

6-7-2014

SOCIETAL-LEVEL COLLECTIVISM AND TRUST: INFLUENCE OF SOCIAL AND COMMERCIAL ENTREPRENEURSHIP (SUMMARY)

Saurav Pathak

Michigan Technological University, USA, sauravp@mtu.edu

Etayankara Muralidharan

MacEwan University, Canada

Recommended Citation

Pathak, Saurav and Muralidharan, Etayankara (2014) "SOCIETAL-LEVEL COLLECTIVISM AND TRUST: INFLUENCE OF SOCIAL AND COMMERCIAL ENTREPRENEURSHIP (SUMMARY)," *Frontiers of Entrepreneurship Research*: Vol. 34: Iss. 6, Article 5.

Available at: <http://digitalknowledge.babson.edu/fer/vol34/iss6/5>

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≈ SUMMARY ≈

**SOCIETAL-LEVEL COLLECTIVISM AND TRUST: INFLUENCE
OF SOCIAL AND COMMERCIAL ENTREPRENEURSHIP**

*Saurav Pathak, Michigan Technological University, USA
Etayankara Muralidharan, MacEwan University, Canada*

Principal Topic

We use insights from social capital theory and institutional theory to study how societal level collectivism and trust facilitate or constrain the emergence of social and commercial entrepreneurship. Social capital theory can be used as an appropriate lens to study the linkages between the entrepreneurship of both forms. While researchers have examined how institutions enable individuals to undertake commercial entrepreneurship, their effects on social entrepreneurship warrants further research. In order to develop our hypotheses we integrate the dimensions of ‘deal’ and ‘context’ of Sahlman’s (1996) framework to understand how societal level collectivism and trust facilitate the likelihood of individual social and commercial entrepreneurial entry. We develop a cross-level model hypothesizing national-level effect on individual entrepreneurial decisions.

Method

We use 58,642 individual-level responses obtained from the Global Entrepreneurship Monitor (GEM) survey of 27 countries and supplementing with country-level data obtained from the World Values Survey (WVS) and the Global Leadership and Organizational Behavior Effectiveness (GLOBE) study. We use multi-level regressions to estimate the likelihood of engaging in social and commercial entrepreneurship as predicted by our country-level variables.

Results and Implications

Our results demonstrate that while societal collectivism decreases the likelihood of commercial entrepreneurship, it increases those of social entrepreneurship. Further, while societal-level trust influences both social and commercial entrepreneurship positively, the strength of this positive influence is felt more strongly on social entrepreneurship than commercial. A comparative study such as ours allows us to isolate country-level factors that are particularly beneficial for social entrepreneurship.

CONTACT: Saurav Pathak; sauravp@mtu.edu; (T): 906-487-1707; (F): 906-487-1863; Michigan Technological University, 1400 Townsend Drive, School of Business and Economics, AOB-101, Houghton, MI, 49931.