

## Monthly Research Commentary

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### Emerging sources of trust, and the central role of IT

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In a widely discussed end-of-the-year editorial, *New York Times* commentator Frank Rich suggested that Tiger Woods should have been deemed Time magazine's Person of the Year. Rather than just piling on to the beleaguered golfer's woes, Rich was actually making a serious point. In many ways, the shocking collapse of Woods' public persona was indeed a fitting symbol for a decade filled with so many people, organizations and things that just weren't what they seemed.

It's all too easy to list the many disgraces, excesses and false alarms of the past ten years, especially in the US – Y2K, Enron, Worldcom, dot.com, SARS, bird flu, abusive priests, missing weapons of mass destruction, trumped up intelligence, Abu Ghraib, steroid-taking athletes, bribe-taking referees, philandering politicians, the response to Hurricane Katrina, housing prices, sub-prime loans, mortgage-backed securities, derivatives, Wall Street bonuses, Bernie Madoff, 'balloon boy', Climategate, the swine flu pandemic, and now even the once-idolized Mr. Woods. I'm sure you could add plenty of your own disappointments no matter where you live, but especially if you're in the West. In India and China, for example, the past decade has been defined by growth, opportunity and rapidly expanding roles on the global stage.

These individual and organizational debacles could be more easily dismissed as just the latest chapters in the ongoing human comedy were they not so clearly part of a growing trend of public (again, at least Western) disillusionment with all manner of authority and expertise. While there has always been a healthy societal cynicism toward the rich, the powerful, and the allegedly all-good and all-knowing, public distrust of politicians, lawyers, regulators, doctors, scientists, professors, accountants, pundits, researchers, consultants, CEOs, NGOs, multinational and religious institutions and, most recently, risk managers and airline security operations has risen sharply, even spreading to mainstream attitudes towards globalization, American leadership, and sometimes capitalism itself.

Many have noted that US populism and anti-intellectualism are on the rise, with Sarah Palin, the Tea Party Movement and much of the blogosphere seen as emblematic of a growing distrust of traditional sources of authority. Indeed, the easiest way to interpret the astonishing recent senate election results here in my home state of Massachusetts is that the majority of voters simply did not trust the Democratic party's plans for health care and spending, just as voters stopped trusting George Bush and the Republicans not so long ago.

#### **IT is not immune**

What does all of this angst and distrust have to do with the information technology business? First, Enterprise IT is also an institution of knowledge and power that is accustomed to being in control. And it too is facing increasing scepticism, sometimes bordering on distrust. Employees no longer view IT as an exclusive priesthood, a set-in-stone system of governance, and the sole organizational source of IT wisdom and authority. In this sense, the consumerization of IT is just another manifestation of the populism described above. Employees and consumers are no longer intimidated by the views of anointed IT experts, especially if these experts are seen as out of step with IT as the consumer sees it, a realm of alluring social networks, sophisticated 99-cent iPhone applications, and ever-more essential and reliable community content.

In other words, it is becoming increasingly difficult to separate societal attitudes towards central IT from those associated with authority figures in general. And while in this and many other areas 'populism' is still mostly used as a pejorative term, this can be dangerous. History is on the side of consumerization, and the IT organization (and IT outsourcers) will have to adjust. As with all of the professions listed above, the need for deep IT expertise is not going away. It's actually as important and useful as ever, but the context in which it evolves is changing rapidly, and the cumulative knowledge and capabilities of the masses can no longer be dismissed. We have written about this frequently in our consumerization research, arguing that Central IT will have to find ways to share both its expertise and its decision rights, and make consumerization work in their firm's favour. This will require new ways of establishing business, societal and digital trust.

### **IT as a source of distrust and trust**

Ironically, information technology, and especially the Internet, is the single biggest reason that traditional roles and institutions of authority are coming under fire. Consider how many of the various scandals of the past decade – Y2K, Enron, dot.com, the financial meltdown, Climategate, etc. – have had an important IT dimension. All of these debacles share roots in rising IT complexity, bursts of over-enthusiasm, and the limits of both expert and mass-market understanding. For example, the Y2K, financial meltdown and Climategate scandals all highlight the challenges created by computer and information complexity. No one really knew how serious the overall Y2K risk was, and even today experts debate whether the whole thing was largely a false alarm or whether the last-minute efforts of many dedicated IT professionals miraculously but anonymously saved the day. (We think it is more the latter, but the public verdict tends to lean the other way.)

Similarly, both the financial market meltdown and Climategate stories point to the complexity of large-scale computer models that are not just opaque to outsiders, but often bewildering even to their own developers. For the average citizen, the acceptance of the output of these models must inherently be based on trust. But we have painfully learned that insiders can be easily seduced by their own cleverness and that peer review processes can have their own arcane shortcomings. This makes it easy for even the most diligent experts to become over-invested in their own work, increasing the likelihood that conscious or unconscious biases will make computer models say exactly what their developers want them to say. Imagine the damage to our trust in the scientific community should global warming prove to be the biggest false alarm of all.

Additionally, today's rising societal scepticism toward institutional expertise is reinforced by the way that the Internet, especially Google and Wikipedia, has levelled the overall information playing field. Today, all of us can instantaneously and freely access much the same information as highly paid doctors, lawyers, government officials and media figures. Thus the knowledge gap between the professional expert and the motivated citizen is narrowing, even as the price/wage gap remains wide or even continues to expand. Under such conditions, it is only natural that traditional patterns of consumer deference will erode, and new sources of trust and authority will emerge.

Today, these patterns can be seen most clearly and disruptively in the traditional news media where committed citizens have proved they can effectively and efficiently challenge the expertise of even the *New York Times* and the BBC. But similar forces are at work within the IT sector. Consider the way that many of us now turn first to Google for help with whatever routine PC or smart phone support we might need. From my own experience, such free community help sites are typically much faster, more effective and more up-to-date than either internal company help desks or the vast customer support sites maintained by market leaders such as Dell, Microsoft and Apple. In both the media and IT support examples, the advantages of the populist/consumerist model greatly outweigh legitimate concerns in areas such as accuracy, amateurism, and the inevitable self-promotion of some community members. In this sense, consumerization/populism is proving to be an important and emerging source of trust.

## Technological progress requires trust

We know that the pace of technological change will continue to accelerate. Information technology will continue to improve more or less at the same Moore's Law rate of recent decades, but IT's integration with all manner of other information, science and industry activities should assure that the total scope of change will expand at an even dizzy rate. But for this new potential to be realized, new forms of trust will be required. Consider how the futures of so many potentially important technological domains – stem cell research, genetically modified foods, biotechnology, nanotechnology, robotics, nuclear power, alternative energy, identity cards, electronic health care records, wireless communication, open source software, e-commerce, immunization programmes, personal privacy, patent granting, intellectual property protection, and most recently, full body scanning systems – are at least as dependent upon establishing the necessary societal trust as they are on the underlying technological challenges.

However, we have reached a point where this trust cannot be based solely on the views of experts or those with formal decision-making authority. Some sort of bottom-up mass market/consumerist component will increasingly need to be part of the mix, and this is where IT and the Internet will prove crucial. The nurturing of technological trust requires the support of those affected and this is best pursued through processes that are seen as fair and transparent. Such openness can only be efficiently delivered through modern information technologies, be they emails, web sites, social networks, tweets, or whatever comes next.

## Our research perspective

Beginning with our 2009 report on *Establishing Digital Trust*, we have been seeking ways for companies to increase the level of trust both inside their organizations and across their ecosystems. During 2010, these themes are being pursued in several major LEF projects. For example, our work on increasing *employee engagement* will highlight the relationship between trust and employee performance while outlining the broad cultural and management changes required. Similarly, our project on *rethinking risk* will show how effective risk management is typically dependent on an effective bottom-up risk awareness culture and process. Finally, our ongoing *consumerization/cloud computing* work will continue to stress the changing patterns in value creation, collaboration and decision rights that increasingly characterize the successful modern firm. All of these themes and ideas will be featured and brought together at our annual *LEF Executive Forum* conference in London on May 17, 2010.

While information technology and the Internet will continue to create many new risks and uncertainties, in the end, they will also generate the new forms and sources of trust needed to move our industry forward. Clients must harness these capabilities to assure the business, employee, customer and societal confidence that every organization needs to achieve its goals and fulfil its purpose. The LEF is committed to helping our clients develop strategies and programmes toward this end.

### Leading Edge Forum

*CSC's Leading Edge Forum (LEF) is a global thought leadership community that assesses the growing intersection between business and IT.*

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