



# ASPEN FAMILY BUSINESS GROUP, LLC

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DEEP RELATIONSHIPS. ENDURING LEGACIES.

## Trust

by Darrell Beck, Ph.D., CMC

*“Work to build trust—it’s the ultimate determiner of what’s possible in the functioning of the family— even more than love.” Joe Paul*

All of us in the Aspen Family Business Group agree with Joe about the importance of trust. We’ve devoted several of our meetings to that topic. What you read here is a compilation of some of our thinking on this critical topic, along with that of several associates who were present at some of these meetings.

I emphasize that these are our thoughts, not just mine. The emphasis here, owing to the brevity of a newsletter, is on trust in a relationship.

The organizing principle for this discussion will be that of Duane C. Tway, Jr., Ph.D., whose 1993 dissertation created a construct of trust: *“A state of readiness for unguarded interaction with someone or something.”* I’ll “de-construct” Tway’s construct and use the following three elements as organizing principles for our thoughts. The three parts are

1. Individual characteristics of a “state of readiness” on the part of person A in the relationship;
2. Characteristics of trustworthiness on the part of person B in the relationship;
3. Qualities of a relationship that builds, maintains and repairs trust.

Numerous studies show that trust is critical to healthy family functioning. It’s also critical to long-term family business success. And, it’s a critical investment in the viability of succession, as G1 founder transitions to G2 siblings, to G3 cousin consortium.

As you read this, be thinking about yourself. Think too of one person in your family business, and of your relationship with that person. Also, think of how

much, or how little your family attends to the qualities of relationships that foster trust.

### **1.Characteristics of a “state of readiness” on the part of A.**

**Capacity and desire for trust.** Owing both to nature (heredity/DNA) and nurture (childhood/upbringing), people differ greatly in their appetite for trust and closeness.

Schopenhauer’s parable of two adjacent porcupines on a bitter winter’s night captures this. Each wants the warmth that only the other can offer. But, each is scared of getting stuck by quills. Those with capacity and desire want the warmth more than they fear the quills.

**Emotional intelligence.** Some are high in another-orientation, good at “reading” others, and attach high value to open, warm relationships. Others prefer arm’s length—you stay in your corner and I will stay in mine—kinds of relationships.

**Perceptions of B’s intentions.** If A needs something from B, and A is vulnerable, will B be Helpful? Indifferent? or Punitive to A?

**Perceptions of B’s Competence.** Competence is both *general* and *functional*.

- General. Can B set goals, priorities and organize himself to achieve those goals? Does B meet commitments—get to meetings on time and is prepared? Does B do what he says he will do. In short, can B control his time and his life?
- Functional. B may be well organized and a person of his word, but not possess the functional expertise to be a CFO or do brain surgery.

### **2. Characteristics that promote trustworthiness on the part of B.**

**Predictability.** Is the person predictable and stable or erratic—a loose cannon? Chuck Berry’s lines from “Reeling and Rockin’” paint the picture of unpredictability: “*Sometimes I will, then again I think I won’t/Sometimes I do then again I think I don’t.*” This characteristic alone will make a person untrustworthy. A history of stability and the ability of one person to be able to predict how another person will react promotes trustworthiness.

**Transparency.** Is the person open and transparent or guarded and secretive? Transparency is a window to the motives, thoughts and feelings of a person. If the window is often closed and shuttered, we are less likely to trust that person. Communication, the kind and quality of open discussion and disclosure, is the mechanism by which we infer transparency or guardedness.

**Character.** Is this a person of moral integrity who stands for something larger than mere self? Or is this a person of convenience and self-interest? The former promotes trustworthiness; the latter does not.

**Congruence.** The similarity between word and deed, between expressed values and actions, between agreements made and agreements kept. Without congruence, trust cannot exist.

### **3. Characteristics of a relationship that builds, maintains and repairs trust.**

A relationship is an abstraction that exists only in the minds and behavior of those in the relationship. So here, the relationship means things that must be shared by both parties.

**Commitment and courage** (one without the other won't work). A marriage counselor colleague tells new clients that "each of you needs to demonstrate 100% responsibility for your 50% of the relationship." This may be a bit of a cliché, but nevertheless good advice for those who wish to establish and maintain a trusting relationship. Both must be willing and have the courage to bring issues to the surface as they see them, to accept responsibility for their actions, and to commit to maintaining the relationship.

**Clarity.** Be clear about roles, relationships and expectations with one another. Good, clear communication of these things can head off misunderstandings and feelings of unmet needs.

**Discuss the relationship, and the benefits of trust.** Any relationship can benefit from being discussed and refined, if needed. In discussing trust, be sure to review the benefits. Trust speeds; skepticism slows. If I wish to buy a used boat from a trusted family member, who says "it's in excellent condition," I will write the check. On the other hand, if I see an ad in a newspaper, look at a boat, and the seller says "it's in excellent condition," I will commit the time and the expense to have it examined by an objective third party mechanic. Again, trust speeds; skepticism slows. All relationships in life are faster and more efficient with the presence of trust than they are in the absence of trust.

**Forgiveness.** Forgiveness is so complicated a topic that only a few sound bites can be covered here. Begin with an attitude of wanting to forgive. Rebuild slowly with baby steps of new commitments made and lived up to.

Revisit the past (incident that caused mistrust) with a spirit of wanting to learn from the event for the future, rather than allocate blame and motive. It's okay to be guarded, but don't emotionally disengage.

Try to have a forgiving nature. Two brothers invested in a stock on the advice of one. The stock did well at first then plummeted and both brothers lost their investments. One brother blamed the other for his loss and nursed his resentment until the brothers no longer spoke. Those who nurse wrath and resentment are often too invested in blame and unforgiveness to let go and rebuild a relationship. In a nuclear family often trust will develop and flourish as a by-product of lives well lived. Parents with children and siblings with one another will naturally get to

know one another. They will have strong incentives to work through issues of mistrust.

But with each expansion of the family, and with each generational transition of the family and the business, a life well lived won't do it. Proactive, structured efforts to spend time together and know each other must be made, or the cousins' consortium will be a strangers' consortium. Family business cohesion will weaken and die if the diluting bonds of kinship as the family grows aren't offset by proactive, structured efforts to build bonds of trust.

Share this with others in your family. Then have a discussion on the following topics:

For each of the three elements above, what in your family are or could be

- driving factors to create or improve trust?
- restraining factors to impede, reduce or destroy trust?
- factors to rebuild trust once weakened or destroyed?

Once identified, make a commitment to maintaining the good, eliminating the bad and implementing measures to rebuild trust and relationships.

The Aspen Group plans to create a much more substantial "how to" document later as a part of our publications, and we will let you know when that's available. Until then, this article provides a good starting point.