# Criticism of the ABI model of trustworthiness
## Abstract

Mayer et al. (1995) proposed the following factors as determinants of trustworthiness: Ability, Benevolence and Integrity (ABI). This model has gained widespread use in the trust literature. By contrast, I propose the distinction between *competence trust* and *intentional trust.* I have five points of criticism of the ABI model. First, competence, or ability, has little to do with intentions. Trust in competence and in intentions are two different kinds of trust. In a business relation one needs both for things to go well. Second, while I have no doubt that benevolence and integrity have a positive effect on intentional trust, there are many more determinants. A third point of criticism is that, apart from character traits, experience, with the focal relation and relations more in general, has an effect on intentional trust and trustworthiness, and affects the development of character traits. A fourth criticism is that there are important effects of circumstance, such as threat and opportunity, and conditions, of regulations, institutions and governance. A fifth criticism is that in my view theories should to be action-guiding, indicating what measures one can take, and one has little influence on character, such as benevolence and integrity, or experience. Therefore I focus on circumstances and conditions one can affect, in governance. A model of trust is presented that distinguishes between reliance, which includes control, and trust, which goes beyond control.

## Competence and intentions
Ability, or competence, of the trustee, is the ability to perform according to agreements with the trustor, or his/her expectations, quite apart from intentions of the trustee to perform to the best of his/her ability. One can have high trust in someone's intentions but not in his/her competence, and vice versa. Intentions form a different dimension of trustworthiness than ability. For a relation to flourish, trustor and trustee must have faith in both the ability and the intentions of the partner.

## Character
No doubt, character traits of benevolence and integrity have an effect on trustworthiness, but there are other relevant character traits. One is self-confidence, of both trustor and trustee. Concerning character traits, next to benevolence and integrity, one is self-confidence, of trustor and trustee. With little self-confidence one is overly suspicious, and suspects foul play at the slightest indication, which is destructive of trust. This occurs, in particular, in the 'Calimero syndrome', where a small player suspects a partner merely because of his or her greater power.

More widely, in the consideration of the effects of personality, one can use the 'Big Five' personality traits: extraversion, neuroticism, conscientiousness, agreeability, and intellect/openness. These five categories are customary and widely used in psychology, e,g in studying differencs in the experiene of Covid-19, though the characterisation of each trait varies (Digman 1990, 421-7):

## Conditions
Benevolence and trust depend on conditions. Conditions and circumstances affect how character traits work out. Under conditions of threat, say of bankruptcy, the trustor may be less unclined to accept the risk and uncertainty of trust and trustworthiness. When the trustee faces a large opportunity and profit of cheating, he/she may not be able to resist its temptation. A prudent person may be moderately benevelent, but does not want benevolence to become excessive, leading to self-sacrifice.

One may argue that it is not the 'real' benevolence of the trustee that is operative, but the trustor's perception or assessment of it, which can be affected by the trustor. But the trustor still has little direct influence on the trustee's benevolence. A judge will hardly affect the character of a delinquent, but tries to affect his conduct, with a fine or imprisonment.

**Experience**
The extent to which one is reckless or prudent depends on one's experience. Experience contributes to the development of character. That may be experience with the focal relation, or previous ones, or upbringing. That depends on how long the relationship has lasted without mishaps, and on the size of mishaps if they occurred.

**Governance**
With goverrnance, the trustor can choose or manipulate the circumstances and conditions that determine trustworthines. Here, I make a distinction between the effects of control and trust, going beyond control. One can rely on a relation on the basis of control or trust. Controland trust are both complements and subsitutes. The more one trusts, the more one can release control. But trust should not be blind, and some control of fringe conditions, or unlikely but possible events is often required, often not in the form of specific substantive conditions or demands, but procedural agreements, such as progress reports, timely reports of mishaps or impending crises.

**Sources of intentional reliability**
Trust has an important emotional and intuitive dimension, since it deals with vulnerability and uncertainty. Yet one can also be rational about trust, analysing the conditions where and why people may be reliable or not. For rational trust, one should consider the presence or absence of trustworthiness. So the question becomes: why would people be trustworthy in their intentions, commit to agreements?
For the analysis I use a tool that was developed by Nooteboom (2002), which can be used for diagnosing intentional trustwothiness and for building it. It is summarised in Table 1.

## Table 1 Sources of reliability of intentions: Trust and control

|  | **outside** | **inside the relationship** |
|---|---|---|
|  | *institution based* | *relation based* |
| **Control**: | | |
| *Calculative self-interest* | | |
| room for action | contract, law | hierarchy, mutual dependence, |
| incentives | reputation, go-between | hostages, rewards, punishments |
| **Trust**: | | |
| *Beyond self-interest* | | |
|  | ethics, morality, | routinization, empathy, |
|  | generalized trust, | identification, loyalty, friendship |

Welchman (2006: xx) noted that virtuous dispositions are not habits, which are more or less the same across situations, but are more or less stable as 'concerns' that are enacted differently, depending on the situation. How are virtues enacted, and how do different virtues affect each other? I propose that the enactment of a virtue can be investigated as a repertoire

of scripts, developed and selected in phronesis, according to the situation at hand. The script taken may be a default, becoming more like a habit, or a routine, or may be chosen more or less rationally from the repertoire.

In the table, a distinction is made vertically, along the two columns, between factors outside the relationship, based on institutions, along the left column, and factors within the relationship, along the right column.

Along the upper row we find control, based on calculative self-interest. It is the world of the economist. One form of control is to manage room for action, expanding or reducing the options the trustee can choose from. When agreements are not met, room for action can be reduced. Another form of control is to influence the choice made from the repertoire of options, by means of incentives, punishments or rewards. Outside the relationship one can make use of the institution of the law, using legal contracts, which constrains actions. Or one can use a reputation mechanism. That is a matter of self-interest: one behaves well in order not to lose fruitful opportunities for future actions. One can also make use of go-betweens to assist in control, in mediation or arbitration.

Within the relationship, control can take the form of hierarchy that directs and constrains action, or gives incentives of reward or punishment, including career prospects. Inside control also includes hostages (as a notion taken from Transaction Cost Economics). This may require some explanation. A hostage has value for the hostage giver but not to the hostage taker, in order for the latter to not have any qualms about killing the hostage when the hostage giver defaults on commitments. It is an old instrument, used by kings in treaties among each other, with the hostage taken from royal family or nobility at the court. In economics it can be sensitive information, such as information that would cause harm when divulged to competitors of the hostage giver, which is kept secret as long as the hostage giver is loyal to agreements. It can also take the form of a package of shares that can be sold to a party that wants to engage in a hostile take-over of the hostage giver. Particularly in family business hostages can also arise in intermarriage between families, where care for spouses and children become part of the guarantee of loyalty.

Along the lower row we have the basis for trustworthiness, going beyond control. Outside the relationship that is the area of generalized trust, based on shared ethics, morality or custom, in a culture, as measured in the international trust survey. Here we also find the possibility of using a go-between, here not for control, but to assist in the process of trust building and avoiding collapse, by preventing or eliminating misunderstandings, reducing the uncertainty of causal ambiguity, helping to find a path for building and preserving trust.

Inside the relationship it is the build-up of loyalty, habit, familiarity, empathy, friendship, love, or identification, in organisations, extended families or clans. In empathy one understands 'what makes the other tick', in identification 'one ticks in the same way' or has a sense of shared destiny. Empathy is crucial, indeed indispensable for trust, but identification can go too far, yielding blindness to outside opportunity, making the relationship inbred

The table as a whole indicates the antecedents of what I call reliance, on the basis of both control (top row) and trust (bottom row).

## Conditions

Each of the factors in Table 1 has its conditions. A contract makes no sense if compliance with it cannot be monitored. A contract can be counterproductive, restricting space for action too much. Both conditions apply, in particular, when the purpose of collaboration is innovation. Next, a detailed contract can easily be interpreted as a sign of distrust, with reciprocal distrust as a likely response, yielding an escalation of distrust. However, sometimes

a contract is detailed not to prevent cheating, but for reasons of technical complexity, more a matter of competence trust than of intentional trust.

For reputation one needs a reputation mechanism, with someone or some organization serving to separate gossip and slander from legitimate complaint, and to broadcast reputation. This can be informal, as at a golf-club, or formal, in some public office (governmental), or private associate (bank, bookkeeper, consultant).

Both contracts and hierarchical control have their limits in modern professional work. One employs people or suppliers because they offer a specialized competence one lacks oneself, and then it is odd to pretend that one can tell people what, precisely, to do, and how to do it. That uncertainty calls for forms of control that include suggestions for control given by the one to be controlled, called *horizontal control,* which calls for trust.

Extrinsic reward, in remuneration or bonus may diminish intrinsic rewards of job satisfaction, appreciation, and the exercise of one's own responsibility and judgement.

Concerning the sources of trust, shared ethics and morality may not be in place, or may be weak, and varies between cultures. For example, in the literature much has been made of the Confucian ethic in Asia, versus the more individualistic stance in the West.

Concerning factors within the relationship, empathy requires relevant mentality, skill and experience, and time, to build familiarity. Empathy and familiarity require time to develop. The practice or ethic of maximum flexibility of relationships will block this. There should be optimal, not maximum flexibility: enough not to get bogged down in rigidity, but not so much as to prevent familiarity and empathy to develop, blocking the process of trust.

Important also is external pressure. It may lead to an unravelling of trust, with everyone trying to save his neck, if necessary at the expense of others. On the other hand, if there is no alternative to the relationship, one will simply have to make do with each other, accept sacrifices and build trust.

## References

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