



# TRUST, COMMUNICATION AND COMMITMENT IN THE RELATIONSHIP BETWEEN ENTREPRENEUR AND BUSINESS INSTRUCTOR: A CASE STUDY

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## ABSTRACT

*The purpose of this paper is to lay down a theoretical and methodological basis to empirically study the success factors of the relationship between entrepreneurs and their business instructors during the process of business creation. Our empirical study examined 150 past experiences of Tunisian Entrepreneurs with their business instructors. To carry out this study, factor and bivariate analyses of a questionnaire-based survey of trust, communication and commitment variables are used. Our main results showed that a successful relationship mainly depends on the quality of the business instructor and their material implication in the business creation process. Furthermore, a lack of mutual commitment observed in these relationships can hinder the business creation process*

**KEYWORDS:** *Entrepreneur, Entrepreneurship, Business instructor, Tunisian companies, Survey of trust, Communication, commitment, Factor analyses, Bivariate analysis, Tunisia.*

## 1. INTRODUCTION

The study of the entrepreneur/business instructor relationship shows the existence of certain factors that play a very important role than others, necessary for comfort especially during times of inconsistency and doubt, through which the two involved partners go. Then, it is deemed relevant to study the main success factors of the relationship between entrepreneurs aiming to create a new business unit and their business instructors with their advisory and monitoring functions. In this paper, we will focus on these three factors, because of the extensive research done on these variables.

Trust is considered as the major vector and indispensable condition for sustainable and credible instruction relationships because it provides a sense of security, insurance, and security for the relationship to continue. In addition, trust facilitates cooperation and provides significant results. On the other hand, a good relationship can be born of out of listening, provided that the latter is truly practiced according to the mutual respect principle.

Communication helps clarify the ideas, representations, and perceptions of partners. It also allows establishing good communication that was considered "a key function of the instruction process", (Fayolle, 2002). Thus, mutual listening implies a good understanding of what one partner wants from the other (support needs) and what the other partner can bring to the table (services offered). Indeed, communication allows for settling various issues (inform and be informed,

know and be known, explain and be explained, understand, etc.) that lead to an exchange and a mutual interest relationship. Generally speaking, mutual listening allows for better coordination of the contributions of each partner, understanding of the context and for making appropriate decisions because these latter will be taken considering information and views of both partners.

Commitment is the third variable as one of the factors that ensures a more successful instruction relationship. Assoune (2009) argues that "without the commitment to the relationship or the organization, business instructors and entrepreneurs do not cooperate." Indeed, the relationship between an instructor and an entrepreneur depends on their behavior to show their willingness to remain cooperative. In other words, they must mutually show a commitment to implement the project. As for the need to achieve or succeed, the entrepreneur seeks to be strongly committed.

## 2. LITERATURE REVIEW OF THE BUSINESS INSTRUCTOR-ENTREPRENEUR RELATIONSHIP

### 2.1. Mutual trust between the instructor and the entrepreneur

Trust remains the foundation of a good instruction relationship. In this regard, Filion et al., (2006) argue that the beginning of the relationship relates to establishing a climate of trust and openness and if this step is overlooked it often results in negative consequences.

Accordingly, Sammut et al. (2005) noted that the traditional instruction relationship is known by a limited trust early in the process and then it turns into shared trust. Sammut et al. (2005) add that this trust is built throughout the instruction mechanism. In other words, the process will not persist only if trust, limited at the beginning, becomes little by little shared. Similarly, Giddens (1994) adds that trust is limited, insofar as non-trust cannot persist. Indeed, if the partners do not trust each other, the relationship cannot exist. In this sense, trust seems to be important and indispensable to the success of the instruction relationship because it overcomes a sense of uncertainty, facilitates the transfer of knowledge and sustainability of this relationship. This allows us to formulate the following hypothesis:

*H<sub>1</sub>: Mutual trust influences the instruction relationship.*

**2.2. Mutual communication between the instructor and the entrepreneur**

Fayolle (2004) suggests the need to improve mutual listening between instructors and project promoters. The author adds that this improvement goes through better mutual knowledge of representations and perceptions of objects (notions, concepts, and ideas) shared and presented during their exchanges and transactions, and through the trade-off between the instruction needs of entrepreneurs and the instruction benefits. Regarding the latter, Cuzin & Fayolle (2004) add that in order to capture the diversity of the instruction needs of entrepreneurs, the instructor should check the following three dimensions such as novelty intensity for the environment, and change intensity for the business creator and the progress of the business creation process. Then, in an instruction relationship, each party is expected to have an open mind to be able to cooperate with each other. The communication variable is therefore required and determines the proper conduct of the instruction relationship. This finding gives rise to a second hypothesis:

*H<sub>2</sub>: Mutual communication contributes to the success of the instruction relationship*

**2.3. The commitment of the human capital of the instructor with the entrepreneur**

Giordani (2005) argues that “the success of the relationship requires another condition, namely the mutual commitment of the parties which enhances mutuality of the relationship.” Furthermore, the author considers mutual commitment as “the will of the partners to make short-term sacrifices to achieve long-term goals,” and he believes that the success of the instruction relationship depends on the level and quality of the commitment of the instructor towards the entrepreneur and that the entrepreneur’s commitment is “obvious from the start.”

Accordance with Giordani (2005), the attitudinal approach denotes the intention to continue the relationship, and to develop a preference for partners, it is long-term-oriented. Some researchers argue that commitment results from emotions, feelings of affection and attachment to the cooperative partners. For others, commitment is cognitive and interest-oriented. Moreover, the behavioral approach considers commitment as an act, a decision that binds the individual to his future in some project (Giordani, 2004). Besides, it represents the efforts that the individual actually deploys to maintain the relationship. Through their behavior actors mutually show their willingness to contribute to and stay in the relationship (Brown, 1996). Therefore, we formulate the following hypothesis:

*H<sub>3</sub>: Commitment contributes to the success of the instruction relationship.*

**3. MATERIALS AND METHODS**

In this section we will present the foundations of the instructor-entrepreneur relationship by focusing on the three factors mentioned above, using factor analysis.

**3.1. The sample**

We surveyed a group of entrepreneur during the (2011-2016) period, which has newly created their businesses, by administering a questionnaire that focuses on their relationship with their instructors during the business creation process. We surveyed 150 young entrepreneurs. The questionnaire is presented in the appendix.

**3.2. Methodology**

The method used to explore the entrepreneur-instructor relationship is a factor analysis to cluster the different characteristics of this relationship into one or more factors then theoretically extract all these factors. Therefore, we outlined a series of questions on the satisfaction of the entrepreneur with their instructors in terms of trust, communication, and commitment. Second, we will examine the interaction between the success of the relationship, as measured by meeting the business creation deadline, and the three factors characterizing the relationship between the instructor and the entrepreneur, which are again the instructor’s trust, communication, and commitment.

**4. ANALYSIS RESULTS**

First, we start by checking the adequacy of applying a factor analysis on the predefined variables in the questionnaire (see appendix), as defined above. Adequacy of the factor analysis needs the KMO test, which allows us to judge the fit quality and explanatory power of all the selected variables (Table 1).

**Table1: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.469	
Bartlett's Test of Sphericity	Approx. Chi-Square	749.812
	Degree of freedom	153
	Significance	0.000

Referring to the table above, we see that the KMO test is significant since his value is less than the critical chi-square value (*p-value = 0.05*). This test shows the ability of the factors to be used to cluster most characteristics.

**Table2: Initial and extraction values of factors used to construct cluster characteristics**

Communalities		
	Initial	Extraction
Know-how and security	0.777	0.526
Give-and-take	0.965	0.850
Limited trust	0.736	0.515
Meeting needs	0.929	0.834
Comprehensive listening	0.854	0.669
Knowledge sharing	0.670	0.600
Relationship mutuality	0.857	0.739
Commitment from the start	0.770	0.595
Short-term sacrifice	0.548	0.543
Behavior change	0.900	0.871
Involvement with the organization	0.938	0.834

Extraction Method: Principal Axis Factoring

We note that the factors' power to explain each variable exceeds 50% (Table2). This leads us to apply this method to group these characteristics into the three factors of trust, communication, and commitment. In what follows, we present the results of the factor analysis. From these characteristics,

we tried to extract each of them into one or more theoretically predetermined factors. These factors will represent the success of the relationship between the instructor and the entrepreneur (Table 3).

**Table 3: Factors of power effect on instructor-entrepreneur relationship success**

Relationship characteristics	Respect for business Creation deadline
Know-how and security	0.757
Give-and-take	0.965
Limited trust	0.136
Meeting needs	0.929
Comprehensive listening	0.154
Knowledge sharing	0.270
Relationship mutuality	-0.857
Short-term sacrifice	0.548
Behavior change	-0.900
Involvement with the organization	0.938

**4.1.Trust**

The results of the factor analysis indicate that trust is shown in the instructor's know-how, the give-and-take strategy between the instructor and the entrepreneur and limited trust. We note from table 4, that among the key factors behind the success of the relationship between the entrepreneur and his instructor is the know-how of the latter and the give-and-take strategy between the two parties since these factors correlate with the relationship success at 75.7% and 96.5% respectively. Paradoxically, limited or imposed trust shown by one of the two partners admits a very low correlation with success estimated at 13.6%. This is confirmed by the bivariate analysis, where we found that for the surveyed entrepreneurs, their instructors have met their business creation deadlines.

100% felt that their instructors dispose of advanced know-how. On the other hand, and 60.4% consider that their relationships evolved around the give-and-take strategy. However, imposed trust is not significant, indicating that the success of the relationship of Tunisian entrepreneurs never depends on imposed trust. Therefore, the results reported in our study indicate that the success of the relationship between the entrepreneur and his instructor, marked by respect of the business creation deadline, depends heavily on the quality of the instructor, namely his skills and expertise, leading the entrepreneur to feel secure against any abuse or misconduct on the part of his instructor.

**Table 4: Effect of the trust factors on the instructor-entrepreneur relationship success**

Trust	Know-how	Give-and-take	Limited trust
Respect for the business creation deadline	100%	60.40%	13.6%
Significance	0.05	0.01	0.16

This result is consistent with that of Giddens (1994). In parallel, the relationship rests on interest exchange made possible by the give-and-take strategy. This latter is known not only to consolidate and enhance the entrepreneur's relationship with his instructor; it gives him a bargaining power while the instructor will be more motivated to manage his

partner's interests. Bornarel (2004) found the same result. Unlike previous findings, Tunisian entrepreneurs do not pretend trust in their instructors. This can hinder the success of the relationship and becomes a relationship of distrust that will not be shared by the two partners as shown by Sammut (2005).

## 4.2. Communication

Table 5 shows that comprehensive listening and its correlation with relationship success is not significant. This finding shows that relationship success between Tunisian entrepreneurs and their instructors do not depend on mutual listening. Thus, communication between the entrepreneur and his instructor is based on the instructor's ability to meet the entrepreneur's needs, aligning thus the two partners for better convergence of interests and a successful relationship, Fayolle (2004) found the same result. However, put between 100% and 91% of entrepreneurs say that their instructors did not

fall behind deadlines and that they have met their needs and they share with them their know-how.

Furthermore, we found that sharing of knowledge between the two partners only slightly helps the relationship to succeed. This information monopoly on the part of both partners only aggravates the distance between the two partners and leads to more information asymmetry and conflict of interests and a deviation which can impact the business creation deadline. This result is inconsistent with that of Giodani (2004) who found that that sharing knowledge is essential for the instructor to be credible.

**Table 5: Effect of the communication factors on the instructor-entrepreneur relationship success**

Communication	Meeting needs	Comprehensive listening	Knowledge sharing
Respect for business creation deadline	100%	6.40%	91%
Significance	0.03	0.001	0.000

Moreover, comprehensive listening is totally absent in the relationship between Tunisian entrepreneurs and their instructors. In other words, this relationship lacks mutual listening which is essential for a better converge of ideas and aligning of interests and for listening not to be evaluative and critical. Evaluative communication only widens the interests of both partners and makes the relationship conditioned by the ideas of the instructor or the entrepreneur and consequently, there will be no self-regulation and moderation of ideas allowing for a better relationship.

## 4.3. Commitment

Table 6 shows that the key success factor of the relationship between Tunisian entrepreneurs and their instructors mainly relates to the involvement of the instructor in the project of business creation. On the other hand, for the

entrepreneurs who have successful projects, 95% of their instructors have sacrificed moderately in the short term to ensure the sustainability of the relationship because they are all heavily involved in the project through their human capital in order to receive a reward. Moreover, we also found a strong correlation between relationship success and the instructor's behavior change, once the employment contract is signed between the two partners. Moreover, we found that 84.58% of entrepreneurs who succeeded in their relationships with their instructors have instructors who have changed their behavior after the official commitment. Furthermore, and consistent with the previous results, the mutuality of the relationship is not verified since the interaction between the latter and relationship success is not significant, pointing to the absence of mutual commitment.

**Table 6: Effect of the commitment factors on the instructor-entrepreneur relationship success**

Commitment	Mutuality of relationship	Commitment from the start	Short-term Sacrifice	Behavior change	Involvement in the organization
Respect for business creation deadline	100%	8.40%	95%	84.58%	100%
Significance	0.205	0.001	0.005	0.022	0.005

In fact, the relationship between the two partners is strongly based on financial motives since success requires the involvement of the instructor in the project through rewarding him to align himself with the entrepreneur. When Tunisian instructors commit, they make short-term sacrifices to obtain rewards and they guarantee long-term stability as has been shown by Giodani (2005). Ironically, most instructors adopt different behavior and strategies compared to what was negotiated and secured in the contract, which can hinder the success of the projects as indicated by Valeau (2004).

## 5. CONCLUSION

In this paper, we have been able to examine the theories on the relationship between entrepreneurs and their instructors during the business creation process. This relationship as indicated by authors is based on three pillars: trust, communication, and commitment. All authors have agreed that for a relationship to succeed, it is necessary that these three factors are reciprocal for the relationship to be mutual.

Our empirical study showed that relationship success between Tunisian entrepreneurs and their instructors depends primarily on the instructor's quality, namely his CV, expertise and skills despite the absence of transparent and healthy

information exchange between the two parties, which tends to throw evaluative and incomprehensive dimensions on the instructor who would hide information and even may misbehave after the official commitment. In addition, the relationship between Tunisian entrepreneurs and the instructor is known by material commitment. A relationship based on the give-and-take principle through the involvement of the instructor in the project who may sacrifice in the short-term to generate long-term benefits.

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