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Who Can You Trust?

by David DeSteno

Imagine that you're negotiating a multiyear deal to provide outsourcing services to a large company. The client tells you that her firm wants to sign on for a certain level of services, but she'd like you to be willing to deliver more on the fly, trusting that you'll be able to work out terms for the additional resources as the need arises. Should you agree?

Or imagine that a potential business partner wants to buy $12 million worth of services from you but can spend only $10 million because of temporary budget constraints. He dangles the prospect of long-term revenue opportunities in exchange for the discount but says he can't commit to anything yet. Should you give him the deal?

Situations such as these present dilemmas for any manager. The answers aren't obvious. If you choose to trust new clients, contractors, or collaborators, you make yourself vulnerable: Your outcomes, financial and otherwise, now depend on their fidelity. But if you insist on verifying each claim and accounting for every detail before a deal is signed, you'll slow the process and increase costs, potentially putting yourself at a disadvantage.

The two scenarios above come from a friend of mine—let's call him Rob—who is a partner at one of the world's largest consulting firms. (Since we're talking about trust, we've used a pseudonym to protect his anonymity as well as his firm's and his clients'.) Although he agreed to both clients' proposals, the decisions to trust led to very different outcomes. The first client took Rob's assent as confirmation that she and her very large firm held the power in the relationship and could therefore dictate terms for future work; as time went on, she made it clear that if the increasingly unreasonable demands of the firm weren't met, it would simply move on to another, more willing provider. The second client, by contrast, proved trustworthy, and the long-term revenue it generated for Rob's company more than compensated for the discount granted in the initial agreement.

Success in business unquestionably requires some willingness to cooperate with and have faith in others. The question is, how much faith and in whom? Decades of scientific research show that people's accuracy in deciding if another can be trusted tends to be only slightly better than chance. But this isn't because trustworthiness is completely unpredictable. It's because the guidelines most

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of us use to make such predictions are flawed. We place too much emphasis on reputation and perceived confidence, ignoring the fact that human behavior is always sensitive to context and can often be better assessed by our own intuition.

So when your company's money and resources are on the line, how can you do a better job of gauging trustworthiness and thereby improve your likelihood of success? This article draws on emerging research to show how trustworthiness works and offers four points to keep in mind the next time you're deciding whether or not to do business with a new partner.

Integrity Can Vary

Most people use reputation as a proxy for integrity. Has the company been reliable in the past? Would previous customers endorse it as a good business partner? Answers to such questions are some of the most sought after in the world of commerce. Dozens of websites and resources, from Angie's List to Stack Overflow, have sprung up to meet the demand. But there's a problem with such strategies. Contrary to common belief, integrity isn't a stable trait: Someone who has been fair and honest in the past won't necessarily be fair and honest in the future.

To understand why, we need to abandon the notion that people wrestle with "good" and "evil" impulses. Except in cases of serious psychopathology, the mind doesn't work that way. Rather, it focuses on two types of gains: short-term and long-term. And it's the trade-off between them that typically dictates integrity at any given moment. Individuals who break a trust—by promising work they won't or can't deliver, for instance—may reap an immediate reward, but they reduce the likelihood of accumulating greater benefits from exchange and cooperation with the same partner (and perhaps others) in the future. Which outcome is better? It depends on the situation and the parties involved.

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Take cheating. Claremont McKenna psychologist Piercarlo Valdesolo and I have conducted many experiments on the topic, and one surprising (if disheartening) result we have found, time and again, is that 90% of people—most of whom identify themselves as morally upstanding—will act dishonestly to benefit themselves *if they believe they won't get caught.* Why? Anonymity means no long-term cost will be exacted. Even more startling is the fact that most of those who cheat also refuse to characterize their actions as untrustworthy; they rationalize their behavior even while condemning the same in others.

The upshot is clear. Trustworthiness depends on circumstances. If a contractor guaranteeing work is under significant pressure to cut costs to meet end-of-year targets, her focus might shift to short-term concerns, causing her integrity to slip. Similarly, if a salesperson is about to close a big deal but plans to leave his firm within a short time, the calculus becomes quite simple: Agree to the prospect's demands, and damn the consequences. So remember, a reputation earned doing business with one customer with one set of costs and benefits can't be relied on to hold up when trade-offs or accountability change.

Power Does Corrupt

Which man do you expect to be more honest: the one wearing an Armani suit or the one wearing a sport coat from Men's Wearhouse? Although clothes might seem irrelevant, research by Paul Piff, a social psychologist at Berkeley, suggests that indicators of socioeconomic status can predict trustworthiness. It turns out that increasing status and power go hand in hand with decreasing honesty and reliability. In one experiment, for example, Piff and colleagues asked participants to play the part of a job recruiter. The participants were told about an open temporary position that would last for no longer than six months, and about a well-qualified applicant who was interested only in a long-term role. When asked to prepare their pitches to woo this applicant, those recruiters with a higher socioeconomic status not only neglected to tell the applicant that the job was temporary but also told the study's leaders that they would lie about the job's duration if asked.

From this and other findings, you might think that the rich are simply less trustworthy than the poor, but that's not exactly the case. A person's honesty depends on his or her relative feelings of power

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—or vulnerability—not on how much he or she has in the bank. Work by University of Cologne psychologist Joris Lammers proves the point. Lammers randomly assigned people to be a “boss” or a “follower” in an office simulation and found that most people temporarily elevated to more-senior roles displayed a higher degree of hypocritical behavior—they were quick to condemn others for unethical, self-interested behavior but judged their own similar actions to be acceptable.

When someone has a higher status than you, or even just thinks he does, his mind tells him that you need him more than he needs you. Consequently, he’s more likely to satisfy short-term desires and worry less about the long-term consequences of being untrustworthy. So when deciding whom to trust, you have to consider power differences, including new and temporary ones. If a potential collaborator has just been promoted or has landed a big deal, he might regard some relationships as less important. And although top firms often have great reputations, that doesn’t mean they treat their small clients as well as their larger ones.

Confidence Often Masks Incompetence

Of course, integrity isn’t everything. Competence counts, too: Honorable intentions don’t matter if a person’s capabilities aren’t up to the task. Our minds recognize this fact from a surprisingly early age. For example, children as young as four are more apt to seek and believe information from instructors whom they perceive to be more competent, according to research by Harvard professor Paul Harris.

Confidence is so alluring that we’re often willing to trust anyone who expresses it, especially when money or other resources are at stake. For example, people are more willing to trust and use information offered by confident-looking others when working on problems for which they could earn a profit, as work by University of British Columbia psychologists Jason Martens and Jessica Tracy demonstrates. Similarly, in my own research with Lisa Williams, of the University of New South Wales, we found that people expressing pride in newly formed working groups were the ones who quickly rose to positions of leadership, even though the abilities that their pride stemmed from were not relevant to the task at hand.

But too often we mistake people’s self-confidence for true ability. If someone can back up his or her bravado with consistent performance, there’s no harm done. If you fall for empty (or deluded) posturing, however, it’s a problem.

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What's the best way to assess competence? Do your homework. Although reputation isn't always a good indicator of integrity, it is a solid predictor of competence. That's because capabilities are relatively stable regardless of trade-offs in rewards and thus aren't subject to a moral calculus. So when you perceive confidence in a company's leaders, talk to current and previous employees, suppliers, and customers to verify that it is warranted.

It's OK to Trust Your Gut

Researchers in the academic, business, and military communities have spent years trying to uncover a few simple methods for detecting trustworthiness but, despite their best efforts, continue to come up short. All those books promising to teach you how to spot liars through body language? None has empirical support. And, as a recent report by the Government Accounting Office revealed, even the tactics Homeland Security and TSA agents are trained to use don't work reliably.

The temptation, of course, is to look for one "tell" that indicates someone can't be trusted. Is it a false smile? Shifty eyes? The reality, though, is that any single cue is ambiguous. If someone touches her face, she might subconsciously be trying to hide something—or she might have an itch. To accurately infer another's intentions, you need to look for *a set* of cues—gestures that together can more accurately predict or reveal motivation. The good news is that most of us do this instinctively.

Four Signals That Someone Can't Be Trusted

In a recent experiment with colleagues at Cornell and MIT, we filmed people having a brief "get to know you" conversation either face-to-face or via online chat just before they played an economic game that pitted self-interest against cooperation. Although the average level of cooperation was equal in both groups, people's predictions for how fairly their partners would act when making monetary exchanges were significantly more accurate when they had previously interacted face-to-face. This meant that a trust-relevant signal had to exist.

To find out what it was, we compared sets of nonverbal cues we had collected from the recordings to see which of them predicted untrustworthy behavior. We found that four—leaning away from a

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partner, crossing one's arms, hand touching, and face touching—were reliable indicators *when occurring together*. The more frequently an individual expressed all four cues, the more self-interest she showed by refusing to share profits with a partner. And the more times a partner saw her display those cues, the more the partner expected her to cheat. Most interesting of all, the face-to-face participants had no awareness that they were using the cues to make inferences about trustworthiness; they had developed more-accurate intuitions without being able to say why.

We then repeated the experiment, with one important change: Participants conversed not with another human but with a humanoid robot that had been programmed to express either the four target cues or neutral ones. The robot provided exacting control: It could repeat the target gestures with a precision that no human actor could achieve, meaning that we could ascertain the power of the four cues. And the results were what we'd predicted: When people saw the robot express the target cues, they reported trusting it less and expected it to cheat them more.

These findings demonstrate that our minds come with built-in trust detectors. They also reinforce how valuable intuitions, or gut feelings, can be. The problem is that managers and negotiators often suppress their intuitive machinery by either (a) ignoring it in favor of what they believe to be more rational predictors for trustworthiness, such as reputation or status, or (b) mistakenly looking for the wrong nonverbal "tells."

I suggest allowing your mind to arrive undisturbed at a judgment. Recent research led by Marc-André Reinhard of the University of Mannheim confirms the efficacy of this approach. The researchers had participants watch videos of honest and deceptive people. Immediately afterward, half the participants were encouraged to deliberate on who was trustworthy, while the others were told to distract themselves with a different task. The latter group proved to be significantly more accurate in subsequently identifying who was trustworthy. Why? Distraction allowed their nonconscious minds to extract meaning from the multitude of nonverbal cues unimpeded by analytical interference.

How to Prompt Trustworthiness in Others

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Of course, you shouldn't blindly trust your intuition. But you should use it as a valuable piece of information. Knowing the right cues to look for will also increase your accuracy, since you'll be less influenced by common misperceptions about trust. Remember, though, that body language gives insight into a partner's *current* intentions only. Even greater accuracy comes from considering the changes in circumstance that may lie ahead.

Is it better to trust than not? If you know nothing about potential partners' situations and can't interact with them face-to-face, the answer is probably yes. Most accepted models suggest that a bias toward trusting is better when you have no information to go on, as the gains from long-standing relationships tend to outweigh one-time losses. But when you do have a sense of your counterpart's situation and can connect face-to-face, you should dispel your notions about how trust works and remember these four rules.

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