

Trust in Polish Business

Executive Summary

The following report is an executive summary of a research project conducted in 2015 among a representative sample of Polish entrepreneurs, business executives and business owners. The main purpose of the study was to analyze not only the state-of-the-art, i.e., the current status quo of trust in Polish business, but also to go one step further and investigate the possible consequences for the Polish economy related to the current level of (dis)trust in the Polish business community. We have endeavored to calculate the total macroeconomic impact (cost) of distrust in Polish business. We were able to do so by using some advanced econometric techniques based on the questions included in our survey. The respondents were requested to provide some estimated values of lost business due to the distrust in their business from among their would-be business partners. Also, the respondents provided their estimates on the volume of prospective transactions which they abandoned because of the perceived low reputation of the prospective business partners they were dealing with. In other words, we decided to do a “360-degree-feedback” in which each respondent estimated the two sides of those prospective transactions which were not closed due to distrust. When we combined this information with the data on the demographics of the respondents, we were also able to identify those types of businesses (e.g., by size, geographic location by region, age of the respondent), which scored high and low on trust. We then multiplied the individual answers and generalized the research findings into the total volume of business in the Polish economy. Our main finding was that the Polish economy lost some 281 billion PLN (some 50 billion Euro) due to distrust. Below we present some selected key findings from our research.

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Geographical distribution of the respondents

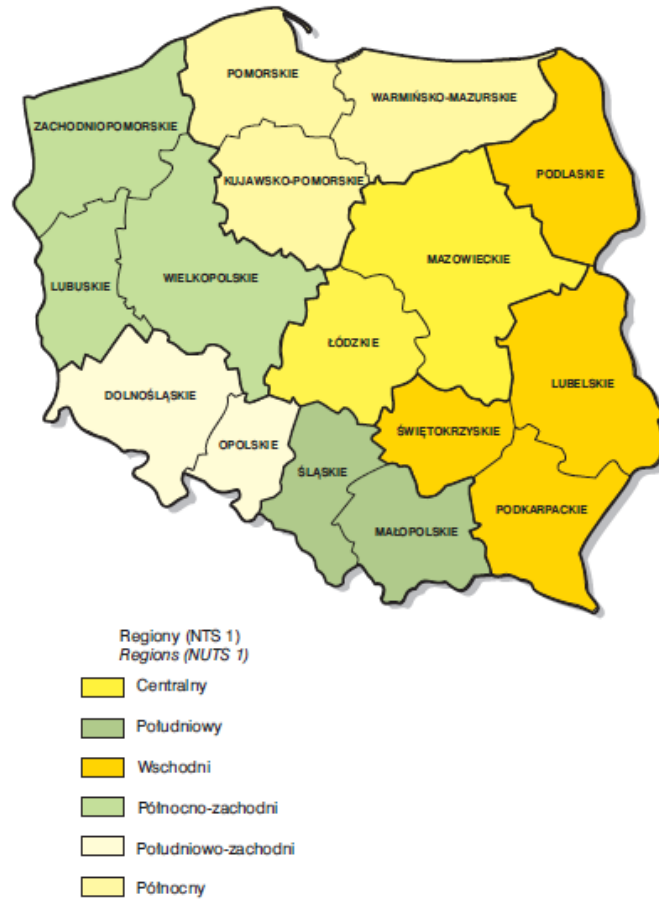


Figure 1. Polish macro-regions (NUTS-2).

Region	centralny	południowo-zachodni	południowy	północno-zachodni	północny	wschodni	Outside of Poland	Total
No. of firms	321	142	246	126	159	118	3	N=1115
Share of respondents in the sample	28.79	12.74	22.06	11.30	14.26	10.58	0.27	100.0

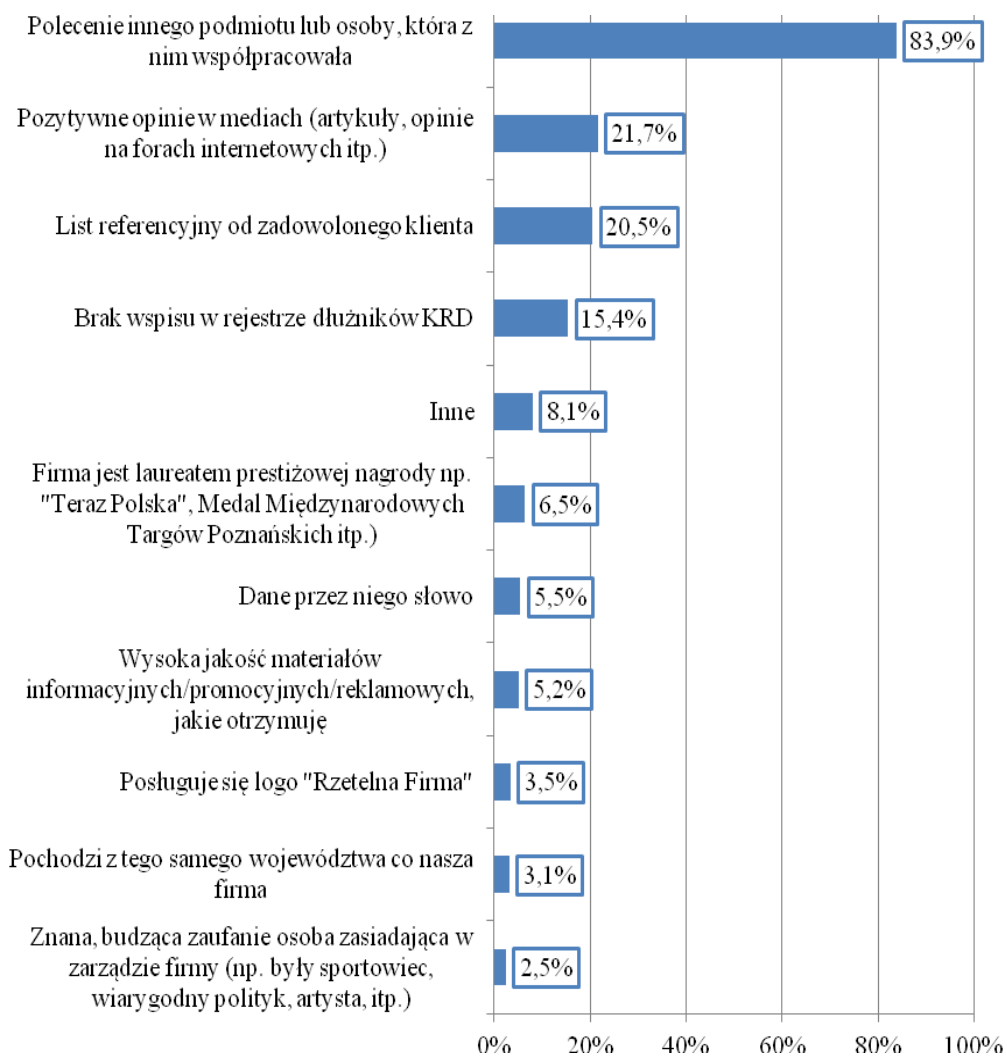


Figure 2. What makes a company trustworthy? – ranking of attributes:

TOP 3: A testimonial by a friend, positive opinions in media, a letter of reference from a satisfied customer.

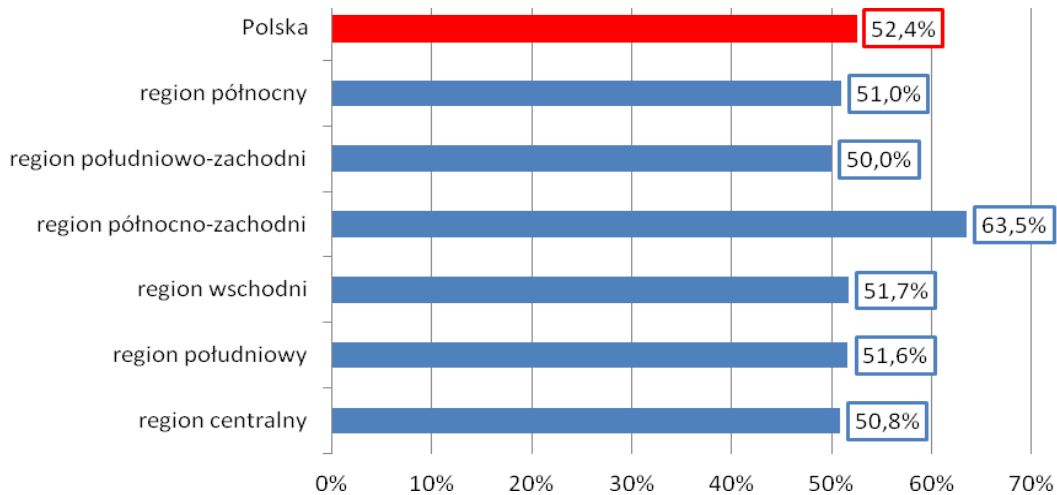


Figure 3: Percentage of respondents who agree that „Most Polish businesses will take advantage of a loophole in an agreement to achieve additional benefits at the cost of the business partner”, by region.

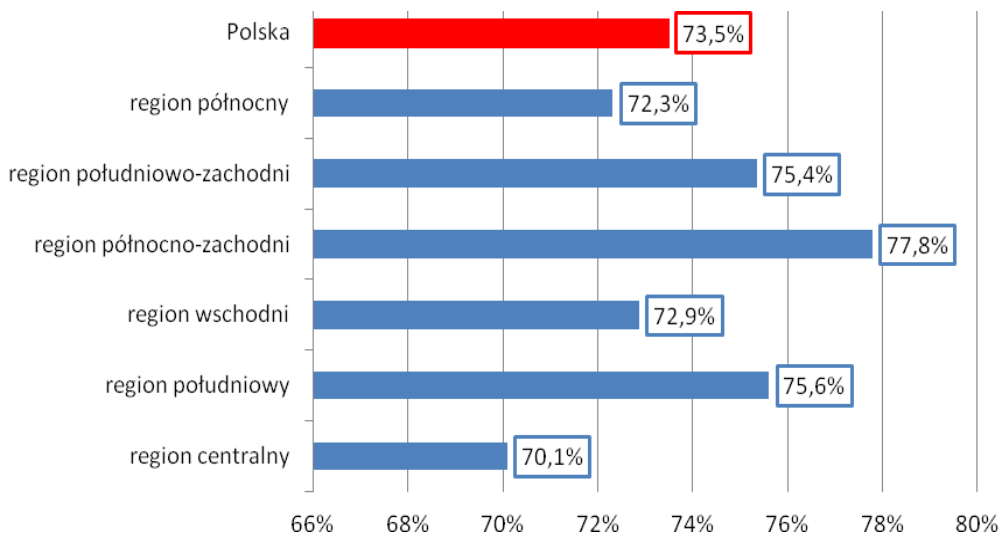


Figure 4: Percentage of respondents who agree that „You always have to be careful if you don't want to be cheated”, by region.

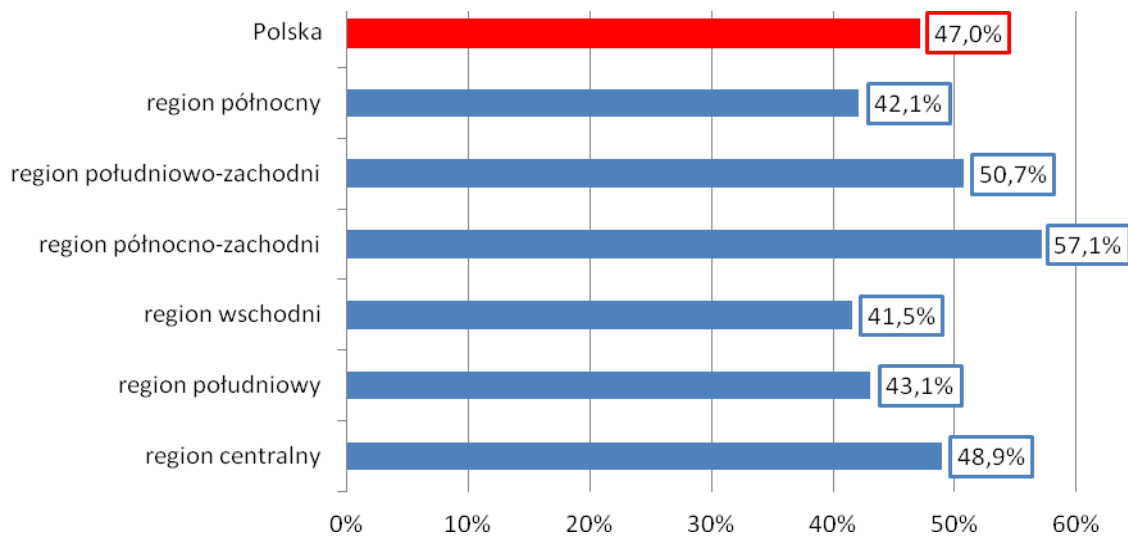


Figure 5: Percentage of respondents who agree that „I don't close some of my business contracts because I don't have trust in the potential business partner”, by region.

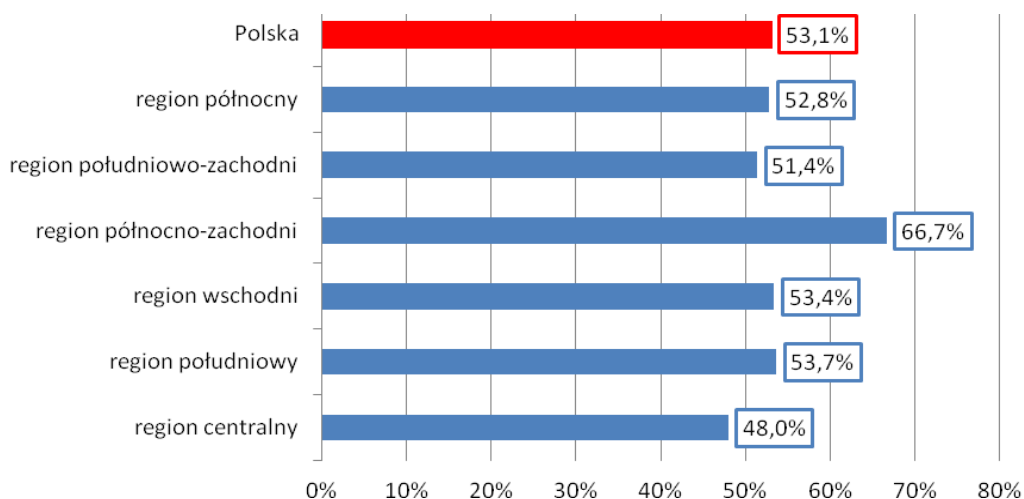


Figure 6: Percentage of respondents who agree that „You constantly have to collect evidence of your trustworthiness – otherwise your business partner will want to prove you a distrustful partner”, by region.

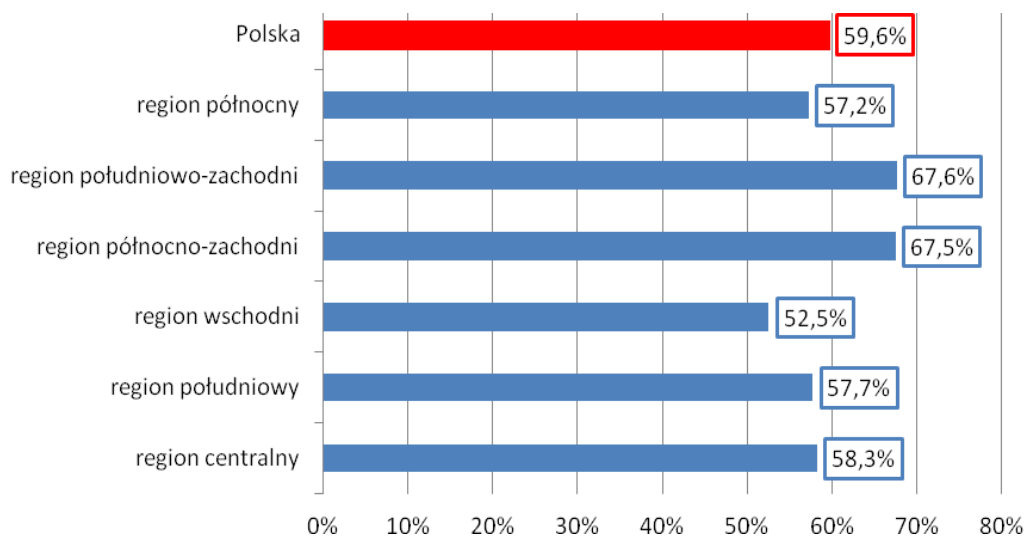


Figure 7: Percentage of respondents who agree that „Most businesspeople play fair only when they share common goals with each other”, by region.

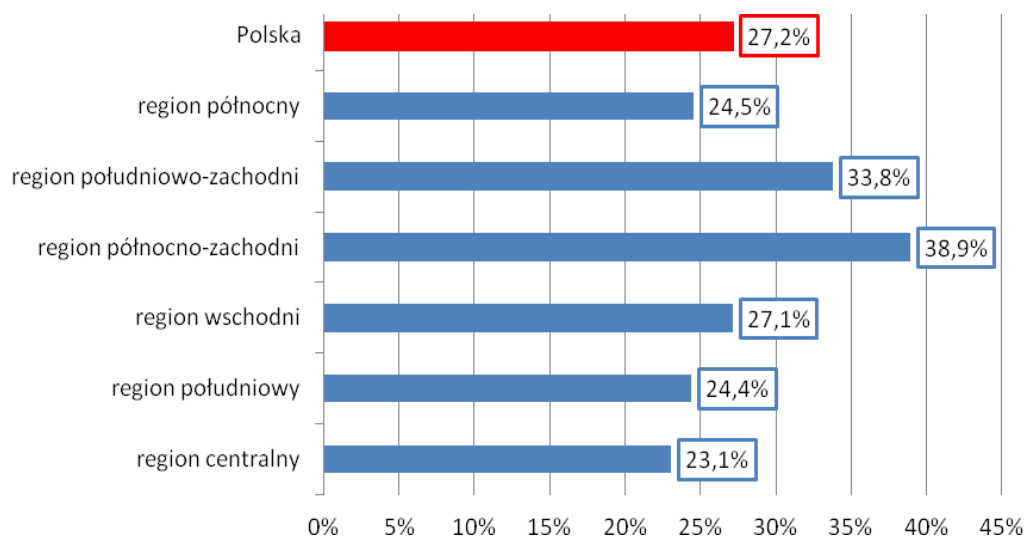


Figure 8: Percentage of respondents who agree that „I only work with trusted and tried partners – I am not open to new business partners”, by region.

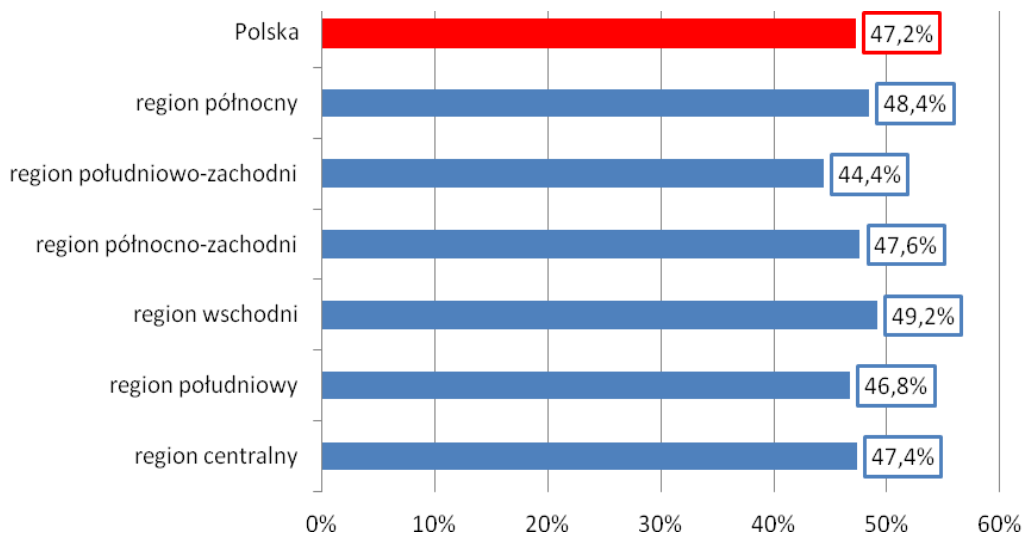


Figure 9: Percentage of respondents who agree that „My company have given up at least one transaction because of too high risk of failing to deliver on the promise”, by region.

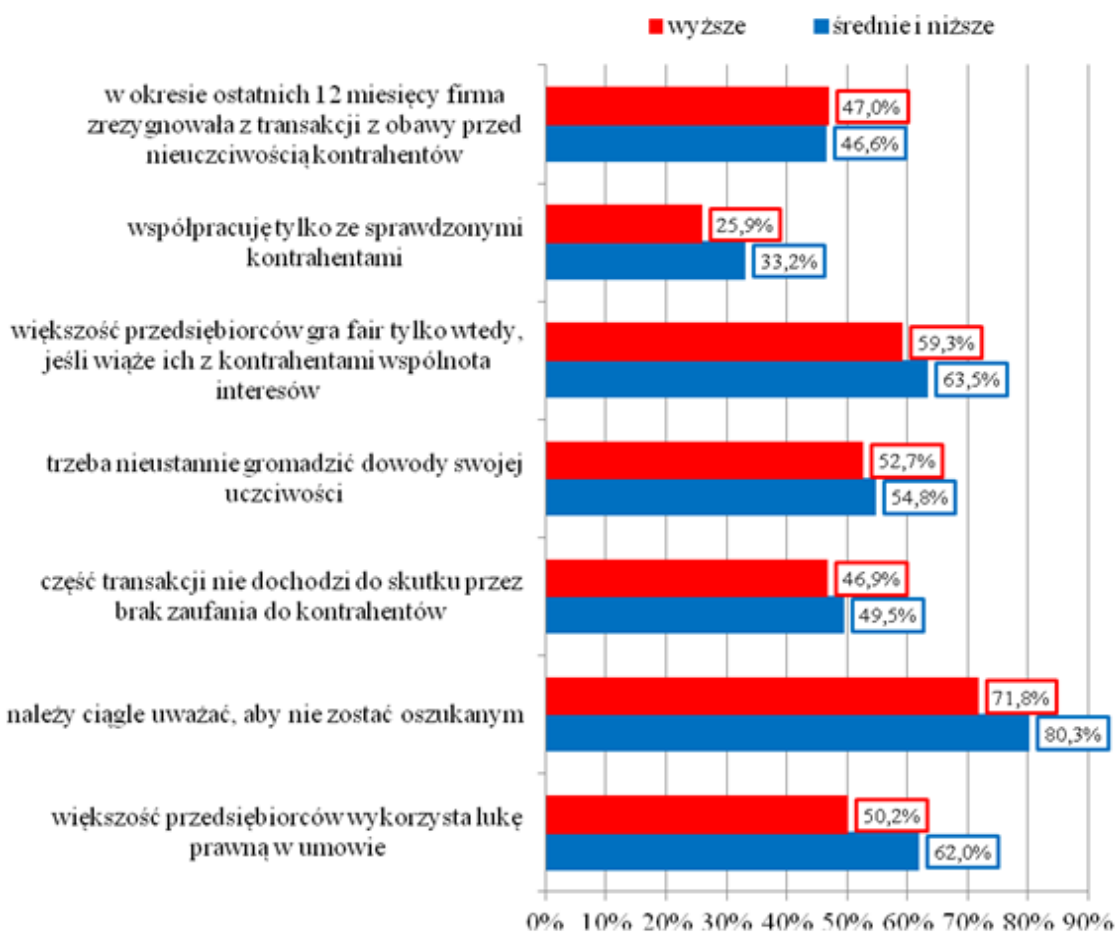


Figure 10: Do better educated businesspersons trust more? (red=higher education; blue=secondary education).

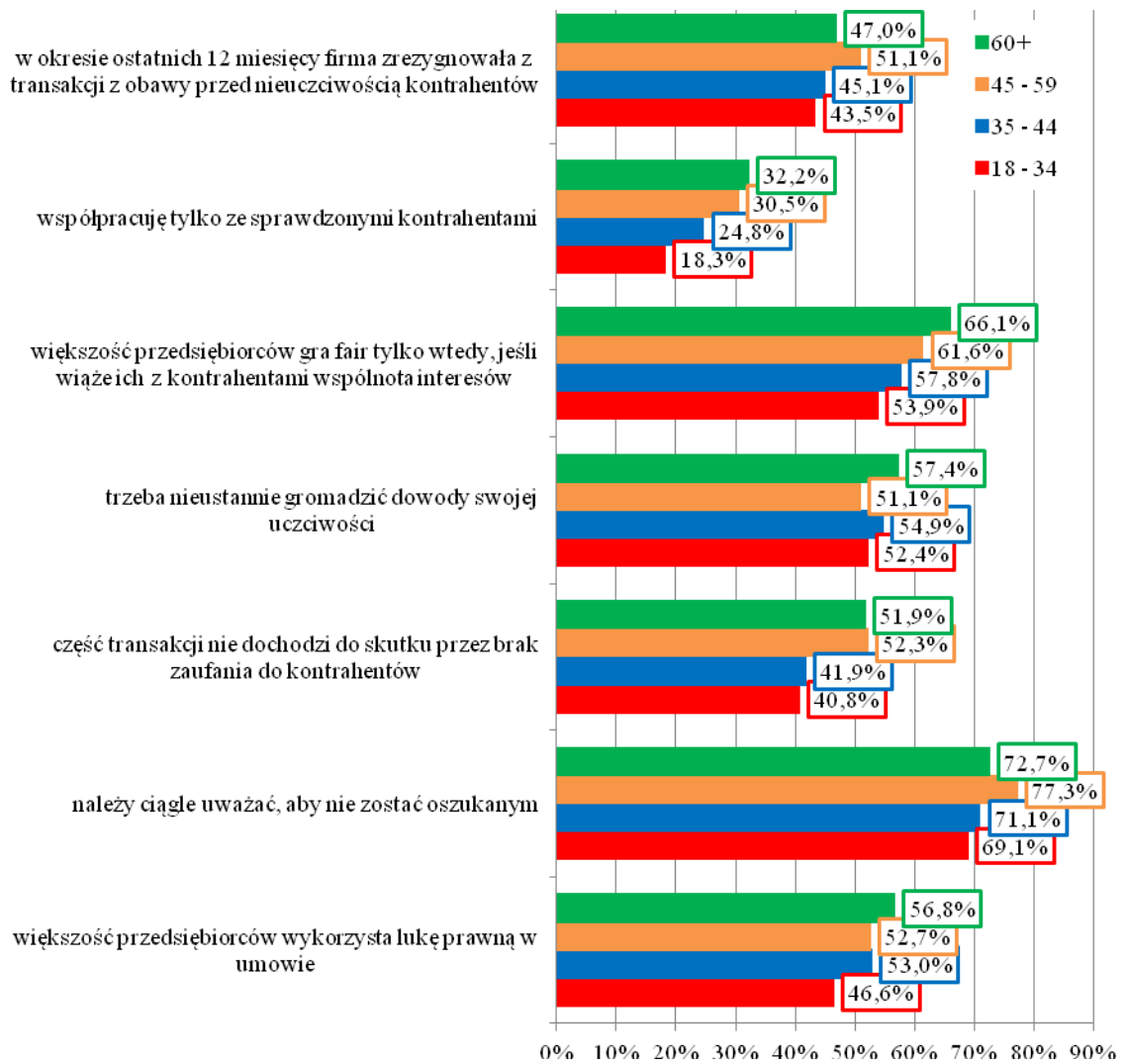


Figure 11: Does age matter – how does age impact the level of trust in Polish business?