

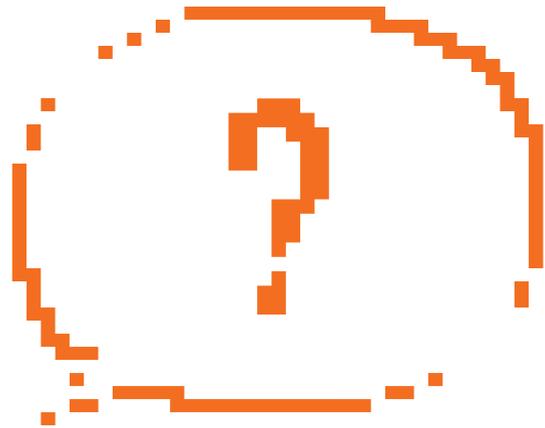
Communication and trust

Carolyn Plewa discovers the critical impact of open and meaningful dialogue when technology is transferred from the public to private sector.

Due to environmental and competitive pressures, technology transfer across organisational and sectoral borders has considerably increased in recent years. Significant amounts of financial, time and human investment is made in this context, reflecting the importance placed on technology transfer and research-oriented collaboration by governments, universities and industry entities alike. However, to date, the efforts of researchers to understand and investigate public-private technology transfer and interactive cooperative research relationships have not matched the significance placed on this topic in practice. Hence, this research aims to contribute to this important area and to encourage further research to develop a prolific research stream on public-private partnerships (PPPs) and more specifically university-industry relationships.

Using structural equation modelling, this study tests the impact of communication on these partnerships. More specifically, information-sharing norms are shown to affect bilateral communication between partners and, in turn, satisfaction. The results of this study clearly portray the critical nature of bilateral communication, and thus of a meaningful dialogue, for the success of PPPs. Only if partners engage in a dialogue and openly exchange information in a two-way manner can a satisfactory outcome be assured.

A partial mediating role of trust is also tested. Trust emerged from the data as a partial mediator for the effect of communication on satisfaction, confirming relationship marketing research. The value of trust in research-oriented PPPs has been related to the risk and

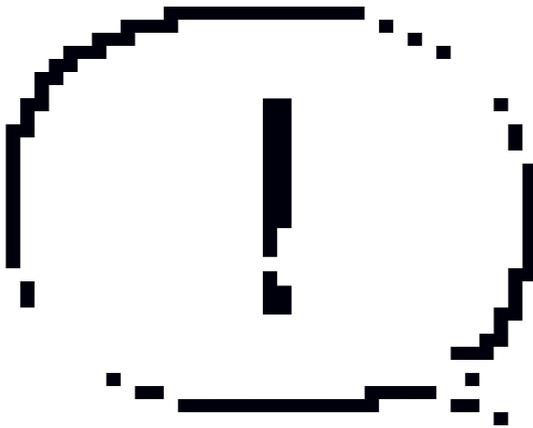


uncertainty of these partnerships and the lack of familiarity between the parties. Trust reduces perceived risk without limiting the flexibility required for discovery and successful research. Academic and managerial implications were discussed and future research directions proposed.

Partnerships are characterised by bilateral interaction between involved parties before, during and often also after the research process, to not only transfer technology from the university to the company, but to encourage two-way diffusion of information and knowledge. Research-oriented public-private partnerships (PPPs) can be defined as trusting, committed and interactive partnerships between public and private sector entities, enabling the diffusion of creativity, ideas, skills and people with the aim of creating mutual value over time. The PMSEIC Independent Working Group stated that the key to successful research diffusion is the “flow of creativity, ideas, skills and people”. Such flow requires a public sector organisation to engage in a research-oriented partnership with a commercial partner to focus on valuable outcomes of research. Partnerships, however, go further than the development of a customer focus. They are characterised by high levels of interaction and communication and a united research effort.

It should be noted that the terms partnership and relationship are used interchangeably in this paper.

The term 'research-oriented' implies a focus on those interactions based on, or oriented towards, research competencies, capacities and results. In other words, it excludes those university–industry relationships (UIR) and interactions associated with non-research related matters. Based on qualitative exploratory research findings and Australian Research Council (ARC) linkage grant publications, it was determined



that research-oriented partnerships between universities and private sector organisations were operationalised on a group level rather than a departmental or organisational level. Hence, the group level, namely research group and business unit, was determined as the relevant level of theory for this research.

To date, empirical research examining UIR outcomes has been sparse and relationship success is evaluated differently in every institution and group. This research focuses on the overall satisfaction with the relationship ('satisfaction' implies the affective outcome measure after all aspects of the relationship are evaluated) taking into account potentially differing objectives and goals between involved parties.

The university has to understand not only the background and customs of the industry partner, it also has to comprehend and appreciate the existing knowledge and technologies of the partner and be aware of the partner's ideas and goals regarding the PPP. On the other hand, the industry partner has to understand the public sector background and practices that might affect processes and procedures throughout the PPP. It also has to appreciate the risks, goals and knowledge that the university brings to the relationship. Only if such mutual understanding develops can the public and private sector entities establish partnership processes and outcomes that are satisfactory for both parties.

While previous research has provided some insight into the influence of communication and trust on research-oriented PPPs, our results provide a more detailed analysis of communication and the mediating influence of trust. Given the critical nature of bilateral communication in this study, future research should further investigate this concept. For example, an understanding of the frequency with which a dialogue should take place may provide more specific implications for management. It is likely that a balance between too little and too much information is needed to ensure that both parties have access to relevant information without suffering information overload.

Furthermore, the positive effect of bilateral communication on PPPs may relate to the content of the dialogue. If parties limit their communication regarding topics critical to the research project and only engage in a dialogue regarding topics not central to the project's success, the positive effect of a dialogue is likely to be limited.

Managers on either side of a research-oriented PPP have not yet received much specific guidance regarding managerial issues arising in PPPs. Hence, the implications arising from this research are believed to be valuable for people engaged in partnerships between universities and industry entities and those people aiming to establish them. Staff needs to be enabled and encouraged to participate in ongoing discussions with the partner. Certain processes and guidelines, such as frequent meeting schedules, informal events and mixed team building may foster two-way communication and should be incorporated into existing partnership agreements and schedules. Furthermore, the establishment of information-sharing guidelines was found in this study to positively influence dialogue between partners. Success is likely to depend on the usefulness of information for the partner rather than just the quantity of information exchanged.

This research suggests that managers should increase bilateral communication in the relationship to promote the development of trust and in turn satisfaction. Furthermore, trust can be fostered by portraying honesty and by providing consistency in communications and actions. Due to the fact that trust develops over time, managers should adopt a long-term view of relationships and allow time for trust to develop and for unfamiliarity and potential prejudices to be overcome.

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