



Productive Entrepreneurship: The Role of Trust and Culture

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Productive Entrepreneurship



- Any entrepreneurial activity that contributes directly or indirectly to the net output of the economy or to the capacity to produce additional output (Khlystova, Kalyuzhnova, & Belitski, 2022)
- Stimulates economic progress (Urbano and Audretsch, 2016)
- Technological progress and innovation (Linan and Fernandez-Serrano, 2014)
- Economic growth (Acs et al., 2008)
- Allows entrepreneurs to pursue economic opportunities to realize growth, profit, and personal aspiration (Dheer and Trevino, 2022)

Trust



- *“Psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another* (Rousseau, Sitkin, Burt, & Camerer, 1998)

Trust and Entrepreneurship

- Allows entrepreneurs to start, develop, and grow new businesses (Kara & Dheer, 2023; Greve & Salaff, 2003)
- Networks of trust allows legitimacy within the market (Aldrich, 2000)
- “Organizations emerge when entrepreneurs are successful in achieving an understanding among the trusting parties that things will work out” (Gartner and Low, 1990)

Culture



- Collective programming of the mind which distinguishes the members of one group or category of people from those of another (Hofstede, 1991)

Culture and Entrepreneurship

- National rates of innovation (Shane, 1992, 1993)
- New firm formation rate (Dheer, 2023; Davidsson, 1995)
- Net entrepreneurial activity (Dheer, 2016; Dheer & Trevino, 2022)

Research Question



Is this relationship between trust, culture, and productive entrepreneurship within a nation?



Data

Generalized Trust

Productive Entrepreneurship

Culture

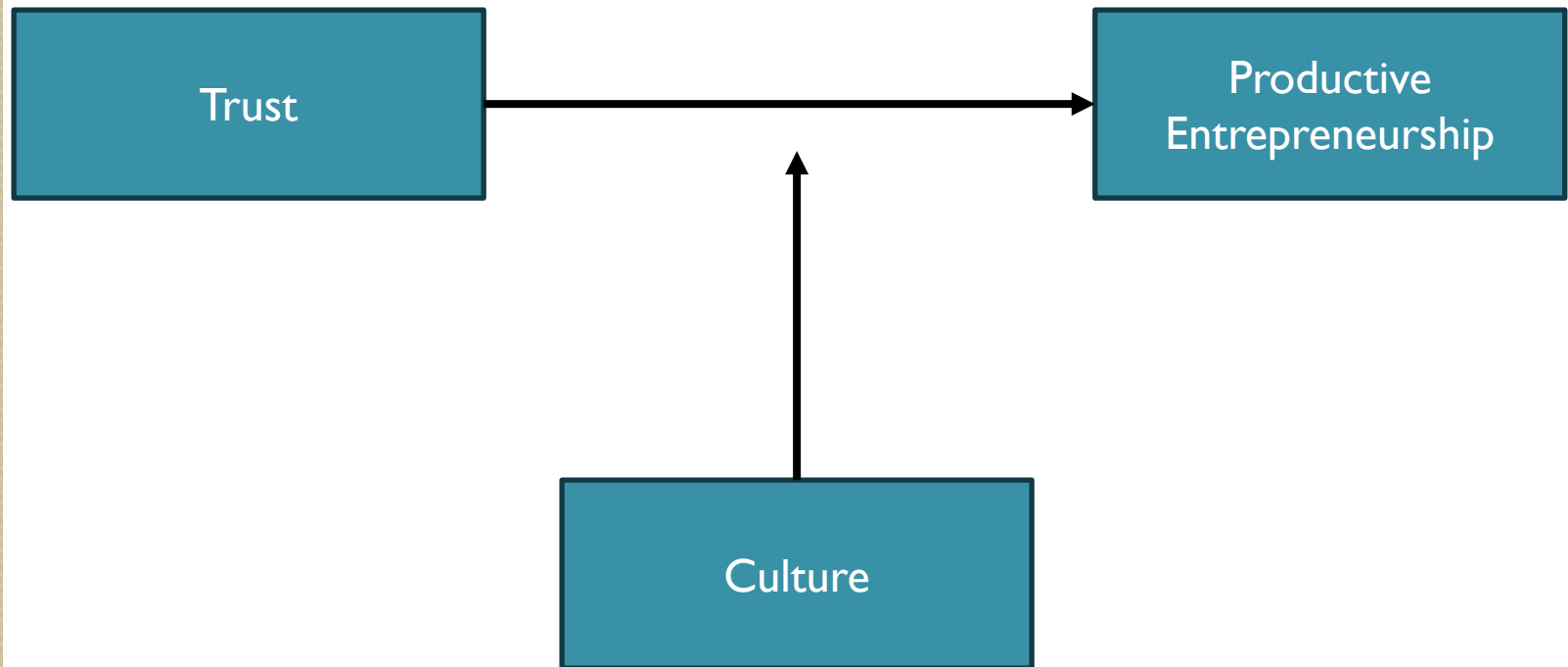
All other variables (GDP, Unemployment, Tech Development,
Foreign trade, etc.)

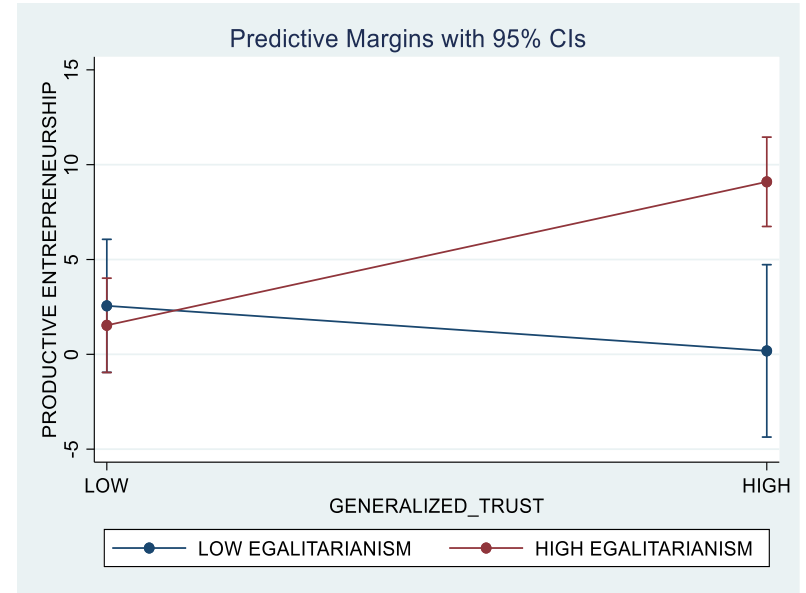
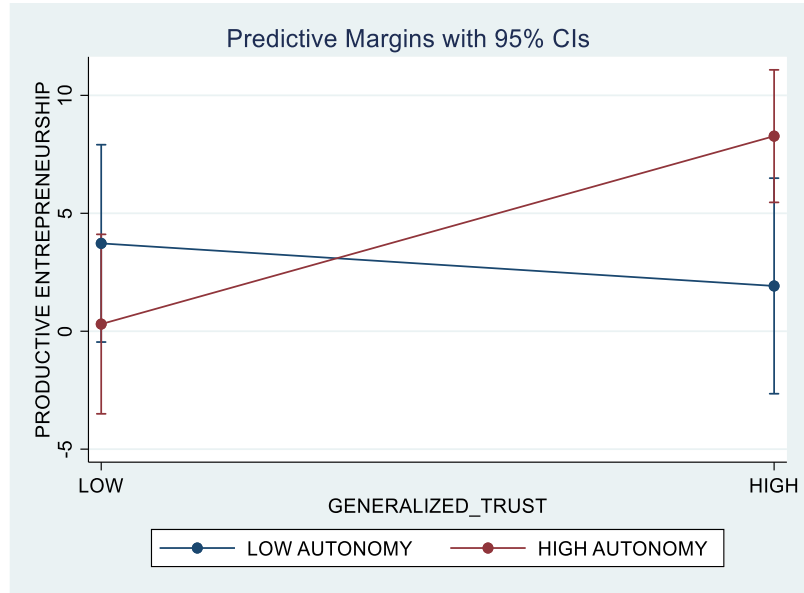
REGRESSING PRODUCTIVE ENTREPRENEURSHIP ON GENERALIZED TRUST



Source	SS	df	MS	Number of obs	=	31
Model	78.8321111	7	11.2617302	F(7, 23)	=	5.87
Residual	44.1575076	23	1.91989163	Prob > F	=	0.0005
				R-squared	=	0.6410
				Adj R-squared	=	0.5317
Total	122.989619	30	4.09965396	Root MSE	=	1.3856

PRODUCTIVE_ENTREPREN~P	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
ECONOMIC_FREEDOM	.0852068	.0397272	2.14	0.043	.0030248	.1673888
TECHNOLOGY_DEVELOPMENT	-.0134424	.0330388	-0.41	0.688	-.0817884	.0549036
GDP	-1.67e-14	1.04e-13	-0.16	0.874	-2.32e-13	1.99e-13
UNEMPLOYMENT	-.128315	.0528031	-2.43	0.023	-.2375467	-.0190834
FOREIGN_TRADE	.0055333	.0076118	0.73	0.475	-.0102129	.0212794
POPULATION	4.39e-10	1.07e-09	0.41	0.686	-1.78e-09	2.66e-09
GENERALIZED_TRUST	3.321337	1.053882	3.15	0.004	1.141215	5.501459
_cons	-8.423008	3.229272	-2.61	0.016	-15.10327	-1.742751







THANK YOU