Future of Trust

Deeshraf Elias, Podcast host, Deloitte Mobility Ecosystem Manager
Duleesha Kulasooriya, Leader of Deloitte's Center for the Edge Asia Pacific
Jerry Michalski, Founder of REX, the Relationship Economy eXpedition

Deeshraf Elias: The COVID pandemic has put Trust into top-priority on the business agenda. In the book, The Fourth Turning by William Strauss and Neil Howe, they describe the cyclical manner that history punctuates itself with a great crisis occurring every 80 years. Trust is needed to navigate through, and new social contracts are created along the way. Now, the last great crisis was WWII, 80 years ago.

Hi everyone, welcome to another episode of Thriving in Volatile Times. Today we will explore how COVID is shaping the future of trust. I would like to welcome Jerry Michalski, founder of REX, the Relationship Economy eXpedition, where he helps organisations build a future based on relationships and trust, and Duleesha Kulasooriya, leader of Deloitte's Center for the Edge Asia Pacific. Hi Jerry and Duleesha, thanks for joining me today!

This podcast is about "Thriving in Volatile times" and we are definitely living through those today. In addition to the current global pandemic,

in the last week, we've seen the protests all over the US around 'Black Lives Matter'. How should we look to rebuild trust in such chaotic situations? Jerry?

Jerry Michalski: We're having this call right as America seems to be melting down. There are protests in the streets. There's unprecedented chaos. Feels worse than the riots in 1968 but I wasn't really alive. I mean I was alive, but not in the streets then. It's really a messy situation and there are multiple layers of trust that have been breached, broken and are continually being broken. In fact, there's gasoline being poured over lots of aspects of trust here, but there are many examples of trust being won back or at least being shown here.

One of the big ones here, which you'll see very often, is that police forces are taking a knee, which is a gesture of trust. When you take a knee, you're more vulnerable than you were before, vulnerability is one of the paths toward establishing trust. So, you can see on

many videos I have on Youtube and TikTok and wherever else, that these kinds of gestures, and this is a gesture in the middle of a high tension situation that's in some ways similar to why we shake hands and why we wave at people.

Apparently, historically, it's to show that we're not holding a weapon, we're not dangerous to make some contact. So we're seeing little things like that, and then in larger ways, basically, crowds behaving in really good ways like cleaning up after violence happens at night. There's a lot of that sort of things going on, and some governors, mayors, other sorts of people are doing highly trustworthy things as well. Unfortunately, and again, this is an American perspective, I think they're outweighed by all the acts that are violating trust right now. So it's a pretty dark moment.

Duleesha Kulasooriya: I mean trust, at the most fundamental level, in this context, it's a social contract. It's a reinforcement of a social contract. These are what the gestures are saying. And going to the topic we've started

around COVID, this series, we saw similar gestures in corporations as well, in terms of nurturing trust.

There was nurturing trust with the employees, where companies were creating safe spaces that you could work still, in the conditions of social distancing. So, Deloitte along with all the other corporations in Singapore, immediately went into communicating, demarcating and having new practices on social distancing.

In the US, I was talking to some of my friends in large corporations. GE Appliances, even before the pandemic hit the US, they shut down their factories, cleaned up all of the spaces, put in temperature screening, policies and practices to make it a safe space. A lot done to keep it safe. That is a gesture of trust, like "we are going to take care of you".

In the context of financial security, there's a lot of uncertainty at this point. A good example, many companies did this, Starbucks, when half of their stores were closed, they still paid all

their employees through the lockdown, and for those employees that were going to work in the areas that were open, they paid them "appreciation pay", an extra pay for going to work in these times. Then there's also the kind of trust with society. We saw many companies pivoting to producing hand sanitisers, so they were making COVID supplies. L'oreal, a lot of alcohol manufacturers, pivoted into making hand sanitisers. A lot of auto manufacturers and GE Healthcare, pivoted into making ventilators. The Hilton hotels and American Express got together to offer a million beds for healthcare workers. We saw lots of these gestures of trust to rebuild and all these comes back to reinforcing the social contract.

So both in society today, with people getting on the streets in the US and in corporations, in the context of COVID, we're seeing many of these gestures of trust, which is heartening to see at this point.

Jerry Michalski: I'd like to pick up briefly just on the notion of the social contract Duleesha put in the conversation, because it's incredibly important to hear. The social contract varies by country, of course. Because we have different kinds of states, we have welfare states, we have other sorts of states, but there's also an employment contract that companies have.

All of these are relationships of trust, and the shape of these social and employment contracts really shape people's expectations and the degree of fear that they might feel in these very tenuous situations. I think it's worth paying considerable attention to the nature of these social contracts and where they might be going. And that rapidly becomes a political conversation, but this whole situation is amazingly political.

Deeshraf Elias: Can we start by unpacking this word a bit further? What is Trust? Jerry can we start with you?

Jerry Michalski: Trust is quite complicated. It's a fun topic because it's one of those short words that everybody thinks they understand and yet, once we start talking about it, kind of unpacking the onion, it turns out, we don't know that much, and we don't necessarily agree on things. But there are some basic trust models, and one of them is the ABI model. Trust is ability, plus benevolence, plus integrity. So it's like, can you do the thing you say you're going to do? Do you have my best interests doing it? And are you going to carry it out? And this is a long standing model, it's really quite interesting.

There's the ABCD model, which is really interesting. Are you able, believable, connected and dependable? This comes out of Kenneth Blanchard and a bunch of other thinking. Again, there's a series of these kinds of models, but it's also worth looking at it like basic math and trust. So, trust is in some sense associative and transitive. So if you or Duleesha were to say "Hey Jerry, you need to call so and so", I would send her an email immediately and say "Hey, really nice to meet you." and I would be leaning in to that introduction, because I trust you guys. I would be looking for the good in that person. It's amazing what this small gesture of an introduction plays out as trust. If I invited you to an event and you saw and met other people at my event, you would probably do the same sort of thing. So, in some sense we have these kinds of mathematical properties around trust and yet trust is really fragile. And it's very indirect. You can't order people to trust people. Trust has to be built over time, trust is built through experience, through watching people be trustworthy, not by claiming that they should be trusted.

When companies advertise and say "you know this is the brand 9 out of 10 doctors recommend most". They're doing this clumsy proxy for earning someone's trust, by trying to repeat "Hey trust me! Trust me!" through the medium that they understand how to use, to bombard people and annoy them with a message. So it's really weird because companies often resort to advertising to earn trust and yet they know that advertising, in some sense, is a breach of trust. So it's complicated.

Duleesha Kulasooriya: Wow, how do you add to that? Jerry it's all of the pleasure to have you on these things. So much stacked up knowledge here. I think one thing to add in here, in the context of COVID in these current times, between corporations, looking at trust, as Jerry said, it is about human connection. It's about human interaction and in that context, the full dimension, physical, financial, emotional and digital, that corporations can think about in this current context, how trust is nurtured.

You can think of nurturing trust from keeping physical space safe. You can think of nurturing trust in terms of financial concerns being served, whether it's an employee or a customer. There's also emotional trust and social trust, that those are being safeguarded. And then, one that is less talked about, digital trust, that information is secure.

So beyond the basic terms of trust from a corporation's standpoint, I think those might be relevant as well, but I think someone should go replay Jerry's list to understand the basics of trust. That was an incredible summary of decades of research.

Jerry Michalski: Well, mostly other people's research, but the topic is connected to things we don't expect it to be connected to. Like

vulnerability and politics. And when you start turning over these rocks you've been inspecting, what kind of creatures have been living underneath, you discover things you didn't really expect to find.

Duleesha Kulasooriya: I'd love to have your comments on this Jerry. They say that trust is easily broken but hard to put together. So it seems it's easier to build trust, but if you break it, it takes much longer to come back from.

Jerry Michalski: I think that's broadly true, and yet, not always true. So for example, if a company makes a mistake, but has earned people's trust beforehand and then at the instant of the mistake says "Oh my god, we really screwed that up and here's why and here's how we're going to fix it." and so forth, they can be back up at a trustworthy point very quickly. In fact, I would argue that a company that has faced no crises well, is not really yet trustworthy. It's not battle-tested. This may be a positive spin on looking at crises, but really, crises are opportunities to show that you are trustworthy. Responding well, passes that test.

Duleesha Kulasooriya: These are times to build their trust capital.

Jerry Michalski: Absolutely, and there's plenty of people saying out there, "Hey companies, people out there are going to remember what you did during coronavirus". In the US now, we've spiralled way beyond coronavirus, we now have at least two major calamities coming, if not, the trifecta.

Deeshraf Elias:
Now Jerry, in your TED talk you discussed design from trust. Can you share the differences between an organisation designed from mistrust, to one truly designed from trust? Are the differences clearly apparent to us customers, or does it require a deeper look?

Jerry Michalski:
Well it's funny, this whole notion of design from trust rocked me at the beginning, quite a few years ago now, at least 20, 25 years ago, in the educational system. When I met a retired teacher named John Taylor Gatto, who had written an article called The Six Lessons

Schoolteacher, and a bunch of books beyond those. He was describing how school doesn't trust children and it was totally counter-intuitive.

One of the really fun things about design from trust, is that when you hit it, it's very uncomfortable and counter-intuitive. Which is to me, evidence of how deeply we've buried this notion of trust and mistrust of people. The thing I ask people a lot is "Have you used Wikipedia?" and do you remember the day when you discovered how Wikipedia works? That any idiot on the planet can go change any page on Wikipedia, hit save and the next person to see that page will see that info or vandalism or whatever, how did you feel? Right, and most people felt pretty anxious and weirded out at that moment and yet, most people went through a second insight and later they figured out, well this seems to be working, this weird counter intuitive thing seems to work. And then they passed into an acceptance that this form of vulnerability of, "hey anybody can come in and change this page" was turning into an artifact that was created, not for free, but pretty close and was open to the world. That was extraordinary and it really changed the world because, remember, before Wikipedia, you had to go to the library and leaf through the Britannica or something like that.

Now I'm going to move this into the workspace. How we treat our workers and how much leeway they have, is an aspect of trust and there's a Brazilian businessman named Ricardo Semler, whose story I love to tell. His father founded a company called Semco, and Semco was sort of a B2B supplier, solver of thorny industrial problems and Ricardo wanted no part of his father's company. He just wanted nothing to do with it, he wanted to be playing in his rock band and surf a lot. But his father got sick and then passed away young so Ricardo came in

and inherited the company and then started making changes.

In the early changes, nobody really trusted him. So at one point, he tells a story that he's negotiating with two union representatives, one of whom is Inácio Lula da Silva, who later becomes the president of Brazil and later gets put in jail. And these two union reps, are not trusting Semler, because he would like to get rid of the timestamping business, tracking everybody's time and having them clock-in and clock-out, he just wants the work done. And for three months, the union representatives are so sure that what he's really trying to do, that his ulterior motive is to get rid of the 5-minute grace period that workers have from when they clock in to when they must be at their work station. Then they figure out that he's actually being earnest. And then they start changing that radically, and then one thing tumbles after the other, I don't know the full details of Semler and Semco story, but it involves deeply trusting the employees to the point where once they really got into this, employees in the company were setting salaries, bonuses, everything else. The books were open to everybody and when the books were open to everybody, you don't want to pay all the money out, because you know the company won't be around next year, you can't really do that.

So a lot of good decisions get made collectively and there isn't that friction of, why aren't you paying me more or whatever's going on, because the books are open and if you can figure out a fair distribution. Unfortunately, this kind of situation is very hard if your chief executives are being paid way more than they, in my mind, ought to be. And the difference between the top tier and the low tier is so huge, that to me, is the skeleton in the closet that makes it so hard to get to trust. That those kind of inequalities if they can be evened out,

allow you to move in to things like workplace democracy, which is a pretty big movement that's all about trust at work.

So companies that are doing that are designing their environment, their work environments, from trust. And one last thing, when you trust people, whether it's kids in school or workers in the workplace, or those people that we like to call consumers that I think of as your allies in some sense, you're unlocking the genius that they have. When you don't trust them and you treat them as consumers or you put them into a system with a rigid lock-step, like our educational system where if you're curious in math class, if you're curious about French and math class, you're a trouble maker.

If you stop with those constraints, because you need to control everybody, you suddenly unlock the genius that everybody has because they can go toward the tasks that are meaningful to them, that can really apply the thing that they're really passionate about, to whatever the problems are that are in the environment. That implies letting go of some control on management's part, but it turns into better outcomes all around and it even turns into better health outcomes.

So for workers who are on the clock, if they have control over when their break is, something that simple, their long term health outcomes are better than workers who don't have any control and must go take their 15 minute break at this exact hour. Simple things like that, so trust again has all these knock on effects and runs very, very deep.

Duleesha Kulasooriya: Jerry, can I ask you a quick question, brilliant stuff. What if there's a bad actor that breaks this trust? Does the system fall apart?

Jerry Michalski: Bad actors are fascinating. When I give speeches on this, I have a slide where I say, I'm not talking about naive trust because everybody knows there's bad actors and when I say the words, bad actors, I click and I put a up a picture of Michael Hasselhoff, the guy from Knight Rider and underneath it says in large type, bad actors. You know it's a guaranteed chuckle.

But the problem is insistent design from mistrust, those bad actors have eaten our brains and the designers of these systems are basically designing the entire system as if everybody was a bad actor. And again, in so doing, they limit the genius that sits in the room.

So designing from trust, does not ignore the bad actors, there are clearly some bad actors out there but first, you design the system around the good actors to liberate that genius. You let people congregate, take ownership for doing, but second, you try to turn the bad actors into good actors as much as it's humanly possible. The best answer to a vandal coming

into Wikipedia, who's just messing around, is putting them to work. Fixing something they care about, whether it's manga or Minecraft or whatever. It's like "Hey, it wasn't very nice of you to scribble up this page but, are you interested in biology or astronomy or whatever?"

If you can bend people toward what the group is trying to get done together, that's a huge win and it doesn't require you to design the whole system around mistrusting everybody. I think that's a key here, is that design from mistrust starts at the beginning with control measures and design from trust deals with the bad actors as late as possible and as creatively as possible.

Deeshraf Elias: There has been a lot of talk recently about the future of work and how COVID-19 has forced companies to re-evaluate how work is conducted, and what shifts might be necessary for the future. To what extent are organisations actually looking to re-designing work from trust versus making more superficial changes? Duleesha, what have you observed?

Duleesha Kulasooriya: I think Jerry spent lots of time talking about designing from trust. But can we take a step forward, in terms of a work context? A lot of discourse today around work is around Industry 4.0, around automation and the fear built into that, is that robots will replace humans. And the loss of livelihood that will come into context. However, if we were to reframe technology and Industry 4.0 around ways to enhance human capability and productivity, rather than replace it, you could switch, you could turn away and convert a lot of that fear into anticipation.

So the discourse of redesigning how we work and bringing more technology. A big leader should look to build on a strong foundation of trust. Saying, trust us, we are going to take care of you and your needs, that we're going to retrain you for what you don't know, we're going to repurpose you, take the tacit knowledge you have about the business and use that in a different way if your job can be done by others or by other people. I mean that's one form of redesigning from trust in an Industry 4.0 era, but I'm very curious to see how Jerry would add to this in the context of designing from trust.

Jerry Michalski: It's funny because we've already touched on a lot of these questions. The notion of the employment contract, the social contract, and we're bringing this now, this idea, is automation going to augment or replace workers. And your average worker, in a not very democratic organisation, a very autocratic organisation, which from what I've seen, describes many, if not most of them, is looking up waiting for the Sword of Damocles to fall on them.

Because they've realised that automation is making its way through every drive category. They've seen lots of people first outsourced in the 80's and 90's and now made redundant. In

some cases, asked to train their replacements or their robots in different ways. And I'm reminded of a really nice article that appeared in the New York Times magazine year ago, year-and-a-half ago, about Sweden. There was a Swedish mining company, and the cover of the magazine was actually a picture of a guy who is holding what looked like a remote control rig, hanging from his neck, deep in a mine. And there was this excavator right in front of him and one in the background. He was controlling four or five different autonomous rigs. The whole idea was that the people in this company were not worried about being fired because their contract said we're not going to fire you, we're going to find out a way to re-employ you. But we all realised together that unless we leaned in to automation, we're bust. We're not going to be around as a business in three years, because costs are you know, we have to keep costs down etc.

So together as a company, they were operating more as a unit and leading the company into greater levels of automation. So it's surprising. But I think a lot of executives are trying to figure out "how do I actually get everybody leaning in to do this well?" and it has to do with much bigger things than "am I paying them enough?" or "could we get the right technology?" or anything like that. Those are small-bore questions. The larger questions are the trust relationships, the contractual environment and the goal set. The expectations of the people at the table. So I think that's interesting.

And then just to go a little bit deeper onto augment or replace. I'm not sure that people understand enough what augmenting technology even looks like or what that means. And I don't think we've gone very deep on that. I think replace is pretty easy. If I can create an RPA grid that replaces fifteen reports that used to be done by people that took a couple days to assemble and suddenly that's a button push and the report rolls up, that can fire that person. We're really pretty clear about what that is. But augment is, how does the human and the computer, how do they harmonise together, how does the computer become a superpower for the things that the human might want to do? I'd love to see a lot more work done in that area. I think that's a really fruitful vein to pursue.

I think for a lot of people, one of the problems, again in the US, is that we're really not good at retraining anybody, our infrastructure for retraining is terrible. Our way of looking forward for what are the new skills, is not that great. Our colleges and universities are not well equipped to be flexible to do these kinds of things. So as automation is now going to wipe out more and more work, not just blue-collar work but white-collar work. Your average news story about an accident, a sports event, or a weather incident,

can easily be written by AI now. That's done. That's easy. And it's reliable, it's quick and it costs nothing. That then is moving through the law, it's moving through realm after realm, after realm and the white-collar workers are realising, "oh ok this wasn't just about robots and manual labour and it wasn't just about rolling up the spreadsheet for the report". Thinking work is now under the same kind of siege to go back to the point. If we can figure out how to make all these people, super people, through the application of enhancing technology, it's a big win all around. That requires looking back at the agreement that they're working under, among many other things

Deeshraf Elias: Jerry, building on top what you've just mentioned, we are also hearing a lot that COVID is creating opportunities, that crisis is a catalyst for change, and that we need to focus on creativity to re-imagine our new normal. So, where does Trust fit into this?

Jerry Michalski: Crisis is clearly a catalyst for change. In some cases, crisis is the only way some systems change. And we're presently sitting in a global crisis, and in fact, the series of crises kind of messed up against each other. I'll draw attention to one way that this could change. And that's this notion of abundance and scarcity, which is again, a little bit of a complicated issue because partly we think that business creates abundance. Because I can go down to the supermarket and I see shelf after shelf full of cereals, and soaps, and sauces, and crackers, and ice creams, and what not and it looks like abundance. But in fact, most businesses focus on creating scarcity. Because there's a story that we get convinced of, I went to business school and they convinced me that scarcity equals value, that unless you have scarcity, there's no business model there.

I think the opportunity for change here in this crisis is to rethink what abundance means and what scarcity means and to try to adopt what you might call an abundance mindset. The idea that there is still business when you have abundance. The best example here, is open source software. I was a tech industry rends analyst back in the day when IBM looked like it was about to die, and the company saved itself by adopting first, Apache then Linux and then donating Eclipse to open source and then a whole bunch of other things. But that solved a lot of technical problems that IBM hadn't been able to solve on its own. And all of that created abundance, because when you're participating in open source software, nobody owns it, everybody can use it, anybody can modify it Etc. and then IBM proceeded to sell several billion dollars in service revenues customising software on top of that open source software for their clients. So, that was profitability on top of abundance, now that's unusual. We're not really taught to look at it that way. And I like that kind of mindset shift.

In the middle of the COVID crisis, a lot of research data for vaccines, for gene tracing of the COVID virus, for everything else, a lot of information is being shared very, very openly, in a great way. There are certainly side deals being cut for exclusive access to potential vaccines and all that and the US president is in fact, implicated in some of that, but generally this incident has provoked an unusual amount the scientific collaboration worldwide. Which is fabulous and it might provoke this kind of collaboration on other fronts, on other topics, in other ways. And I hope that that will actually happen.

The last thing I'll say about this particular part is that in order to get to something like an abundance mindset, in the middle of a crisis, you have to not let your limbic system be hijacked by the crisis. You actually have to stay pretty calm, you have to be able to assess realistically, what's going on, and then sit down and start to think creatively about what to do. And then, you have to figure out how can we re-establish trust in the situation. What is the more trustworthy thing to do and I think all of those, if you can get to those places in your perspective, will lead you toward some really catalysing shifts and how you see what you do, who gets value from it, how you make money from it, and all the different stakeholders relationships too.

Duleesha Kulasooriya: This is brilliant. We're very aligned on this. There's a very similar shift. Mine specifically talks about, from problem to opportunity. It's not saying all the problems and kind of losing faith and it's easy to lose faith in these times. If one of the opportunities that are afforded, it will drive a lot more passion and towards unlocking those opportunities. In particular, as our current systems seem increasingly intractable, we have some of these what are termed wicked problems, complex dynamics, seemingly intractable problems, to reframe them as wicked opportunities. And the key to unlocking these things are ecosystem innovations where you can.

These are not problems that can be solved by any individual, or corporation, or any one group. You need everyone to come together on this and in some sense, particularly all the funding coming in to support economies and showing up economies in this pandemic crisis, this could be the new version of public private partnerships. In past crises, public funding was used to build public infrastructure, like roads, bridges, parks. And similarly, we should use some of the funding going into showing empty economies, to build a new infrastructure, digital infrastructure, sustainability infrastructures, platform infrastructures and doing this like you said, with abundance and scarcity has shifted

mindsets to the opportunity rather than the problem. If you do this right, it's an amazing way to build broad-based societal trust. Or to rebuild the societal trust in government and all the related parties. And it's not easy but it's one of those things that do give us a little bit of hope to say that trust is actually the anchor that will help us shift this mindset. There is a leap of faith here.

Deeshraf Elias: From what was just discussed, both of you believe that the future will be built on ecosystems. What role does trust play in these less structured environments?

Duleesha Kulasooriya: You're right in pointing out that ecosystems, I mean we just talked a bit about how more and more work can be done in the ecosystem, more and more important work. And these are less controlled, less structured and controlled in these ecosystems. It's not like being in a company, that Jerry mentioned before, with employment contract.

So trust therefore becomes increasingly important, it's a glue that binds that relationships and participation can be forced in this context. In the context of an ecosystem, you got to trust in the big narrative, the vision, that everyone is collectively driving towards. You got to trust in the right intention behind the narrative. That it's not just for personal gain. The example with IBM was great. There was a broad imagination and then there was gain for the company but those two things are intertwined in a way that was acceptable to the ecosystem. You got to trust that the partners in the ecosystem are all going to pull their weight, that the give and take is balanced in an ecosystem that's also rebuilding trust from our unequal players from prior work.

There's been some lines of work we did with GE Appliances, they build an open innovation ecosystem called FirstBuild. And they were inviting anyone who was interested in the domain of kitchen appliances to jump in and say what else do we need? What would you

innovate in this space? Now, why would an individual, with what they believe to be a great idea, come and expose it for a large company to profit from? There'd be a lot of this because why would I tell you? I can go do it myself or I can take it to someone else. So GE had to rebuild the contract of how they interacted in order to develop and nurture this ecosystem. What they did was, in the traditional GE way, any large company, if you work with the company, the company owns intellectual property. Here they switched it around. Any idea that you put on the platform, you would own the intellectual property, you would own that. They would take it and they would license it from you. So it's a subtle development. It's a very important subtle way of saying, you own. It's Rebuilding of trust in that ecosystem so that previously unequal partners, the big guy and the small one, can come together for a collective purpose of driving this forward. So that's not solving a wicked problem or wicked opportunity that we talked about. However, that's a really good example of how to rebuild trust in an ecosystem.

Jerry Michalski: This is a lovely topic because we're in an era of digital transformation. And one of the things that my wife and I talk a lot about and see happening, is that jobs are melting. The idea that you would have one job for your life, one-company person. That's just going away, it's melting. In fact, we're moving towards portfolio careers. But also, companies are shrinking even as companies are getting larger. Because they're buying up smaller companies. They're getting rid of staff as much as they can, and working toward these ecosystems right and their DNA is not really well oriented toward being collaborators in an ecosystem, because they've been squeezing their suppliers, because this, because that. You have to then examine the trust relationships with each of those stakeholders and say, do they have any good reason to trust us? Historically what do we have there? And this may uncover a couple of skeletons in the closet that need to be brought out, and aired out, and may be repaired or apologised for, something like that. Who knows because there's all sorts of things that happen as you transition from a highly vertically integrated company that can

command and control the whole food chain toward a company that is agile, and quick, and smart, and living inside of an ecosystem. So that's one thing.

I really like Clay Shirky's notion of the plausible promise and when he described it, he was talking about Linus Torvald in the Linux project and Linus basically said, "Look guys, I want to make a version of Linux that will run on my PC. Will you help me?" And his promise was if you help me, any aid you give will turn into the finished version of software that will be published under this open source license, like a new license, and therefore will be usable by everybody in perpetuity. So all improvements get fed back to everybody Etc. and a bunch of people jumped in, developed Linux which ate the world basically and it was what saved IBM in the previous story I was telling.

Now when I was in grad school I had the good fortune of studying for a while under Russell Ackoff, who was one of the early systems thinkers, and he had really brilliant ideas about systems and problems and all that. I don't know that he was talking so much about ecosystems, but he was definitely talking about stakeholders instead of just shareholders or instead of command and control architecture who was very much, he coined the term, lowerarchy, instead of hierarchy. But a more modern thinker like Otto Scharmer, is talking about shifting from ego systems to ecosystems and I think that's really fascinating because there's something about command and control, having people on your staff, having a larger office or whatever else, to me, feels very 1980s or before. And we need to get past, but may still be lingering in corporate culture.

If we're going to be trustworthy participants in an ecosystem you got to rethink the agreements we've got to air the dirty laundry,

we've got to figure out what the plausible promise is. We got to work our way toward understanding how to make a fertile ecosystem really work and here, the ecosystem metaphor should not be taken lightly. It's actually a beautiful metaphor, because as you start thinking about how ecosystem services are generated, one of the things for example, is if you focus on healthy soil, soil fertility, everything else gets good. So if you really focus on soil fertility.

Here the key is, what is the analogue to soil fertility in a company that is not into farming not into soil right and I think it's are your workers happy? Are their ideas churning? How is this spirit of the culture of your enterprise? I think that's a kind of soil fertility, that's for sure. So that goes back to trust, goes back to a whole series of things. And by the way, this metaphoric soil that I'm referring to here isn't something that your company owns. Is it something that's only inside of your control? In your territory, but in fact, it's this shared out asset in the commons that you need to nurture with other members of the ecosystem. And that's going to require new kinds of coordination, new kinds of agreements, new kinds of work with people, some of your former competitors etc.

So I think there's really an interesting future here and rethinking, redesigning how organisations, how large multinationals, rethink themselves to be players in large ecosystems, which they don't fully command and control and can't. That's going to be playing out over the next 20 years
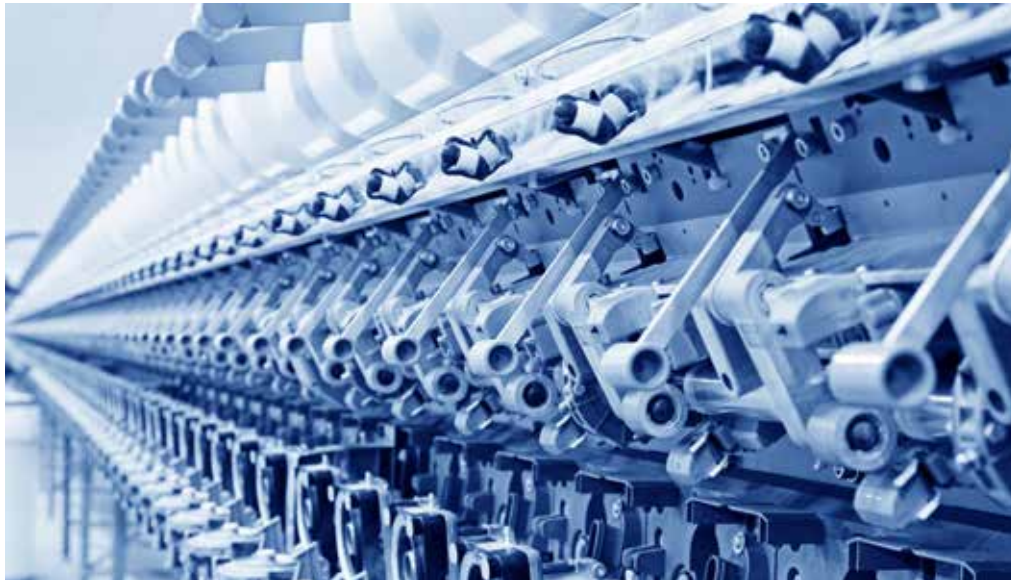
Deeshraf Elias: And as we already know by now, technology will increasingly be a pervasive part of our lives. How does trust intersect with technology then?

Duleesha Kulasooriya: In this context, we have to consider how trust can be embedded in the data. For example, blockchain is a hyped up technology that's emerging, accelerating, and it's used. A blockchain-based system to authenticate the origin of a product or to authenticate the validity of a transaction for example, by being able to trust the data so then you're not just trusting what people said, you can look into the data itself and see that the transaction happened. You can look into the data and qualify that that product came from where it said it was supposed to come from.

But technology and data isn't a one-way thing where there are other factors on trust and data as well. Data privacy and security those are big, big topics, in some parts of the world more than others, and you'd assume that any data that we provide will be kept securely and handled with the right privacy protocol. And just like everything else, there's a huge amount of trust and if trust is breached, it is very hard to recover from.

Jerry Michalski: I think there's a really interesting part here where on the one hand, companies are often trying to replace trust with automation of some sort. So if I make it so that when you sign up to be a driver with Uber, you have to give me your driver's license, your credit card, your this, your that. So then, when we boot you off the platform it's very hard for you to come in and get a fake ID and all that. It's not that you interviewed me and figured out that I was trustworthy, it's that you automated that thing away. And the blockchain is a little bit like that, so I'm really interested in the interfaces where trust is actually built across communities, or across groups who have relationships and how that will still play in our world. Because we can't replace all these trusts connections with just automation because then when push comes to shove, nobody knows each other and there are no trust relationships to fall back on.

I mean when you talk about Society, for example, we use the analogy of the fabric of society and we call it the fabric because the warp and woof are all these little interdependencies between humans. That you check up on the older lady who lives two floors down, because she's not able to get out and we're under lockdown. And you make sure that she's got enough to eat and this is okay. These little interdependencies are what forms society. And companies are no longer just suppliers of juicy drinks or a nice sandwich, they're actually participants in society. And the more they think of themselves as peers in society rather than producers who are selling stuff to consumers, the more I think they'll understand how to do this.

Now back to technology. I spent a dozen years as a tech industry trends analyst and I had a really fun time and kind of made my reputation doing that. My advice to companies, and for half of the time my clients were global multinationals, and there at the time they had Advanced Technology Groups which like corporate strategic groups, have all vanished. In the meantime, they got sort of bludgeoned into submission in the decades between. But my advice was as valuable if I told them not to use the technology, if I said ahead and use this in here is how and where. Because technology is a two-edged sword. A knife can fillet a fish, it can make you dinner, it can also kill somebody. And nuclear power can give us power, can give us weapons. And privacy technology, so contact tracing after coronavirus are fabulous for tracking down who might have had contact with an infected individual. And two days later they're really terrible under a tyrannical regime that's using them for find people.

So we have to be really mindful of what Duleesha just said, about data privacy and security. And we have to figure out how to design these applications so that they're secure, but also safe in a very different sense. Secure meaning hackers can't get in there and steal their data, and mess with it. But safe in the sense that people even using the system in a purposeful way, can't use it to hurt the people at the end of the system, who are actually registered in using the system.

So I love conversations about technology because all too often, we think that Innovation is an unalloyed good and technologies are usually good. Turns out that new things aren't always good and technology isn't always good and it takes proper intent and a good understanding of the relationships of the system to use these technologies well and implement them well. That intent is all important.

Duleesha Kulasooriya: When it comes to a previous part of the conversation, where we're talking about designing from trust, and it seems like in this case we're using technology to design from mistrust. Even what I said before, like you can trust from a blockchain standpoint, the origins and all that, because you're not trusting the person telling you that it's really where it came from. You can use the whole thing about like, because it's in the system for your Uber or Grab driver or anyone. It's a system we can trust versus you're not trusting it from the prior market so it comes into the ethics of technology and designing from trust and also designing from mistrust.

Jerry Michalski: Very definitely, and I think you said that really well.

Deeshraf Elias: And to wrap things up, do both of you have any final advice for organisations looking to embrace trust to thrive and prosper?

Duleesha Kulasooriya: Okay, so it's a very broad conversation here and lots of things we can go into and I think three things. One is leadership matters. Two is, the mindset

you can create in ecosystem across all of this stuff so leadership matters now more than ever right? Building trust with the employees and customers and society to go through the different phases of respond, recover and thrive of this crisis will go a long way to give you permission to lead in the future. So it's kind of like you're building trust capital that gives you permission to lead in the future, that's the first one.

The mindset shift we talked about, Jerry talked about abundance equals scarcity minus trust. We talked about the shift from problem to opportunity. There's a huge opportunity around this big opportunities. There's no better time than now, as you phrased, the crisis or the catalyst to go out as big opportunities. And if you do that, you gain the trust of your employees and customers and society and that gives you greater permission to lead. It's another example that societal level on organisations building a trust capital and the last one is that most of the work we need to do in the future is going to be around ecosystems. So kind of reinforcing that trust is the glue that binds partners together in an ecosystem and without trust these ecosystems will never reach that potential. So this a big gnarly, yet, very interesting problem. Trust is going to be so critical to how we move forward to thrive and it's been a great conversation, thank you.

Jerry Michalski: I think that one of the first things I've said comes out of this notion of trust, which is to pay attention to how these ideas make you feel. We're so deep down the rabbit hole of mistrust and designing from mistrust and assuming we can't really trust anybody in the middle of a multiple crises that are kind of overlapping. And who knows what else is going on, it's very hard to shift over to think that maybe we can figure out trust. And so, ideas that sound like design from trust are going to feel counter-intuitive they're going to punch you in the stomach and yet I'm offering that these ideas are actually the path toward abundance, profit, longevity, a bunch of other things like that.

Trust will help you tackle those wicked problems and turn them into wicked opportunities. It's actually a really useful lever, and by lever, I don't mean to imply that, you could just apply energy to one end and mechanically, trust will change things around. I mean you're actually have to earn trust overtime. You have to figure out these dynamics, you have to pay respectful attention to the different participants in the ecosystem all of that.

So as Duleesha was saying, trust is the glue that binds all these people together in ecosystems, and I think that as we head toward trying to figure our way out of these nested dillemmas, we're going to need more trust not less. And we're going to do that in the face of a lot of

evidence and a lot of events in the world that are going to tell us not to trust people, that are going to cause us to enter a mindset of mistrust. So I just want to have everybody who's listening to this, pay attention to that and realise, when they've slipped into a place where it's like, "man I guess we can't trust anybody for anything", because that's a dangerous place to come from if you have any hopes for the future.

Deeshraf Elias: Well, that was definitely a very insightful session! Thank you for sharing your perspectives on how leaders and organisations can look to build trust to recover and thrive through the COVID-19 crisis. That's it for today's episode of Thriving in Volatile Times. I would like to thank our guests once again, for joining us on this episode. Jerry and Duleesha, thank you. If you want to comment on this podcast or the topics covered, you can send us an email. The address is **seapodcast@deloitte.com** or head on to our website Thriving in Volatile Times. Don't forget to subscribe to our podcast to get the latest episodes, we are available on Apple Podcast, Google Podcast, Spotify, Soundcloud