.

Tragic circumstances posed by the shortage of organs for transplantation and by growth of the black market are not easily addressed by governance. There is a trend toward consideration that reimbursement for expenses incurred by the living donor can be distinguished from commercialization in the form of financial rewards or payments for an organ. Societal acceptance of presumed consent is a significant boost to cadaver donor transplantation. Among economically developed countries, the issue of a regulated market remains more a source of debate than one of reality. Once again, as in the 1950s, advances in science are needed to provide substantial relief. Improved preventive health care would be especially welcome, and a cure for diabetes would substantially decrease the demand for kidneys. Until such solutions become available, policy initiatives must be grounded in research and societal support.

**NATURAL RESOURCES AND ECONOMIC DEVELOPMENT:
CASE OF AFGHANISTAN**

Hamidullah Farooqi

University of Kabul, Former Minister of Transport and Civil Aviation,
Islamic Republic of Afghanistan

and

Nader Asgary*

Bentley University, Waltham, Massachusetts, USA

Abstract

In this paper we examine the role of natural resources for sustainable economic development of Afghanistan. We analyzed the theory of Dutch Disease (DD) and its implication for the case of Afghanistan. Additionally, we apply the Community Based Natural Resource Management (CBNRM) strategy for managing the resources effectively and avoiding DD. Application of CBNRM will serve all stakeholders by engaging them prudently in the decision-making and implementation process. Historical lessons are provided from other countries, which are endowed with abundant natural resources to support sustainable development. It will also include various ways in which natural resources can be used with an eye towards what is in the best interest of Afghanistan in general, while serving distinct Afghan communities.

Keywords: Natural resources, Extractive industries, Dutch Disease, Community Based Resource Management; Development, Afghanistan.

*Contributions of Dr. Bahram Grami, Massood Samii, Bahram Mahmoud, and Alf Walle are greatly appreciated.

**DIVERSITY AND EQUITY IN THE MIDDLE EAST:
BEYOND ANOMIE AND DYSFUNCTION**

Alf H. Walle
University of Alaska at Fairbanks, USA

Abstract

Although the Middle East and adjacent regions contain profound cultural diversity, social and economic change often result in specific groups experiencing strife, tensions and cultural weakening. This tendency is discussed with reference to the concept of anomie in which socially acceptable goals can no longer be achieved in socially acceptable ways. Specific responses to anomie are explored with reference to the “tyranny of the majority” in which people’s needs are denied after being outvoted. Strategies such as the “concurrent majority” can help ethnic minorities protect their rights and heritage. Treating all cultures and all peoples in a positive and equitable manner is a powerful and productive strategy. The Middle East can benefit from doing so.

SOCIAL VALUE AND IMPACT FINANCING: CASE STUDIES

Hossein Varamini,

Emma Neuhauser,

and

Joachim Hellesen

Elizabethtown College, PA USA

Abstract

Historically, the only financing solutions to environmental and social problems were provided either by government spending or through charity. Impact investing is a relatively new financing alternative to target social and environmental challenges by actively placing capital in such projects and seeking tangible returns on investment and social values while creating considerable impact to address some of the world's pressing challenges.

I. Objective: The main purpose of this paper is to discuss the role of impact financing in funding social enterprises focusing on social problems through two case studies. Issues on measuring the social impact of such investment and possible solutions are offered. This study also suggests a more quantifiable model of social return on investment in order to allow impact investors to gauge their returns against their expected goals.

II. Methodology: The Social Enterprise Institute (SEI) at Elizabethtown College brings together industry fellows, students, and faculty members of the Institute to collaborate on social enterprise development initiatives that create substantiate sustainable social and economic value both domestically and internationally. This paper highlights two of such projects that SEI has been working on recently to demonstrate how the selection process, methodologies and the outcomes of the projects help align the goals of impact investors with the expected social and economic values.

**ANALYSIS OF FAILURE CAUSE OF PUBLIC SECTOR IT PROJECTS AND
DEVELOPMENT OF FRAMEWORK FOR THEIR SUCCESSFUL IMPLEMENTATION
IN PAKISTAN**

Saba Mehboob,

Shoab A. Khan,

and

Nawar Khan

**National University of Sciences and Technology
Islamabad Pakistan**

Abstract

A lot of IT projects in public sector of Pakistan face failure. Despite of having independent body of directorate for managing Public sector IT projects, they face failure due to many unexplored reasons, which causes huge amount of loss in terms of money, time and other resources. This research highlights the causes of failure of IT projects specific to Public sector of Pakistan. A comparison of common failure and success factors is done in order to investigate the causes. In that context a framework for successful implementation of IT projects in Pakistan is developed.

**THE ROLE OF INCLUSIVE BUSINESS MODELS IN REFUGEES INTEGRATION IN
HOSTING COMMUNITIES: A CASE STUDY OF SYRIAN REFUGEES
INTEGRATION IN EGYPT**

Riham Kabbani

and

Tarek Hatem

American University in Cairo, Egypt

Abstract

Described as the most prevalent humanitarian crisis in modern history since the beginning of the armed conflict in March 2011, “The Syrian Exodus” involved not less than 8 million internally displaced Syrians and 4 million Syrian refugees. Unfortunately most international reactions addressing this global phenomenon are either focused in tackling short term necessities, that are undersupplied, or in enacting legal policies, that are time consuming taking considerable time to be implemented; thus, fail to develop strategies that promote long term integration in hosting communities. As integration is a cross sectorial issue and a dynamic process where the needs and concerns of refugees and hosting countries should be incorporated, the implementation of inclusive business models can be an effective strategy to restore dignity, self-efficacy, and empowerment to such marginalized communities without burdening local economies.

The purpose of this research is to undertake the gap in international, regional, and local reactions by proposing long term solutions that assimilate the needs of refugees, hosting nations and other stakeholders. This research is exploratory and qualitative in nature to answer one main research question of how Syrian refugees, despite existing challenges, can be integrated in the Egyptian ecosystem. The answer will be supplied by reaching three key objectives of describing the current living conditions of Syrian Refugees in the Egyptian ecosystem, identifying perceptions of Syrian refugees and service providers, such as NGOs, international institutions, private donors and other stakeholder groups ,and finally outlining appropriate tools, using the concept of inclusive business models, to promote integration in skill development, education, vocational training, employment, and social entrepreneurship.

The suggested methodology will be done by gathering secondary and primary data through the conduct of two focus groups from 8 to 12 persons. These two groups will be classified by gender where one group will target Syrian and Egyptian females and the other will target Syrian and Egyptian males. Additionally and to gather more comprehensive insights, in depth interviews will be held with several key delegates from multiple stakeholder groups from Academia, NGOs and civil societies. Finally, and based on neediness, surveys will be handed to Syrian families in person, as a non-probability convenience sample, to gather missing views to improve the customization of a suitable business model that develop their social capital and at the same time enhance the socio economic conditions of the local economy. Accordingly, data will be analyzed using the Statistical Package for Social Science (SPSS) software tool.

A better understanding of current and pressuring issues, challenges and shortcomings, as well as recommendations for sustainable and mutually beneficial solutions to Syrian refugees, hosting

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communities and other stakeholders groups are the expected outcomes associated with this study, given the research limitations. Suggestions for further research will be supplied.

**THE EFFECTIVENESS OF A TRADING ROOM IN AN ACADEMIC SETTING: THE
CASE OF THE CITADEL CAPITAL FINANCIAL CENTER**

Eskandar Tooma,

Aliaa Bassiouny,

Ghada El-Eraqi,

and

Youssef Zikri,

American University in Cairo, Egypt

Abstract

An increasing number of business schools worldwide are establishing a trading room to increase their students' exposure to the intricacies of capital markets. This paper aims at exploring the concept of the trading room as a learning tool and its constituents in an academic setting. It discusses the role of a trading room in bridging theory and practice in terms of providing an environment that allows the crystallization of key financial concepts through an integrated hands-on approach. Moreover, in addition to highlighting the principle stakeholders involved in such an endeavor, this paper articulates the overall challenges of such a project and the benefits vis-à-vis each of the individual entities involved. The paper also examines the impact of an academic trading room on the broader community in which it operates. Finally, the paper examines the case of American University in Cairo's Citadel Capital Financial Center trading room in enhancing financial and business education and research throughout the School of Business since its inception in 2006.

**BOARD OF DIRECTORS CONTROL AND DIVERSIFICATION DECISION
IN TUNISIAN COMPANIES**

Manel GHARBI

and

Anis JARBOUI

University of Sfax, Sfax, Tunisia

Abstract

The directors' board constitutes a governance mechanism characterized with a noticeable influence on corporate firm value. This subject has actually made intensively advanced research works. Besides, the effectiveness of such an issue on the executive decision proves to be remarkable. Its impact on corporate diversification decision remains still an area that requires further investigation and thorough study. Hence, the objective of the present work consists in examination the impact of the Board exerted control on the diversification strategy. Through a study sample composed of 111 Tunisian companies studied over the period ranging between 2011 and 2013. This research findings appear to reveal that the percentage of outside directors proves to have a positive and non-significant relationship with the diversification decision. Noteworthy, however, the achieved results highlight well the existence of a negative and non-significant association persisting between ownership concentration and diversification. Keywords Board of directors, diversification, executive, the control block

**INSTITUTIONAL CORRUPTION AND PUBLIC SERVICE DELIVERY IN NIGERIA: AN
EMPIRICAL ANALYSIS**

Ibrahim Bakare

and

Mudashiru Adebayo

Lagos state university

Lagos, Nigeria

Abstract

The paper investigates the impact of corruption on public service delivery with specific context in Nigerian public institution. It adopts a survey research and specifically draws on bivariate and multivariate techniques to analyse the data generated from administered questionnaires in the selected institution to question the impact of the explanatory variable against explained variable. The study therefore used logistic regression Techniques. The study discovers a significant relationship between institutional corruption and its huge effect on the economy. We therefore conclude based on our findings that bureaucratic corruption has a significant negative contribution to the economic efficiency in Nigeria's public institution. By implication, the existence of corruption in the Nigerian Immigration weakens the ability of its officials to deliver quality public service to the citizenry of Nigeria.

In conclusion, the paper advocates for deeper awareness of the public through public programmes and proper enforcement of relevant institutional regulations on erring government officials in our public institution in order to bring corruption to a minimal level for sound institutional efficiency and effectiveness for sustainable economic growth in Nigeria.

Keywords: Corruption, Efficiency, Effectiveness, Growth, Institutions

**HOW BOARD DIVERSITY AFFECTS FIRM PERFORMANCE
IN EMERGING MARKETS: EGYPT**

Angie Abdelzaher
American University in Cairo, Egypt

Abstract

This research examines the indirect effect of board's diversity on firm performance using data from Egypt. We explore the effect of board diversity on firm value. Using data on all directors of 128 Egyptian publicly traded companies in 2013, we find a positive relationship between board diversity and firm performance, mediated by the board's structure. We proxy for gender diversity of the board of directors namely by percentage of female on the board and through a dichotomous dummy variable. After controlling for board size, firm size and other corporate governance measures as board composition, this study finds a significant positive relationship between the percentage of women on boards and firm value as financially measured by return on Equity and Tobin's Q as a market performance measure. We report that diversity enhances firm performance by mitigating the negative effect of the board size and board composition on board monitoring. The research will provide conceptual and methodologies fitted to perform assessment of gender equality initiatives in Egypt. It shall also provide a better understanding of the impacts of current gender equality initiatives, from the science-management and policy-making perspective which will help identify the importance of related factors in the association between board diversity and firm performance. It will open up future research questions to help shed light on various factors affecting firm performance.

BUSINESS LEADERSHIP EFFECTIVENESS: CASE OF EGYPT

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BettyJane Punnett
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Abstract:

This paper focuses on leadership effectiveness in an Egyptian setting, a needed guide for business people who are interested in understanding and managing investments in the most populated country in North Africa, and the third most populated in Africa after Nigeria and Ethiopia by addressing leadership effectiveness and motivation issues. It presents the results of a qualitative study in Egypt, which consisted of two Delphi rounds that examined culture, leadership and motivation. A survey has been conducted to examine the conceptions of working people, foreign and native. In addition comments of working people, both foreigners (outsiders), and locals (insiders), on issues and complications associated with leadership are presented. The paper will focus on how to develop training programs based on the results, and the findings add value to the management and leadership fields for academics, executives, and the community in general.

Key Words: Leadership, Egypt, leadership effectiveness, motivation, culture

STRATEGY TO BE MARKET LEADER OF CHANG BEER

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Abstract

Thai Beer (1991) Company, as the producer of Chang beer, used a dumping marketing strategy of retail prices to be lower, by the method of local liquor selling with a beer plus method. In 1999, Chang beer was the market leader with a market share of 58%; Boon Rawd Brewery Company's market share dropped down to 35% and became the market challenger (being the former market leader for 65 years, 1933-1998). This is an interesting case study to investigate. Therefore; the purpose of the study aims to analyze how Chang beer became a market leader. The methodology is qualitative and descriptive. The results of the study demonstrated that market leader applied strategy as follows: (1) Strategy in selling local liquor plus with beer, (2) Price and channel strategy, (3) Brand building strategy, (4) SWOT analysis strategy, (5) Heavy advertising strategy. (6) Proactive strategy, (7) Selling point building strategy, and (8) Marketing mix strategy.

Keywords: *Strategy, Market Leader, Chang Beer*

**WHAT MAKES LOCAL MALAYSIAN FRANCHISEES REALIZE THEIR GOAL:
AN EMPIRICAL STUDY**

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and

Noor Hasmini Abd-Ghani

Universiti Utara Malaysia, Utara Malaysia

Abstract

The franchising industry in Malaysia is worth in excess of RM20bil a year and is growing. However, the local franchisees is still lagging behind their international players in the franchising industry at a dismay proportion of 20:80 in the past five years between 2007-2011. Besides creating leakages in the economy, this phenomenon is not helping the local franchisees to contribute tremendously to the National agenda and to the country's Gross Domestic product (GDP). Although franchising has emerged as one of the most favorable modes of expansion in service industry, this is not so for the local food service franchisees. Hence, the objective of this study is to determine the factors that leads to the realization of the local franchisees goals using Dholakia, Bagozzi & Gopinath (2007) underpinning model or (DBG). This study utilizes quantitative research design by collecting 200 primary data from local food service franchisees in Malaysia, out of which 169 data were received and usable. The variables to be examined consist of 45 items, the data collected were analyzed using SPSS and SEM in AMOS. All variables are measured using validated instrument obtained from past studies and adapted to suit the franchise industry using a 7-point Likert scale to measure the perception of local food service franchisees (owners). The finding shows that DBG model is quite a robust model for franchise study indicating nine significant relationships out of twelve hypotheses examined. It signifies that to achieve goal realization, a franchisees need to undergo a process. It started from goal desire and ends with goal realization. Self-efficacy and goal desire significantly affect goal intention which subsequently effect implementation desire. Next, implementation desire influence implementation desire and self-efficacy. Subsequently, Implementation Intention and Self efficacy influence plan enactment. Finally, implementation desire and plan enactment are the two significant factors influencing goal realization. This finding implies that local franchisees need to have both internal and external factors to succeed in their franchise venture.

Keywords: franchise, goal realization, food, self-efficacy, plan enactment.

**TO WHAT EXTENT DOES SHAREHOLDER ACTIVISM AFFECT EARNINGS
MANAGEMENT?**

Souha Bouaziz Siala
FSEGS, Tunisia

Anis Jarboui
ISAAS, Tunisia

Abstract

This research work seeks to examine the relationship between shareholder activism and earnings management within the French context. The regression results prove to reveal that shareholder activism tends to positively affect earnings management. Thus, one might well-consider that governance mechanisms would further strengthen and activate such a relationship. In this respect, the present work is focused on analyzing the role a typical internal governance mechanism can play, mainly, the audit committee independence, as well as that played by a certain external governance mechanism, namely, the external audit quality. Based on a sample made up of a number of French SBF 120 listed companies, an attempt has been made to highlight the fact that the relationship binding shareholder activism and earnings management proves to be more sensitive by via an internal governance mechanism rather than via an external governance one.

Keywords: shareholder activism, discretionary accruals, audit committee and external audit quality.

3.

INNOVATION

**INNOVATION IN ORGANIZATIONS: A MODEL OF ANTECEDENTS AND
CONSEQUENCES AN EMPIRICAL EXAMINATION FROM PSYCHOLOGICAL AND
ORGANIZATIONAL FACTORS**

Yomna Mustafa

and

Sandra Ohly

German University in Cairo, Egypt

Abstract

Despite increasing importance of fostering innovation among employees, and the growing interest in Positive Organizational Behavior (POB) constructs, little empirical research has been conducted on the topic of innovation with POB. Moreover, though research proved significant relationship between positive psychological capital (PsyCap) and creative performance, no studies examined PsyCap with innovative behavior along with other antecedents. In addition, potential differential antecedents of innovative behavior have received insufficient attention. The present study integrated a number of streams of research on the antecedents of innovation and creativity to develop and test a model of innovative behavior. Regression analyses reveal that PsyCap, work characteristics, personal initiative, supportive climate, strategic attention and creative behavior predict innovative behavior which in turn affects satisfaction and engagement. Participants in the study are Egyptian professionals from a variety of job types in different companies were approached by email or through the phone to be able to distribute the survey. Correlational and regression analyses in addition to mediation analyses using sobel test provides support for all hypotheses except only one. Innovative behavior was found to relate positively to the two suggested outcomes of satisfaction ($r = .43$) and engagement ($r = .54$). Creative behavior was found to relate positively to innovative behavior ($r = .56$). PsyCap as a core construct as well as its four components were found to relate positively to innovative behavior. Further, a comparison of the correlation coefficients of PsyCap and its four components indicates that hope bears the strongest relationship to innovative behavior with $r = .56$, as compared to self-efficacy ($r = .46$), resilience ($r = .19$), optimism ($r = .20$) and PsyCap ($r = .50$). As for work characteristics, positive significant relationships were found between task characteristics and innovative behavior ($r = .54$) and between knowledge characteristics and innovative behavior ($r = .41$). As shown, a positive significant relationship ($r = .54$) was noted between personal initiative and innovative behavior. That is, the higher the employees' personal initiative, the higher their innovative behavior will be. Significant positive relationships were also noted between supportive climate and innovative behavior ($r = .32$) and between strategic attention and innovative behavior ($r = .30$). Finally, innovative behavior was found to be positively related to all work characteristics with the exception of work complexity, it was found to negatively related to it.

**ADOPTION OF INNOVATION: DETERMINING THE INNOVATION ADOPTION IN
THE PRODUCER SEGMENT OF THE BEEF PRODUCTION CHAIN**

Carlos Rodrigues da Silva

and

Silvia Novaes Zilber

**Universidade Nove de Julho - UNINOVE
San Paulo, Brazil**

Abstract

This thesis aimed to test the applicability of a model developed for high tech companies, when applied to a low technology sector. We sought to answer the following research question: What factors contribute to low-technological intensity organizations adopt an innovation? To answer this research question, it was developed a model based on adoption models of high-technology intensity sectors, verifying if it is applied to a low technology segment. The four models that support our proposition are Rogers' theory of innovation diffusion, the innovation assimilation model by Meyer and Goes, the context for the adoption of new technologies – TOE model -, and the conceptual framework of the organizational adoption of innovations. The proposed model consists of three variables, which, in turn, are made up of 11 indicators that were considered to intervene in the decision to adopt an innovation. We used a qualitative research approach for the exploratory research. The multiple case study method was appropriate, and the research was carried out in the state of Mato Grosso do Sul. The population was the producer segment of the beef production chain (the farmers) and our sample was composed of 17 farms. Content analysis was done with the support of the software NVivo 10 for Windows. The results show that the proposed model is suitable for investigating the behavior of companies that belong to the low technology intensity sector. We observed adherence between the theory and research results, in most indicators. We propose adjustments in two indicators (size and structure), as well as in government's actions, since a poor performance in focused public research, funding and incentive legislation was identified. At the end we show the study's limitations and suggest new ones, which can continue and expand this research.

Keywords: Adoption of organizational innovation, Beef production chain, State of Mato Grosso do Sul, Innovation.

**IMPROVING CORPORATE VALUE WITH DECISION-MAKING
SOCIAL NETWORKS**

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Abstract

The proposed innovation leverages peoples' affinity for social networks and for sharing content on the internet to significantly advance societal decision making and corporate value through real world decision problems. Current search engines provide a lot of information that is relevant to decision making, but they do not provide inputs into a user's preferences.

Following prior efforts from the inaugural National Science Foundation, a decision making social network, called Ahoona® was constructed. Ahoona crowd sources particular elements of a decision to make sure elements of decision quality have been gathered, and then helps the user make the best decision through some patented algorithms. Ahoona has received media attention since its inception, including TV coverage on CBS. Through Ahoona, a user with a profile and friends can post a decision they are facing either privately to their friends or publicly to the general public. Other users on the site will then (i) respond to this decision post through a structured process where they will enter not only recommendations, but also pros/cons, preferences and objectives, as well as uncertainties about the recommendations they provide. The website then (ii) searches historic public posts on Ahoona and makes their decision inputs available to the user; (iii) a web-crawler crawls the web for specific links that can help the user with the posted decision, and then combines the inputs (i), (ii), and (iii) with additional information from the user about their preferences, and then guides the user through a step-by-step decision making process to make a final recommendation.

In this presentation, we will illustrate several case studies of how this approach has the potential to significantly enhance corporate value.

**VALUES BASED LEADERSHIP EDUCATION: CASE STUDY ON THE ASPEN
SEMINAR ON LEADERSHIP, VALUES AND THE GOOD SOCIETY**

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Abstract

Today there is widespread need within the Arab States for competent leaders in different sectors; government, business and academia. Creating a caliber of competent leaders has become a necessary requirement within our region to drive and promote growth for businesses as well as nation-wide. To lead an inclusive and sustainable development agenda in countries undergoing turmoil, values- based leadership becomes one of the means to trigger positive change whereby those leaders are the agents of change. Unfortunately values based leadership is very frequently ignored in leadership education.

The presentation examines how classic and contemporary texts can be used to explore the fundamental values that impact decision making of people in leadership positions. For the purpose of this presentation, I assume that values and what matters to the person have influence over the decision he/ she makes and subsequently the trade-offs he/ she has to face.

A case study is used based on (my) personal experience at the flagship seminar of The Aspen Institute on Leadership, Values and The Good Society. It will specifically focus on the pedagogy used in the design and delivery of the Seminar. The pedagogy brings together rational deliberations (of participants) with rational knowledge represented in the text discussed. Borrowing from Harry M. Jansen Kraemer his four principles of values based leadership discussed in his book **From Values to Action: The Four Principles of Values-Based Leadership**, the presentation will study how each of the four principles of self-reflection, balance, self-confidence and humility are integrated into the design of the Aspen Seminar. The aforementioned principles are combined with some core notions of leadership; human nature, liberty and rights, property/ efficiency, equality/ social welfare, community, transcendence and others – to provide an understanding of the educational process. Text and excerpts used vary from the past and the present – Plato, Aristotle, Rousseau, Hobbes, Mencius, Bolivar, Marx, Tocqueville, Machiavelli, O’Toole and others. A reflection on the diversity and multidisciplinary nature of the learning group is discussed.

The presentation concludes with highlights on how the module builds up to be a transformative experience for leaders/ learners. Recommendations on how to adapt the module to deliver values based leadership education in the Arab region specifically through American University in Cairo are to be shared as well.

ENERGY SUBSIDY AND FOREIGN DIRECT INVESTMENT

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and

Dahlia Amin
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Abstract

The rise of globalization has situated FDI as a vehicle of growth and technology transfer. Developing countries such as China, India and Malaysia has attracted more FDI in comparison to other countries. Respectively, economic literature investigating the determinants of FDI is exploded, in an attempt to analyze successful model and provide a development path for the rest. However, the effect of energy subsidy on FDI has nearly been ignored; although, one of the rational of subsidizing energy is encouraging investment and increasing production. This paper, through a single equation econometric model, aims at examining whether energy subsidy is one of the determinants of FDI in Egypt. Such investigation is of great importance now specially under the global trend of decreasing energy subsidy and respectively guiding public policy for better decisions.

Keywords: Egypt, Foreign Direct Investment, Energy Subsidy

**THE INFLUENCE OF TAX KNOWLEDGE ON TAX COMPLIANCE ATTITUDE IN
RWANDA**
A CASE STUDY OF KIGALI CITY BUSINESS COMMUNITY

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Abstract

The purpose of this research project was to examine the effects of tax education on tax compliance attitude because revenue collection is inadequate as per the expectations and tax administration somehow weak and this is believed to be due to many factors like low tax collection, delays, poor record keeping and political interference.

There was also low tax compliance, tax evasion, corruption and connivance between staffs and tax payers, unmotivated work force, inefficient and ineffective tax administration characterized by poor internal controls and inadequate accountability. It is because of the influence of tax education on tax compliance attitude.

This study is significant to RRA, University of Rwanda, the researcher, government and even the civil society or business community. Several literatures were reviewed on the effects of tax education on tax compliance attitude. The study will be a descriptive and analytical design based on a case study. The researcher used both qualitative and quantitative research by considering both primary and secondary source of data which applies the use of questionnaire and documentary techniques. The population size was 884 consisting of Kigali entrepreneurs community and Rwanda Revenue authority staffs and the sample size was 275.

From the findings it was established that Rwanda Revenue Authority provides tax education through workshop, seminars, mass media, community service which greatly influences the level of tax compliance among the Kigali entrepreneurs community simply because it has helped them to pay the right amount of income tax, to know of the penalty by the RRA if they do not comply, to feel morally obliged to honestly declare all their tax liabilities, to use the filling system easily to remit tax claims and has made them to respect RRA rules and regulations.

It was further established that there is a strong relationship between Tax knowledge and Tax compliancy in Rwanda whereby the respondents N was 275 and the significant level was 0.01, the results indicated that independent variable has positive high correlation to dependent variable equal to .656** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated and null hypothesis is rejected and remains with alternative hypothesis.

This means that there is a significant relationship between Tax knowledge and Tax compliancy in Rwanda. In conclusion therefore Tax knowledge contributes positively to Tax compliancy.

ITERATIVE ARBITRAGE WITH CURRENCIES AND FINANCIAL ASSETS

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Abstract

In the age of continuing globalization, countries with sovereign currencies are getting more and more visible in the foreign exchange markets because of increased trade transactions, investment opportunities and better access to capital and money markets. The world has become better field for entrepreneurs and innovators with new skills and fast-paced technology. Currency market that deals in and deals with four trillion dollars a day has opened up opportunities for risk-free profits with covered arbitrage with forwards and options. In a several studies, Ghon and Rhee (1992), Blenman (1992), Ghosh (1997, 1998), Ghosh and Arize (2003), Ghosh, Ghosh, Bhatnagar (2010) have explored those ideas, and enunciated the profit multiplier *via* iterative arbitrage. Here we plan to integrate some speculative designs also with risk-neutral arbitrage. In this work we furthermore plan to extend the existing literature to multi-currency and multi-asset cross-arbitrage with different hedging devices in the middle. Some limited empirical tests on the theoretical structures are performed, and the efficiency of the models are examined for more practical applications.

**FINANCIAL LITERACY AND INVESTMENT BEHAVIOR AMONG HOUSEHOLDS:
EVIDENCE FROM THE TUNISIAN STOCK MARKET**

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Abstract

Purpose: The purpose of this paper is to assess the financial literacy level of the Tunisian individual households who invest in the local financial markets. In addition, it examines the relationship between financial literacy and the influence of the factors that affect the stock market participation (stockholding).

Design / methodology/approach: A questionnaire has been developed divided into three parts. The first part covers demographic variables. The second covers the financial behavior of the Tunisian households. The third part is devoted to financial literacy using exam type test and includes 11 questions. A convenient sample of 214 of Tunisian households is used.

Findings: The results indicate that the financial literacy of Tunisian households is far from the needed level. The financial literacy level is found to be affected by age, education level, and the annual income.

Research limitations/implications- The main limitation of our empirical study is the small size of our sample. Larger data would have given more reliable results and could have provided a wider range of analyzes. To do this would have required a larger sample collected by the national Tunisian stock market exchange.

Practical implications- The paper pushes households to make their financial decisions based on their financial capability and experience level and to avoid relying in their sentiment when making financial decision.

Social implications- The paper incites government to establish training programmes aimed to develop the individual investor financial literacy and competency.

Originality / value: - The current study is the first of its kind focusing on the link between financial literacy and stockholding, within the specific context of Tunisia.

Keywords: Financial literacy, stockholding, household, Tunisia.

SELLING ONLINE HURTS?
IMPACTS OF THE INTERNET AND CULTURE ON LUXURY PRODUCT SALES

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Nader Asgary,

and

Gang Li

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Abstract

This study examines how the Internet and cultural factors can influence luxury product sales in four countries from different regions of the world (China, Iran, South Korea, and the United States). Consumers of luxury brand in these countries have unique overlapping characteristics and differences. Consumers nowadays are more likely to adopt new technology and are more heavily connected online than previous generations. Their tech-savvy trend made stores across diverse consumer goods to add an online store option. However, not every industry is guaranteed to succeed online. For some industries, such as luxury goods, existence of online stores may have detrimental effects on their brand equity and sales. Unlike commodity goods, luxury goods have recognizably different characteristics. More specifically, they are considered as art for exclusive markets and could represent one's identity, philosophy, and lifestyle. Therefore, on one hand, consumers of luxury goods show distinct, yet collective behavior, such as seeking to obtain a higher personal prestige and status through consumption. On the other hand, different cultural backgrounds of consumers lead to varying behaviors toward the luxury goods consumption. This study analyzes the impact of managing luxury brand online stores based on the traits of consumer behavior toward luxury fashion. We have developed a mathematical model to examine consumer behavior for luxury brand. Additionally, we have collected data on sales and penetration rate of Internet as a distribution channel in these countries. Our finding shows that the total sales value through online distribution has been increasing, but with different rates for each country. Furthermore, we find that consumers of luxury brand demand for physical store is diminishing but at a slower rate than non-luxury brand.

Keywords: Luxury, Experiential Marketing, Disruptive Innovation, Physical Stores, Online Stores

**THE ROOT CAUSES OF CHALLENGES IN AFRICA FOR A SUSTAINABLE
DEVELOPMENT: AN EMPIRICAL STUDY**

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Abstract

Africa is a continent that is changing rapidly. Since 2000, Africa's economies have been growing at an average annual rate of five per cent. Its population is estimated to grow by fifty per cent over the next twenty years, to 1.56 billion. The working-age population is expected to reach 1.4 billion by 2050. Despite Africa's relatively strong economic growth performance over the past decade, many countries in the continent are facing several development challenges ranging from food insecurity, high unemployment rate, poverty and social inequality. There is also the problem of, increased market volatility, slow growth of economies, and lack of economic transformation, environmental degradation, and low integration of the continent in the global economy. To overcome these challenges, Africa countries have to work together towards an inclusive economic and social development and environmental sustainability by building sustained strong policies, strategies and institutions. A sustainable development is development which meets the needs of the present without compromising the ability of future generations to meet their own needs. The objectives of this paper are to determine the issues that affect the Africa's economic growth by identifying the key challenges posed to a sustainable development; and to develop scenarios and recommendations for tackling identified challenges. This study is an empirical review.

Key terms: managing the future, sustainability, economic growth

**SPORTS OUTFITTERS' MARKETING STRATEGIES IN RURAL TOURISM
DESTINATIONS: A COMPARATIVE EXPLORATORY
STUDY IN THE U.S. AND CANADA**

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Abstract

The outdoor/sports outfitter industry comprises primarily of independent businesses engaged in selling a diverse array of sporting and athletic goods for fitness and exercise, golfing, camping, fishing, winter sports, shooting, racket sports, kayaking and other sports. Because there are few barriers to entry, the industry is characterized by many firms that vary in size and product specialization, and that recognize that brand loyalty plays an important role in their success (Jones and Doucet, 2001). Sales and profits in the sports and sports outfitter industry are consistently in an upward trend, even in economic downturns when other types of retailers suffer (Borzykiwski, 2013). As Canadian and American consumers have become more health conscious in general, their purchases of sporting goods, sports apparel and healthy foods have gone up. According to *Forbes* (2014), the global sports apparel market is expected to grow at a rate of 4% to reach \$178 billion by 2019. Many outdoor/sports outfitter related activities take place in rural tourism destinations in order to access nature for hiking trails, hunting, camping, snowshoeing, cross-country skiing, kayaking, and so on. As a result, access to outfitter retail stores on location may increase satisfaction with the rural tourism experience, and have the potential of contributing to sustainable economic development in the region.

The successful marketing strategy of outdoor/sports outfitters requires the identification of a target market and development of a marketing mix (product/service, place, price and promotion) that will best satisfy the needs of this target market. This research was conducted to investigate whether there were differences in the marketing strategies *implemented* by outfitters to meet the needs of consumers. A census of the 20 outfitters in the contiguous regions of southern Quebec and northeastern New York/northwestern Vermont was visited by multiple observers. Systematic observations using a detailed grid of variables were compiled for each establishment. More similarities than differences were found in these regions.

Sports Outfitters in Quebec and Vermont/New York both have well-developed product and service strategies, showing a good understanding of their target markets' needs and wants in their outdoor activities. Both also have very good personal selling strategies, but weaker promotion strategies with respect to advertising. The Quebec sports outfitters have better location and establishment design strategies than Vermont/New York establishments, while the latter have better pricing strategies. American retailers can benefit from the benchmark provided by Canadian stores with respect to location, while Canadian stores can learn from the pricing strategies of American stores.

Improvement in promotion initiatives is needed in both regions. Given that outdoor tourism activities have the potential to generate sustainable economic activity in a region, local chambers of commerce could coordinate cooperative advertising and promotion activities among outfitters and other hospitality businesses to provide bundles of value that would attract visitors from a wider radius.

**THE EFFECT OF MARKETING MIX ON SALES VOLUME IN SMES IN RWANDA:
THE CASE OF KIMIRONKO COMMERCIAL CENTRE**

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Abstract

This research aimed to investigate the “effect of the marketing mix on sales volume in SMEs in Rwanda the case study of Kimironko Commercial Centre (KCC)”. The objectives were to examine the impact of: a product, price, place and promotion on the sales volume. We wanted to determine whether the marketing mix enhances the customers’ need and to find out the extent to which it affect the sales volume in SMEs at KCC. According to some reports, there has been noticed a low level of marketing practices in SMEs in Rwanda, especially in KCC, and therefore, many small businesses fail and close few days after their start up. Where some companies do not use marketing strategies that links companies to the customers they serve. This is characterized by less marketing research, communication with and feedback from those customers. Without consistent and direct interaction with the people you plan to sell your products and services to, it is difficult for a company to succeed in business. The marketing mix is used to identify, keep and satisfy the customer. The researcher used triangulation methodology, which combines qualitative and quantitative methods and we adopted a co-relational and cross-sectional survey which are designed to illustrate the impact of the 4Ps of marketing mix on sales volume in SMEs at KCC. A sample of 70 respondents was drawn from the individual traders and companies operating within the KCC. This sample was composed of 60 sole traders and 10 others forms of business ownership. The respondents were selected from a cluster with a multiple sampling processes, for example, traders were selected using simple random techniques basing on the products they sell; and the location where they are (right side and backside of Kimironko market; and inside of Kimironko market). Other respondents were selected using snow ball sampling where the respondents from the existing sample helped the researcher to meet other respondents. Kinyarwanda language was used in conducting this research. While analyzing our data, we found that many traders in KCC do not resort to marketing strategies- they just sit and wait for the customers to come along; however, those who use one or more of the components of the marketing mix perform better (their sales volume increase faster) than those who do not.

Key words: SMEs, Marketing mix, sales volume

**THE FACTORS INHIBITING ASSET GROWTH OF SME’S IN ZAMBIA: A CASE
STUDY OF MAZABUKA DISTRICT AGRICULTURAL COOPERATIVES**

Hillary Chanda

and

Bupe. G. Mwanza
The Copperbelt University, Kitwe, Zambia

Abstract

Aim and Problem Statement: Entrepreneurship is the engine to growth of any economy. Amongst the several categories of Small and Medium Scale Enterprises (SME's) are Cooperatives. In Brazil, cooperatives were responsible for 37.2% of agricultural GDP and 5.4% of overall GDP in 2009, and earned about US\$3.6 billion from exports. In Mauritius, cooperatives account for more than 60% of national production in the food crop sector and in Kenya the savings and credit cooperatives have assets worth US\$2.7 billion, which account for 31% of gross national savings. The Zambian government has over the years pumped millions (USD) to develop cooperatives to stimulate economic growth. However, despite all these efforts, there seems not to be a corresponding growth in the asset base of Cooperatives in Mazabuka district of Zambia. According to the Ministry of Agriculture and Livestock, Cooperatives Departments report for the 2013/2014 period, the average asset base for the 490 Cooperatives in Mazabuka whose average membership is 40 was only K5,000 (USD 50). This study was undertaken to assess the major factors and challenges that have caused Cooperatives in Mazabuka to stagnate as regards their average asset base despite being in existence for the past 14 years.

Research Questions: The Researcher addressed the following research questions; what are the problems and challenges being faced by Small and Medium Scale Enterprises (Cooperatives) in expanding their asset base? What is the role of government in promoting SME growth? And what needs to be put in place to ensure expansion of SMEs.

Methodology: Research data was collected using structured interviews and questionnaires. A sample of 150 was selected from a population of 500 Cooperatives using Simple Random Sampling. This design was used because there is some level of homogeneity. Structured questionnaires were distributed to all the 150 Cooperatives. Descriptive statistics was used to analyze the information collected. The research was also anchored on the theoretical and conceptual framework.

Findings: The finding from the research revealed the following; only 13% had attained tertiary education whilst the rest were below, 10% of the cooperatives revealed that they had no government support, 14% sighted land unavailability, 30% said they had no Business Management Skills and 46% complained of lack of capital. 84% were capitalized through share capital whilst only 13% could access loans. It was also reviewed that 29% of the members of these cooperatives didn't have business management skills whilst 44% and 25 % respectively lacked entrepreneurial skills and a proper understanding of a Cooperative. Other challenges sighted included corruption, nepotism and high interest rates for loans.

Value: Firstly the value of this research was to find the best way of improving the performance of Cooperatives in rural areas. Secondly, it will help identify the challenges that have caused stagnation in SME growth and thereby finding the best way of solving these problems. Thirdly, it

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will assist the government and other organizations to know the best way of helping Cooperatives do better thereby positively affecting economic growth and local sustainability.

Key words: Asset Growth, Cooperatives, Challenges, Entrepreneurship, SMEs

**IMPROVING ELEMENTARY EDUCATION IN EGYPTIAN RURAL SOCIETY:
CONTRIBUTION OF JAPANESE TRADITIONAL METHOD
FOR INSPIRING EGYPTIAN TEACHERS AND PUPILS**

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and
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Toyo University, Japan

Abstract

This study is to improve elementary education in Egyptian rural society based on the Japanese traditional learning method. In cooperation with Kitami city school of Japan, an introductory experiment of this study has been conducted at local schools in Minia city since 2013. The aim of this study is threefold; a) to provide opportunity for Egyptian teachers and pupils to discover better teaching and learning method inspired by Japanese education style, b) to encourage pupils' self-achievement and critical thinking, and c) to improve pupils' mother language and foreign language through intercultural study with Japanese pupils. The KARTA learning (picture and character card) and NISSHI diary (daily activity log) is applied as the main clue as to learning activity. KARTA Method: it is employed for accustoming pupils' learning habit. They are required to make one piece of KARTA card of familiar objects. One example is drawing a picture of camel and writing its explanation in Arabic (jamal) and English (camel) on the other side. When they finish making some KARTAs, then, these cards are arranged on top of the desk. Looking at the picture, pupils try to remember Arabic and English explanation on the backside. It might be felt like amusement when they compete each other. Attracted pupils' attention in such way facilitates their memorization. It also deepens their cognition of targets in both languages. NISSHI method: meanwhile pupils keep NISSHI diary for every occasion. When they break off making cards, they keep a note of what they did in Arabic. Such habitual learning might cultivate careful behavior in addition to enhance composing sentence ability through the correction of writing by teachers. Fundamental reading, writing, and speaking capability in accordance with careful learning approach provides pupils with applied skill for learning variety of subjects. It goes without saying that the enhanced relationship between teachers and pupils bring good effect on education style entirely. Two spontaneous groups of Minia local elementary schools have been assigned to conduct KARTA learning with NISSHI activity. By qualitative and quantitative analysis to measure the impact of all processes, the results illustrates the improvement of teaching and learning environments for teachers and pupils. From different angle mentioned above, this study also focuses on twofold interaction between pupils; a) urban and rural pupils in Egypt, and b) Egyptian and Japanese pupils as international exchange. Whereas it might be regarded as secondary for this study, it has certainly crucial importance in the process. Exchanging of KARTA between pupils provides precious opportunity for stimulating their motivation for learning for both Japanese and Egyptian pupils especially. It is common understanding that Egypt has serious problem for educational improvement. We hope improving Egyptian children's educational environment will lead to their family's satisfaction, and then it will result in avoiding illiteracy of next generation in Egyptian society.

**CORRELATES OF EXTERNAL QUALITY ASSESSMENT AND IMPROVEMENT
PROGRAMS IN INTERNAL AUDITING: A STUDY OF 68 COUNTRIES**

Mohammad Abdolmohammadi

and

Steven DeSimone
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Abstract

We use responses from 1,053 chief audit executives (CAEs) of public companies located in 68 countries to investigate the theoretical correlates of the use of external quality assessment and improvement programs (*ExternalQAIP*) for the Internal Audit Function (IAF). Our test variables are (1) Internal quality assessment and improvement programs (*InternalQAIP*) and its related components and IAF performance measures (2) Chief audit executive competence, (3) audit committee involvement with the internal audit, (4) IAF age, (5) IAF outsourcing status (in-house or outsourced), and (6) the nature of the IAF's work (work performed by IAF). We find support for our hypothesized associations between various measures of *InternalQAIP* and *ExternalQAIP*. We also find significant and positive results for associations between audit committee involvement and IAF age and *ExternalQAIP*. However, we do not find significant results for in-house or outsourcing of internal audit activities, CAE competence, or company control variables. Our results should be of interest to management, CAEs, corporate boards, regulators, and external auditors.

A REAL OPTION BASED STRATEGY FOR MARKET ENTRY IN MENA COUNTRIES

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Abstract

Rooted in financial theory (Myers, 1977), real options have received increasing attention in the field of business management (Miller, 2002 and Folta & O'Brien, 2004). They have become an important tool for aiding multinational strategic decision making and, as an analytical device, have increased the understanding of the dynamics of multi-nationalization (Buckley, Casson, & Gulamhussen, 2002). Key underlying idea of the theory is that real options give the decision maker flexibility to respond to new information as it becomes available, and thus can reduce risk (Buckley & Casson, 2009). Option based thinking, therefore enables firms to develop effective market strategies under high uncertainty by seizing emerging opportunities through the creation, maintenance and exercise of different options. Consequently, the real options approach is particular suitable to develop an entry strategy for firms seeking to enter foreign markets affected by high levels of risks. One such market is the Middle Eastern and North African (MENA) region. More than four years after the Arab Spring, some Middle Eastern and North African (MENA) countries are still struggling with stalled growth, unemployment and high political uncertainty; at the same time the region has the potential of becoming an emerging market leader (O'Sullivan, Rey, & Galvez Mendez, 2012). Recent reports from the OECD and World Bank indicate substantial growth for the region over the next decades due to a large (developing) market size and labor force, rich natural resources, as well as promising perspectives for renewable energy, the manufacturing and service sector (O'Sullivan, Rey, & Galvez Mendez, 2012). Firms seeking to secure a competitive, future market position therefore need an early participation strategy for the MENA region that provides upside potential but limits the downside risks.

This paper will therefore develop a real option based market entry strategy for the MENA region. More specifically it is intended to offer insights into the questions: (1) What is the optimal entry strategy under uncertainty for multinational enterprises (MNEs) in the MENA region from a real options theory perspective? and (2) What is the value of devised entry strategy?

This study thus contributes to the literatures by offering a novel application of real options theory to market entry in a specific region. In particular, it applies real options thinking to market entry strategy development for an emerging market; filling a void in current research. It is thereby pinpointing how real options theory can help MNEs structure and design their entry strategies to benefit from uncertainty. It further illustrates the value of option based thinking to management, encouraging increased application in the strategic management of MNE expansion across domestic borders.

BOARD DIVERSITY AND FIRM PERFORMANCE: EVIDENCE FROM UK SMES

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This study examines the relationship between board diversity and firm performance in small and medium-sized enterprises (SMEs) in the UK. We investigate whether gender diversity as measured by female inclusion in the board, percentage of female directors, Blau index and Shannon index, is associated with firm performance or not. In addition, we investigate the association between age diversity and firm performance. Using a large sample of SMEs located in the UK, 398,567 for the period from 2005 to 2013, our results show a significant negative association between each of gender diversity and age diversity, and firm performance. Our evidence yields important insights on the association between board diversity and firm performance, and put the suggestions of increased board diversity into question. We believe the research design employed makes our findings less subject to endogeneity issues. We use the fixed effect vector decomposition (FEVD) to control for the unobserved heterogeneity resulting from the presence of both cross-sectional and time series attributes. Several theoretical arguments suggest a relationship between board diversity and firm performance, yet the direction of the link remains unclear. Motivated by this concern, we integrate two opposing views in this research, the agency view and the resource dependency view as the major theories to provide empirical evidence from the UK SMEs context. Our statistical analysis supports the theoretical view of a negative relationship. A possible explanation is that our findings could be due to the different nature of sampled firms, SMEs, where most of the shareholders are directly represented in the board. This research would provide insights to entrepreneurs on how to enhance their performance, and to governments and policy makers on the development of rules that would achieve better performance in the SMEs sector.