Trusting: Fast or Slow but not Forever

Kenneth Kaye[1]

We human beings necessarily and instinctively count on others' trustworthiness, but we tend to underestimate the likelihood of their developing new goals and different priorities. Then we interpret the latter as betrayal of trust.

Conflicts fraught with accusations of betrayed trust on one or both sides can erupt in any relationship, even if both sides have acted with integrity and good intentions. How can that happen? It happens because the great enemy of Trust is not Duplicity, it is Assumption.

This article asks how trusting relationships can *innocently* wind up in conflict and recriminations.

Granted, people do lie, cheat, and steal with remarkable opportunism and creativity. Yet the frequency of those misdeeds does not come close to the human tendency to act cooperatively, even with strangers—more so with acquaintances and even more with those in extended relationships.

As a species, we are fitted to survive by cooperation. Thus our inclination to trust has to be strong enough to outweigh our vigilance and caution. We often need to rely upon others based on first impressions. Over time, we can rely with greater confidence but never without risk. The very word *trusting* means *reliance in the absence of certainty*. We are generally right to rely on others to an extent, though we often err in trusting too fast, too deeply, or too long.

Consequently, people can fail to meet our expectations through no fault of their own. Such disappointments happen when we have failed to factor in the likelihood of changed circumstances. Someone's past reliability led us to assume constancy, so that we experience change as a broken promise or breach of trust. We accuse them of disloyalty, they defend themselves, inciting conflict, and relationships die that could have

evolved. One does well to prepare for that sequence. To show how it happens, I first need to distinguish the two alternative processes that are involved in the psychology of trusting.

Most of my experience dealing with those facts about human nature professionally has been in the domain of family business relationships,[2] but what I want to share here applies to many other domains as well, and not only in modern or Western cultures.

Trusting: Fast and Slow

The two different processes our brains use to judge whether a person, group, or situation is trustworthy for some purpose are

1) intuitive or *assumed* trust;
2) *systematic* relationship-building.

Both are imperfect, but human beings could not function without both methods. They happen to correspond directly to the two systems of human decision-making described by Daniel Kahneman in his book *Thinking: Fast and Slow*.[3] The fast system is what we do when our perceptual system translates sensory data immediately into concepts; for example, *rainstorm* or *military officer* or *neighbor*, with accompanying value judgments and emotions. The slow system, on the other hand, is how we draw conscious conclusions like "Mary deserves a promotion," or "this is a good time to buy."

Obviously, both speeds of thinking are subject to errors. The person in military uniform may be a doorman; and Mary's past performance as assistant manager doesn't guarantee that she will be a great manager.

Fast or slow, decisions to trust are subject to the imperfections of all cognitive processes. Both assumed and systematic trusting entail *risk*: exposure to uncertainty.[4]

The two methods also correspond to two popularly quoted statements about trusting. George W. Bush provided a memorable example of intuitive assumption, which was widely ridiculed as naïve and imprudent: "I looked [Putin] in the eye. I found him to be very straightforward and trustworthy." In contrast, the systematic method is based on gradual risk reduction, as when Ronald Reagan cited the Russian proverb "trust, but verify"[5] when proposing a strategic arms reduction treaty to Soviet Premier Gorbachev. Although the Reagan line is always cited with favor, all of us actually use the Bush method more frequently: many times each day. The simplest transactions depend on fast, largely unconscious risk assessment.

Assumed trust. Let's look at what is involved in the "simple" process first. Figure 1 has two dimensions because a judgment of whether to trust—even a quick deci-sion—is always in the context of some purpose. The horizontal axis RELIANCE refers to how much is to be put at risk (that is, subject to the other's control). Am I being asked to invest $1,000 or $100,000? Am I hiring someone to walk my dog or to care for an infant? Does my friend propose to cook me a meal, or to belay my rope harness as I rappel over a cliff? Whatever is at stake will automatically affect my judgment. The other variable, on the vertical axis here, is the person's or organization's unknowable trustworthiness or RELIABILITY: acquired competence and diligence in infant care or rock climbing, for example.

So there are two kinds of costly error: in the upper left zone, the opportunity cost of missing the value of a potentially great partner; or in the lower right, dangerously relying on one who is (for the given situation) not sufficiently reliable. Between them, like Ulysses's passage between Scylla and Charybdis, is a zone of safe interaction where we can expect little or no harm and possibly much value. Very low reliance on
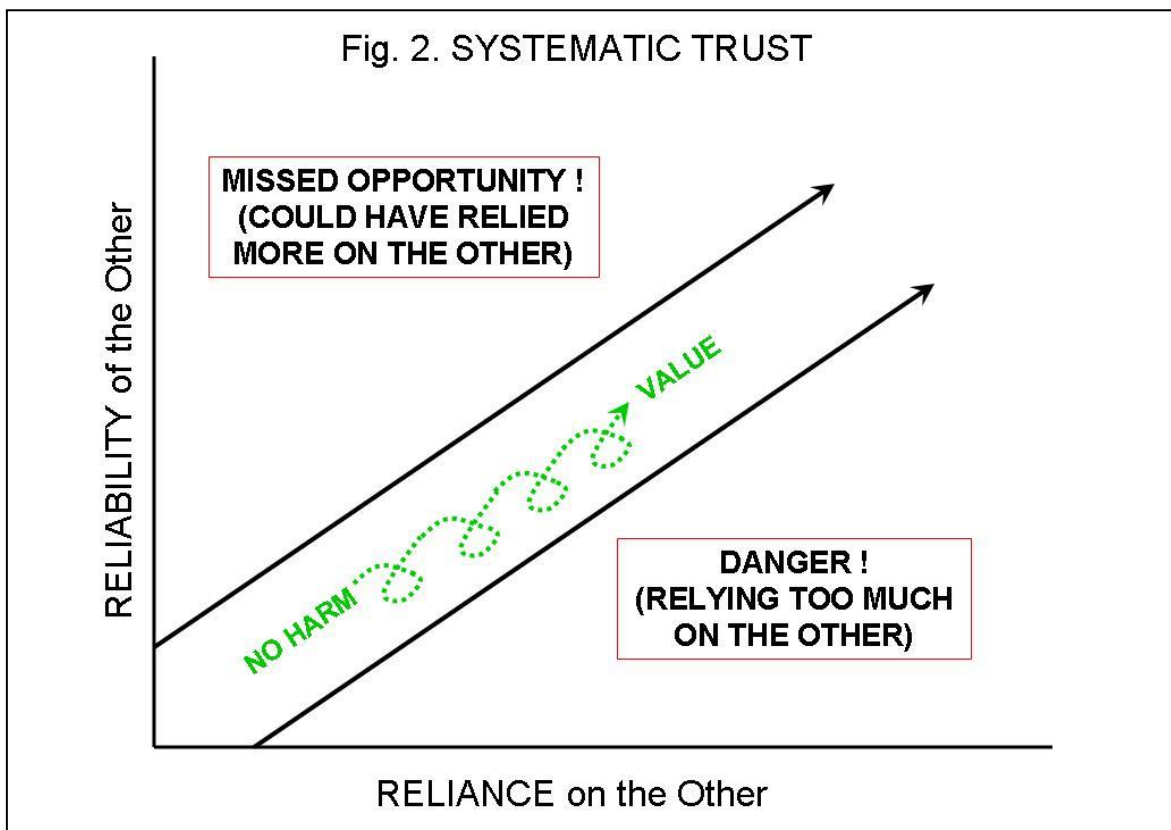

Fig. 1. ASSUMED TRUST
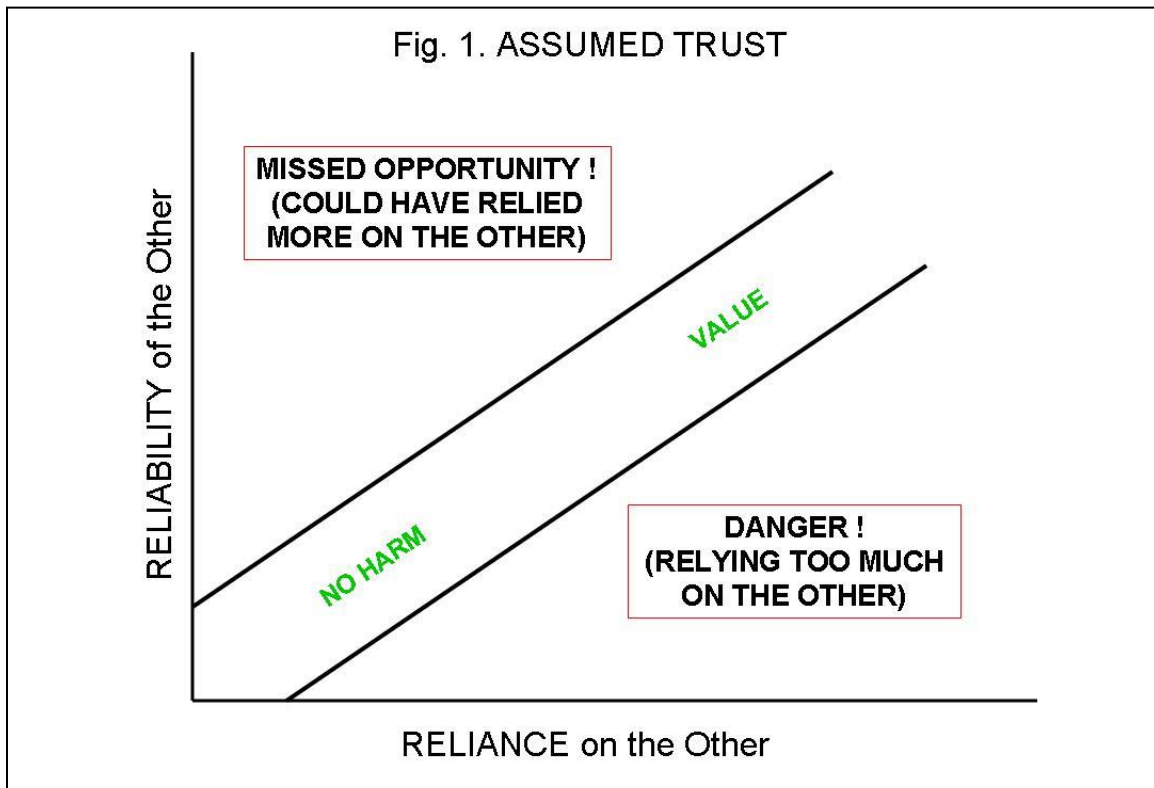
the other party probably leads to little harm but no benefit. Much value comes if we rely on their help *and* we have correctly judged their capability, commitment, motivation, and incentives for cooperating.

When one makes a decision, whether to engage or avoid, one is making a guess about the other party's likely *reliability in the context of one's own vulnerability*. President Bush went on to say "I wouldn't have invited him to my ranch if I didn't trust him." The context—dozens of Secret Service agents, helicopters, hidden microphones—made that a reasonably safe bet. But it didn't reflect Americans' doubts about cooperation with Russia.

Decisions to *dis*trust are also often necessarily made on first impressions or limited data. We are bound to both overestimate and underestimate the trustworthiness of others, all our lives. Discovering that we have been too trusting, *or* that others don't trust us as much as we know they should, leads to conflict.

Systematic trusting (Figure 2) adds the process of testing and verifying over time. Reagan and Gorbachev hoped to build a mutually secure relationship by stages, so the 1982 talks initially assumed trustworthiness only when not much was risked by either side. They were aiming for a future where both countries would get significant benefits in reduced fear for having reduced their arsenals. The Strategic Arms Reduction Treaty was signed nine years later.

The spiraling path in the diagram reminds us that learning curves have ups and downs. Suppose that a business owner hires her son intuitively ("fast" in the sense of being from the gut rather than concerned with his resume). She starts him on the phones or behind a cash register. Promotion to the next level—supervisor, perhaps—will depend on how he does at entry level. He can stay at each level of learning until both of them (and others) are confident that he is ready for promotion. Or they can back up after promotion, if he turns out to need more

Fig. 2. SYSTEMATIC TRUST

MISSED OPPORTUNITY !
(COULD HAVE RELIED
MORE ON THE OTHER)

VALUE

NO HARM

DANGER !
(RELYING TOO MUCH
ON THE OTHER)

RELIABILITY of the Other

RELIANCE on the Other

training or practice. Her trust in him may eventually progress so far as to turn the business over to him decades later. Or it may reach a plateau beyond which she is unwilling to risk delegating more control to him.

There is nothing unique to family business relations in this process. It works essentially the same way whether the other is a person or a group, and whether the qualities in question have to do with competence, honesty, hygiene, loyalty, morals, or religious practices. This kind of interaction over time—building reliability for greater reliance, adjusting reliance to keep it in line with verified reliability—occurs constantly among people in all walks of life.

With clients who describe their concerns as loss of trust in some area, I frequently sketch Figure 2 and have them discuss their relationships in those terms. They readily understand the point, as does anyone who has taken part in a training, certification, or apprenticeship process—any kid who has to pass a swimming test at camp for the privilege of going beyond shallow water. It is the process of earning a license to drive a car, powerboat, or plane; to advertise as an electrician or a psychiatrist, attorney or broker/dealer. It represents the course of trusting on both sides in the process of executive accountability; in couples, dating and courting; in winning and maintaining a client; even resolving a longstanding conflict between communities. At all those levels, both sides engage in step-by-step risk-taking, monitor the result, and decide whether to trust a bit more or pull back some control. It takes work, but all areas of cooperation absolutely depend upon testing and verifying at successive levels of reliance and reliability.

Reliability becomes promise

Evolution gave us the fast process primarily to reduce danger by discriminating classes of likely friends from likely foes; we use the slow process for going on to build relationships of special trust. Sometimes the two processes interact, when a *gradually* acquired relationship leads to fast, *assumed* trust in a new area (rightly or wrongly). For example, the hormone oxytocin appears to heighten people's fast trusting of affiliates but increases caution with strangers.[6] (Note the endocrinology evidence of the importance of emotion; trusting is never merely a cognitive decision).

It is the fast, *assumed* risk/reward assessment that gets us (or not) to the first date, the customer's first order, provisional employment, or enrollment in a training program. *Systematically* building trust through verification can only begin after that initial risk-taking. We start a tentative relationship with a modicum of assumed trust ("this feels safe"). Or we take a pass because it doesn't feel safe. We make many more of those guesses about safety—based as much on learned prejudices as on experience—than of the careful, systematic kind. We have to, because we conduct transactions with strangers every day. Fortunately, fast inferences from little information are effective, more often than not. Assumptions may be disastrous for an investor in a Ponzi scheme or a young couple being "helped" by a predatory lender—or an entrepreneur who brings a relative with a record of failure into his business on the basis of hope and love alone. But there is little danger in the decision to let someone take first steps on a *process* of mutually earned trust. It is axiomatic: "nothing ventured nothing gained," but "look before you leap," "keep him on a short leash," and "actions speak louder than words."

Mutual trust. When party A shows trust in B, it encourages B's trust in A. Conversely, if B sees A *not* trusting him, B has good reason to be wary of A ("he sees me as a danger to him") and therefore be less trustworthy to A ("I'd better look out for myself").[7]

Therefore, every trusting/trusted relationship is a *mutual* process: each side is both trusting and being tested. The employee or vendor or apprentice is taking a risk by committing time and effort, learning how far she can trust the employer or customer or mentor who is evaluating her. It feels safer over time, to have developed any such relationship. That feeling produces a hopeful expectation that the trend will continue indefinitely. Reliability is experienced as a promise, even an obligation. There the danger lies.

Disappointment becomes "betrayal"

The farther one moves along that process from "little harm" to "much value" (increasing one's reliance on a reliable other), the more one has put at risk, and therefore the more intense one's emotional reaction if reliability for the given purpose turns out to be less than expected. Trusters are not merely "disappointed" when their investment in the process fails to secure the loyal reliability they thought it had, they feel "betrayed" and "deceived". The other party's history of reliability was interpreted as if his or her needs and goals would never change. Added to the truster's indignation is humiliation, as if he or she has been made a fool of. A natural human reaction is to respond with rage, threats, termination of the relationship, or retaliation.

The constructive alternative to indignation and termination is illustrated by that back-tracking spiral in Figure 2.

Risk of cheating over time. With the human ability to earn and grant trust comes the ability to deceive, at which our species is equally skilled. Any time you trust someone, you provide them with an opening to cheat you. You have reason for increasing reliance on them as they demonstrate reliability—but that in turn creates more opportunities and more loot for them to steal. Being trusted gives them an incentive to be untrustworthy!

That does happen, and rightly gets a lot of press and public attention. Yet it isn't the most common effect of trust. The reader has known trusted custodians of other people's money, property, or confidential information. Think how few of those have violated their clients' or employers' trust through duplicity. (Don't count incompetence.) Most often, while what people could gain by duplicity increases, so does the value to them of continuing to merit trust. It brings legitimate income and privileges. Sacrificing the trusted relationship would entail the cost of having to build new relationships from scratch—after a damaged reputation. Actually, it rarely comes to a calculation of costs versus gains, because they have internalized cultural forces emphasizing character and reputation. That is why we have family bonds, tribal bonds, shame and guilt, all of which increase the value of long term loyalty and impose social sanctions for breaking trust. It is also why we have laws and courts to punish breach of contracts or violation of license privileges.

A trusting/trustworthy relationship is an asset not given up lightly. Having invested years in it, people and organizations usually value their good name above any temptation to exploit the opportunity for illicit gain.

Of course, there are crooks who never should have been trusted in the first place. (Remember, this article is not about them.) But in my experience, successful working relationships that later fail are rarely the result of willful treachery, either longstanding or opportunistic. Something else happens. People change.

Change becomes "broken trust"

We make predictions about people's trustworthiness on the basis of our experience with them, or others' reported experience. Past and present performance is all we have to go on. But the assumption that people will *continue* to be as reliable for

us as they have been in the past is just that: an assumption. It under-predicts change. Even when people don't change inside, their circumstances change. The industry changes, the people they work with change, economic conditions change. With the best of intentions to be faithful to their commitments, they may find themselves with new, incompatible priorities.

A business partner example[8]: Two friends, electricians, started a small contracting firm in their early twenties, Rick handling sales while Jeff managed their projects. Rick soon married Jeff's sister, Lois. By working long days and staying abreast of technical developments, they thrived and built a substantial firm specializing in high-tech office construction. They trusted each other completely and remained close friends. The shared plan was to sell their company when its value reached $20 million. But after Jeff's heart attack at 50, he started taking frequent long weekends and whole weeks away at his cabin. Rick and Lois willingly accepted a greater share of day to day management. Then, at 55, still far from their retirement target, they got a cash offer of $8 million for the company. Jeff wanted to accept it or have Rick buy him out. It would allow him to stop working and buy off his entangling divorce obligations. Rick was afraid he could not afford the risk of financing a buyout for Jeff—nor continue Jeff's salary while hiring a general manager to do his job. Rick and Lois felt betrayed. "We always said we'd all keep working …." Suddenly they resented the five years of covering for Jeff since his heart attack. Jeff countered that Lois had been overpaid and his own former wife had not been given a chance when she wanted a job in the business.

A financial resolution was found—but not before the fight escalated, due to the instinctive emotional reactions to perceived failures of trust.

Integrity doesn't assure constancy. We should not expect it to, but we do. Thus the slow, relationship method of controlling risk also creates its own risk of pain and conflict if a productive relationship fails to continue indefinitely.

So conflict about "broken trust" in a relationship is not necessarily a result of individual moral failure or group dysfunction. When it ends in people moving in separate directions, that is not automatically a "failure". It may be normal differentiation.

We want others to change only as necessary to stay on course for better reliability *to us*. We call that kind of change "trustworthy." We *don't like* changes that may be healthy developments for them but inconvenient for our reliance on them. "I don't trust her" often means "I can't be sure her priorities won't change." "Can I trust you?" often means "Do you promise not to change in ways that won't work as I change, or the world changes?" When entrepreneurs say they bring family members in because "you can trust family," they are making two assumptions about long term ties: (a) relatives are more trustworthy than others, and (b) you know how their strengths, weaknesses, and desires will develop. But (a) is not necessarily true, and (b) is a fantasy. On the negative side, those strong ties are hard to break if they become unproductive.

In short, trusting/trustworthy relationships can arrive at a place where they no longer work to the benefit of both parties (Figure 3). People of good character, committed to cooperation and long term relationships, may cease to be reliable partners because of changing goals and circumstances. One or both of them experienced it as a "breach of trust" (though there really was none), and conflict erupts. Normal developmental differentiation was to blame. People grow, marry, have children, age. Their individual goals change. The external demands of their roles change.
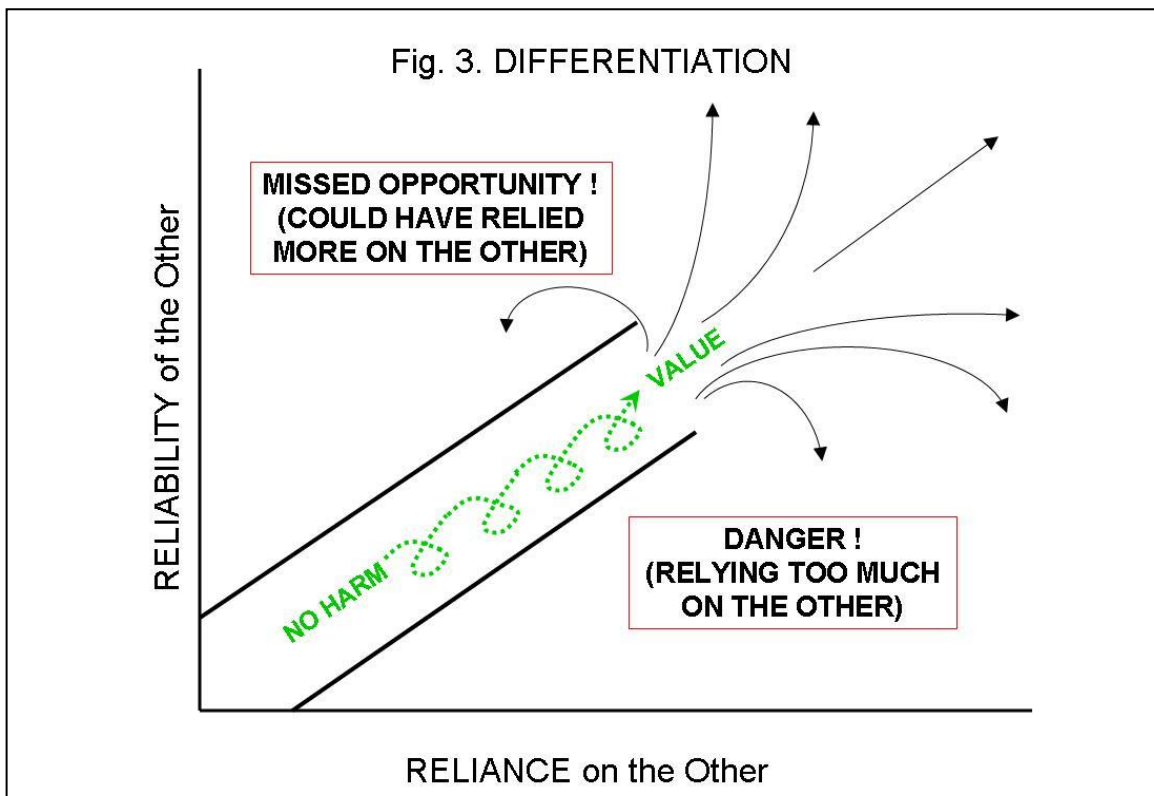
Flaw in the model. Those changes make the model of systematic trusting inherently unstable over periods of years and decades. In a six week safety training for machine operators, everyone is seeking the same valued relationship. But in a twenty year progress toward succession in a family business, the partners' mutual commitment depends to great extent on wishes and desires for an *imagined* future that is impossible to plan for with precision. They may not continue to share that vision as it evolves and their family, industry, technology, and the global economy change.

I said that such relationships gradually increase in mutual reliance and reliability, through a process that includes corrective back-tracking when necessary to maintain reliability for the given level of reliance. But a significant change in priorities triggers a *giant* step backward; in fact, the emotions of fear and anger can extinguish the whole process. Trust once "broken" may take a much longer time, if ever, to rebuild.

Denial postpones communication

The foregoing considerations lead me to suggest that those who advise family businesses or other organizations about planning for "continuity" may place too much emphasis on mortality when warning clients about failures to communicate and build succession plans. Focusing on that, important as it is, may neglect something people think about *less* than the fact that death or disability can strike unexpectedly: the fact that known integrity and current shared purposes don't constitute a binding contract.

Some people stay in marriages for years before admitting to their spouses (and perhaps themselves) that they have given up hope of its working in the future and are dreaming of getting out. When I was a psychotherapist, a number of my clients had started extramarital affairs after giving up hope for their marriages but *before they could express their despair to their spouses in a kinder way.* The secret affairs sooner or

Fig. 3. DIFFERENTIATION

MISSED OPPORTUNITY !
(COULD HAVE RELIED MORE ON THE OTHER)

VALUE

NO HARM

DANGER !
(RELYING TOO MUCH ON THE OTHER)

RELIABILITY of the Other

RELIANCE on the Other

later led to open conflict, with most ending in divorce. Perhaps the original issues could have been addressed effectively earlier, perhaps not. Was deceptive behavior the cause of conflict and destroyer of trust? No. The chain of causes, whatever they were, had preceded any cheating. The couples' needs and goals had diverged. They were not addressing that problem directly.

The often cited stages of dealing with one's own dying or a loved one's—denial, anger, bargaining, depression[9]—can also be seen in the loss of a shared-goal relationship. But here it has the added complication that no one dies, which may make it harder to get beyond those stages to acceptance.

One of my clients, heir to a profitable tree nursery, trained and gradually promoted her son in the hope (shared by his father and sister) that he would carry their legacy forward when she retired. As he became a capable farm manager, which she acknowledged, he calculated that more of their land would have to be put under cultivation in order to keep the enterprise profitable. She had always been clear that she intended to save nearly half the land—300 acres—as a conservation easement. When her father had cleared the oak forests for commercial trees, he meant to keep the rest as a wetland. Her son said the farm had to grow, to survive. It could not support two generations otherwise. They were stuck at an impasse, each of them choosing to believe the other would eventually have to concede. He did feel that the farm was his destiny and responsibility, and his actions and words were trustworthy. She had made no false promises. She had always talked about the estate tax deductible conservation plan. She had verified his abilities and responsibility, then *assumed* they were on course. She thought the succession process obligated him to take over, on her timetable, following her vision. Both of them persuading themselves that the other would have no alternative but to change his or her vision, mother and son were soon mired in accusations of bad faith. In denial, anger, bargaining, and depression, they argued about half a dozen issues other than the fatal one: that their goals were incompatible.

Acceptance becomes opportunity

Most of what I and others in my profession have written about conflict resolution deals with crises of differentiation when the systematic trusting process has broken. People are accused of violating trust; associates are blamed, insulted, and made defensive; relationships are on the verge of ending badly. What can we learn about resolving those crises in the light of the sequence of failed communications discussed above?

The most useful move, I think, is to remind people that changing priorities are as normal as changed circumstances. They need to clarify and revise assumptions instead of arguing over spilled milk. Even if too late to get back on the same path, the parties have constructive options once they accept the situation. Accepting at least that much allows an aggrieved *individual* to move on. Conflict resolution goes a step beyond acceptance, making the difference between the *relationship* back-tracking and finding a new path, or only ending.

Acceptance without resolution. All of us, at times, are forced to accept that we cannot change other people and that whining about their having messed up our plans will not stop them for long from taking their own path. People in conflict can reach the point of accepting that reality without resolving the issues they have been fighting about. (Peaceful divorce with no children is the prime example.)

In those cases, forgiveness may or may not occur; to forgive is possible (and easier than in cases of willful harm such as abuse, addiction, or neglect), but for acceptance without resolution, forgiving isn't necessary

Acceptance with resolution. What happened to the electrical contractors above occurs in many families: the past "promises" provoking accusations of bad faith may provide enough heat to energize them for redirection. Forced to accept the situation, they are able to forgive themselves and forge a different relationship. (It helped in that case that the partners were also best friends from high school and brothers-in-law.)

Forgiveness of oneself *and* the partner is a necessary step in being able to resolve the conflict and preserve the relationship. Forgive oneself for what? For one's own failure to continuously verify shared goals, and for labeling that omission as a broken promise by the other.

The diverging paths in Figure 3 don't have to mean that the trusting ends, only that its object changes. A divorcing couple who are not consumed by hurt and anger can become better co-parents than previously. A co-founder of a business who leaves in a constructive way can be a source of future business and social connections. A community organization that divides to accommodate different primary missions can remain collaborative on other shared concerns. None of those sorts of constructive redirections of energy happen if the relationship ends in acrimony over "broken trust."

So this option beyond mere acceptance ends the *specific* trusting relationship, but restores respect and affiliation for new or previously secondary purposes.

Acceptance with great resolution. The best possibility is to discover that the apparent loss of shared purpose was due to misunderstanding, assumptions, and lack of creative discussion. When all charges of impropriety have been withdrawn, the parties make accommodations to each other and may find themselves back on Figure 2.

Robert Hurley, who sees trust as an attribute of dynamic organizations, empha-sizes communication as the most important factor for exactly this reason.[10] With communication, shared goals can be fine tuned. John Gottman's work on marital trust demonstrates how communication allows couples to work through the normal changes in agenda that maturation brings.[11]

Prevention: challenge the dream

Everything I have said in this essay might apply to any working relationship that involves increasing reliability and reliance: between owners and key employees, founders and successors, marriage partners, trust in the CEO of a corporation or non-profit organization, CEOs' confidence in key managers. Maintaining any trusting/trustworthy relationship is not about constancy, it is about people's ability to adjust to change and accept the necessity of asking disquieting questions.

For people in valued relationships and for those who advise them, I conclude:

The accusation of "broken trust" is a killer, not a cure. Trustworthiness is not an attribute of character, it is a mutually productive current relationship for a defined shared purpose. Accusations of bad faith are not particularly effective at bringing people back to a relationship that was not working for them.

Beware of the tendency to assume that reliability means a commitment not to change. As the standard disclaimer says, "Past results do not guarantee future performance."

Verification of performance is only for catching present unreliability (cheating as well as unintentional errors). No amount of verification ensures permanent loyalty. But there is a way to ensure that change doesn't come suddenly as a destructive surprise for either partner in a trusting relationship. It is not enough to verify past and present conformance with expectations. Parties also

periodically need to verify their shared goals for the relationship's future. They must not be afraid to push for candor and to challenge the shared dream.

Even then, they will tend to overestimate their own ability and their partners' ability to stay committed to long term shared goals. So in building *future* trustworthiness for great responsibility, there needs to be *explicit* questioning of the future and verifying long term goals—to the best of our ability. This goes against our nature: we don't like to test our fantasies—don't want to know if they're not realistic. Kahneman describes this as the "planning fallacy," which he and his colleague Amos Tversky defined as "plans and forecasts that are unrealistically close to best-case scenarios" and "could be improved by consulting the statistics of similar cases."[12]

Be proactive. Figure 3 illustrates that a good time to institute regular communication about both parties' needs in the future is while a trusting relationship is still mutually beneficial. The more candid such discussions, and the more they address all imaginable directions that the partners' separate needs might take, the fewer costly surprises.

Exit plans. Finally, as I have written elsewhere[7], it is as important to have clear termination options as it is to review shared goals. Because no one can predict the future (any more than guarantee health and longevity), it is wise to put as much thought and discussion into how you would constructively *stop* relying on the other as to how you hope to *continue* doing so.

Notes and References

[1] Janice Bell, Sara Hamilton, and Bryan Dunn gave invaluable feedback in the drafting of this article.

[2] K. Kaye, "Family Conflict and Human Nature," http://kaye.com/fambz/Conflict_and_human_nature.pdf

[3] D. Kahneman, *Thinking: Fast and Slow*. Farrar Straus and Giroux, 2011. Kahneman's book about his Nobel Prize-winning life's work is enjoyable reading, but detailed. Fortunately its wisdom can be absorbed in an hour by googling Kahneman's TED talk or one of his other lectures on YouTube.

[4] From the same root concept, *a trust* is a legal contract for reducing risk.

[5] "Trust, but verify" actually paraphrases a much older principle, from *Ecclesiastes*.

[6] M. Kosfeld, M. Heinrichs, P. Zak, U. Fischbacher & E. Fehr, (2005). Oxytocin increases trust in humans. *Nature* Vol. 435, pp. 673-676.

[7] K. Kaye, "Trust in the Family Enterprise," http://www.kaye.com/fambz/Trust2.pdf

[8] Names have been changed, but both examples discussed in this article are actual cases.

[9] E. Kubler-Ross, (1969) *On Death and Dying*. Routledge, 1969.

[10] R. Hurley, *The Decision to Trust*. Jossey-Bass, 2012.

[11] J. Gottman, *The Science of Trust: Emotional Attunement for Couples.* Norton, 2011.

[12] *Thinking: Fast and Slow,* p. 250.