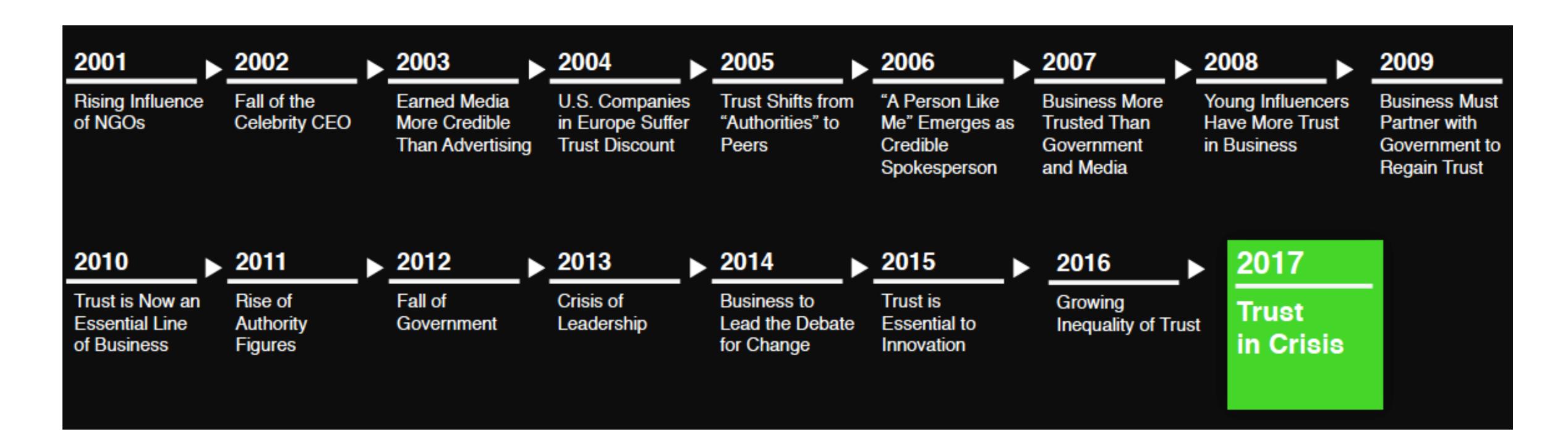


The Future of Trust

Jorn Bettin
December 2017







See also

https://www.washingtonpost.com/outlook/we-are-in-a-crisis-over-trust-in-government-business-and-online-with-no-fix-in-sight/2017/12/08/d733b79e-d387-11e7-a986-d0a9770d9a3e_story.html for an analysis that dances around the issues and stops short of identifying the ultimate root causes





Methodology

2017 Edelman Trust Barometer

Online Survey in 28 Countries

17 years of data

33,000+ respondents total

All fieldwork was conducted between October 13th and November 16th, 2016



General Online Population

6 years in 25+ markets

Ages 18+

1,150 respondents per country

All slides show General Online Population unless otherwise noted



Informed Public

9 years in 20+ markets

Represents 13% of total global population

500 respondents in U.S. and China; 200 in all other countries

Must meet 4 criteria:

Ages 25-64

College educated

In top 25% of household income per age group in each country

Report significant media consumption and engagement in business news



Mass Population

All population not including Informed Public

Represents 87% of total global population



from https://en.wikipedia.org/wiki/Edelman_(firm)

- 1. In the 2000s, Edelman created a front group called the Working Families for Wal-Mart, which said it was a grassroots organization, but was actually funded by Wal-Mart. It paid two bloggers to travel the country interviewing Wal-Mart employees, one of whom was a senior Edelman employee's sister. According to The New Yorker, "everyone she talked to was delighted with Wal-Mart". In 2006, BusinessWeek reported that the public relations effort, which was positioned as a grassroots blog, was actually paid for by Wal-Mart. The New Yorker called it a "blatant example of astroturfing".
- 2. In 2008 Edelman's work with E.ON, which planned to build a coal power station at Kingsnorth attracted protests at Edelman's UK headquarters. In 2009, to coincide with the weeklong "Climate Camp" range of protests, a group of naked protestors occupied Edelman's reception.
- 3. Edelman provided crisis communications to News Corporation during the phone hacking scandal. Other clients have included Vidal Sassoon, Red Cross, Cantor Fitzgerald, Royal Dutch Shell, The Church of Jesus Christ of Latter-day Saints, Starbucks, and the government of Saudi Arabia. It has used front groups to help the American Petroleum Institute reduce the perceived environmental damage caused by oil companies.
- 4. Edelman was commissioned by TransCanada Corporation to run campaigns supporting the Keystone XL pipeline, a proposed pipeline to carry tar sands oil from Canada to refineries on the Gulf coast of Texas. Edelman also developed a strategy for the proposed Energy East pipeline intended to carry tar sands oil through Québec, en route to a deep water harbor at Cacouna, Quebec for export abroad in supertankers and to refineries in New Brunswick. This resulted in a major controversy when documents leaked to Greenpeace revealed that Edelman had made some unethical proposals to sway public opinion in favor of its client.
- 5. In 2015, the firm announced that it would cease work for coal producers and climate change deniers.





from https://en.wikipedia.org/wiki/Edelman (firm)

- In the 2000s, Edelman created a front group called the Working Families for Wal-Mart, which said it was a grassroots organization, but was actually funded by Wal-Mart. It paid two bloggers to travel the country interviewing Wal-Mart employees, one of whom was a senior Edelman employee's sister. According to The New Yorker, "everyone she talked to was delighted with Wal-Mart". In 2006, BusinessWeek reported that the public relations effort, which was positioned as a grassroots blog, was actually paid for by Wal-Mart. The New Yorker called it a "blatant example of astroturfing".
- In 2008 Edelman's work with **E.ON**, which planned to build a coal power station at Kingsnorth attracted protests at Edelman's UK headquarters. In 2009, to coincide with the weeklong "Climate Camp" range of protests, a group of naked protestors occupied Edelman's reception.
- Edelman provided crisis communications to News Corporation during the phone hacking scandal. Other clients have included Vidal Sassoon, Red Cross, Cantor Fitzgerald, Royal Dutch Shell, The Church of Jesus Christ of Latter-day Saints, Starbucks, and the government of Saudi Arabia. It has used front groups to help the American Petroleum Institute reduce the perceived environmental damage caused by oil companies.
- Edelman was commissioned by TransCanada Corporation to run campaigns supporting the Keystone XL pipeline, a proposed pipeline to carry tar sands oil from Canada to refineries on the Gulf coast of Texas. Edelman also developed a strategy for the proposed Energy East pipeline intended to carry tar sands oil through Québec, en route to a deep water harbor at Cacouna, Quebec for export abroad in supertankers and to refineries in New Brunswick. This resulted in a major controversy when documents leaked to Greenpeace revealed that Edelman had made some unethical proposals to sway ers. ha ha, jumping on the ha ha, jumping on the bit late bandwagon a bit late public opinion in favor of its client.
- 5. In 2015, the firm announced that it would cease work for coal producers and climate change deniers.



from https://en.wikipedia.org/wiki/Edelman (firm)

- 1. In the 2000s, Edelman created a front group called the Working Families for **Wal-Mart**, which said it was a grassroots organization, but was actually funded by Wal-Mart. It paid two bloggers to travel the country interviewing Wal-Mart employees, one of whom was a senior Edelman employee's sister. According to The New Yorker, "everyone she talked to was delighted with Wal-Mart". In 2006, BusinessWeek reported that the public refer to the example of astroturfing.
- 2. In 2008 Edelman's work with **E.ON**, which planned to build a cock of an at Kingsnorth attracted protests at Edelman's UK headquarters. In 2009, to coincide with the weeklong "C" ange of protests occupied Edelman's reception.
- 3. Edelman provided crisis communications to No. 10 Jan during the phonon included Vidal Sassoon, Red Cross, Cart Jan during the phonon Jan Jesus Christ of Latter-day Saints, Starbucks, and the government of Salarbucks, and the government of Sa
- 4. Edelman was commission and a Corporation and Sugns supporting the **Keystone XL pipeline**, a proposed pipeline for as oil from Canada arry tar sands oil through Québec, en route to a deep water harbor at Cacouna appec for export abroad in survivariant to refineries in New Brunswick. This resulted in a major controversy when documents leaked to Greenpeace revealed that Edelman had made some unethical proposals to sway public opinion in favor of its client.
- 5. In 2015, the firm announced that it would cease work for coal producers and climate change deniers.





- as a ctually paid for by Wal-Mart. The New Spoop that the search data angle.

 work with E.ON, which planned to high a shape search data angle.

 work with E.ON, which planned to high a shape search data angle.

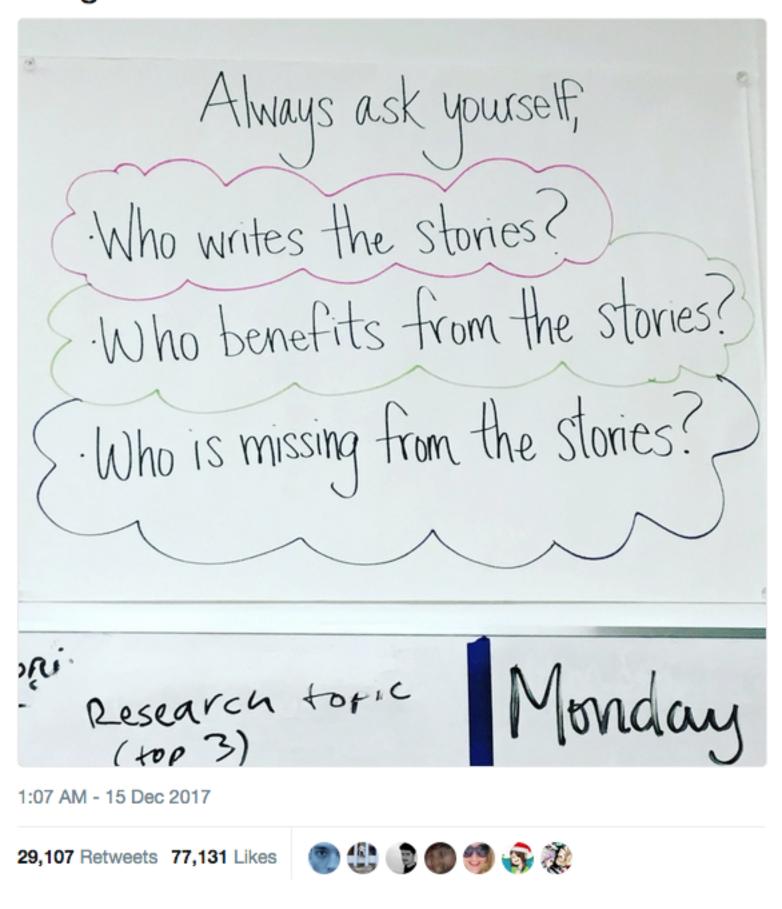
 work with E.ON, which planned to high a shape search data angle.

 year seeption.

 isis communication of the search of the control of the cont



Excellent questions from the wall of my daughter's classroom.

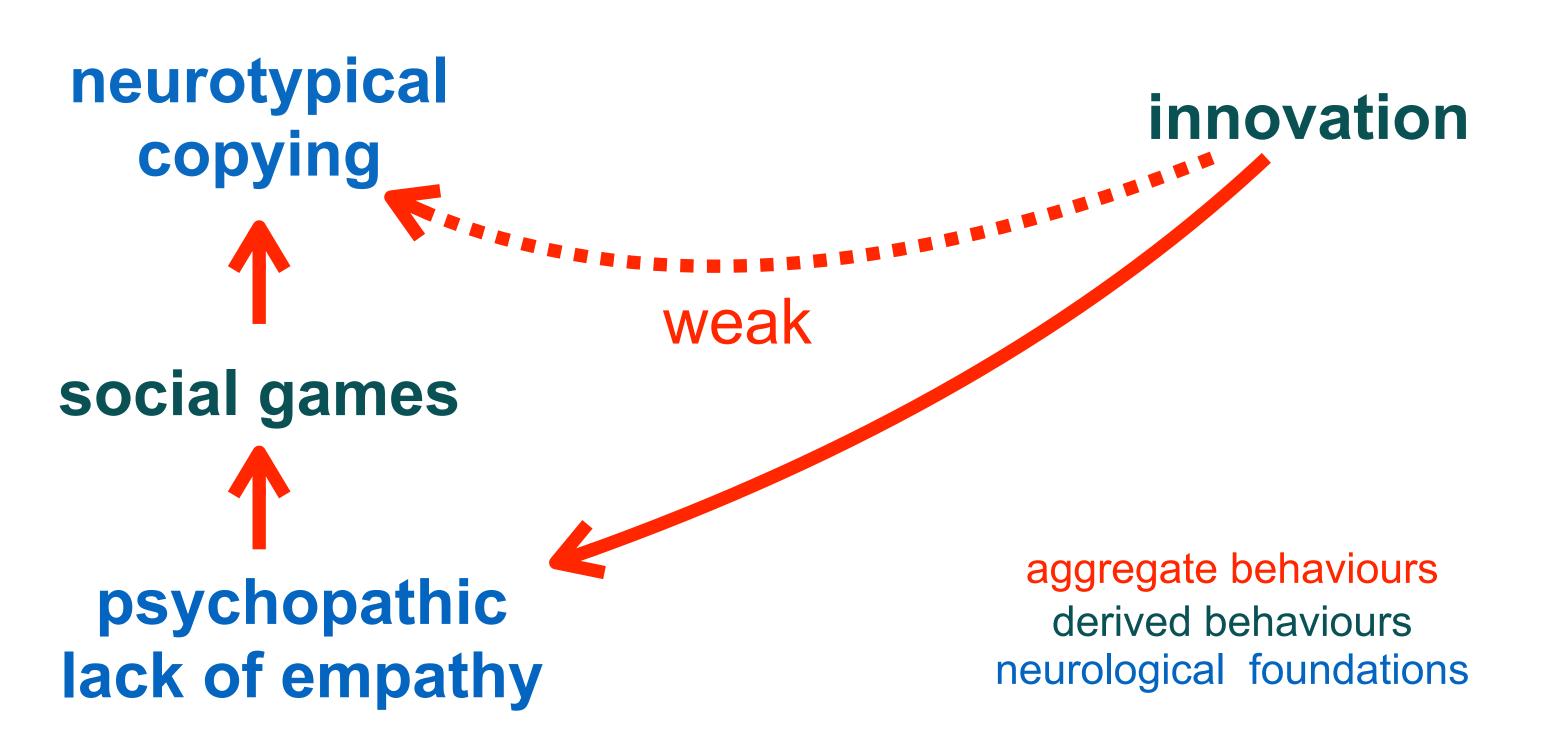








"Gamification" of society



- Paul Babiak and Robert Hare, *Snakes in suits: When psychopaths go to work*, 2006
- Susan Long, The perverse organisation and its deadly sins, 2008
- Susan Long, Socioanalytic methods Discovering the hidden in organisations and social systems, 2013
- The Milgram experiment https://www.youtube.com/watch?v=8g1MJeHYIE0
- The Stanford prison experiment https://www.youtube.com/watch?v=sZwfNs1pqG0
- The Asch conformity experiment https://www.youtube.com/watch?v=TYIh4MkcfJA

psychopathic traits are common in the upper echelons of the corporate world, with a prevalence of between 3% and 21% Nathan Brooks, http://www.psychology.org.au/news/media_releases/13September2016/Brooks, 2016

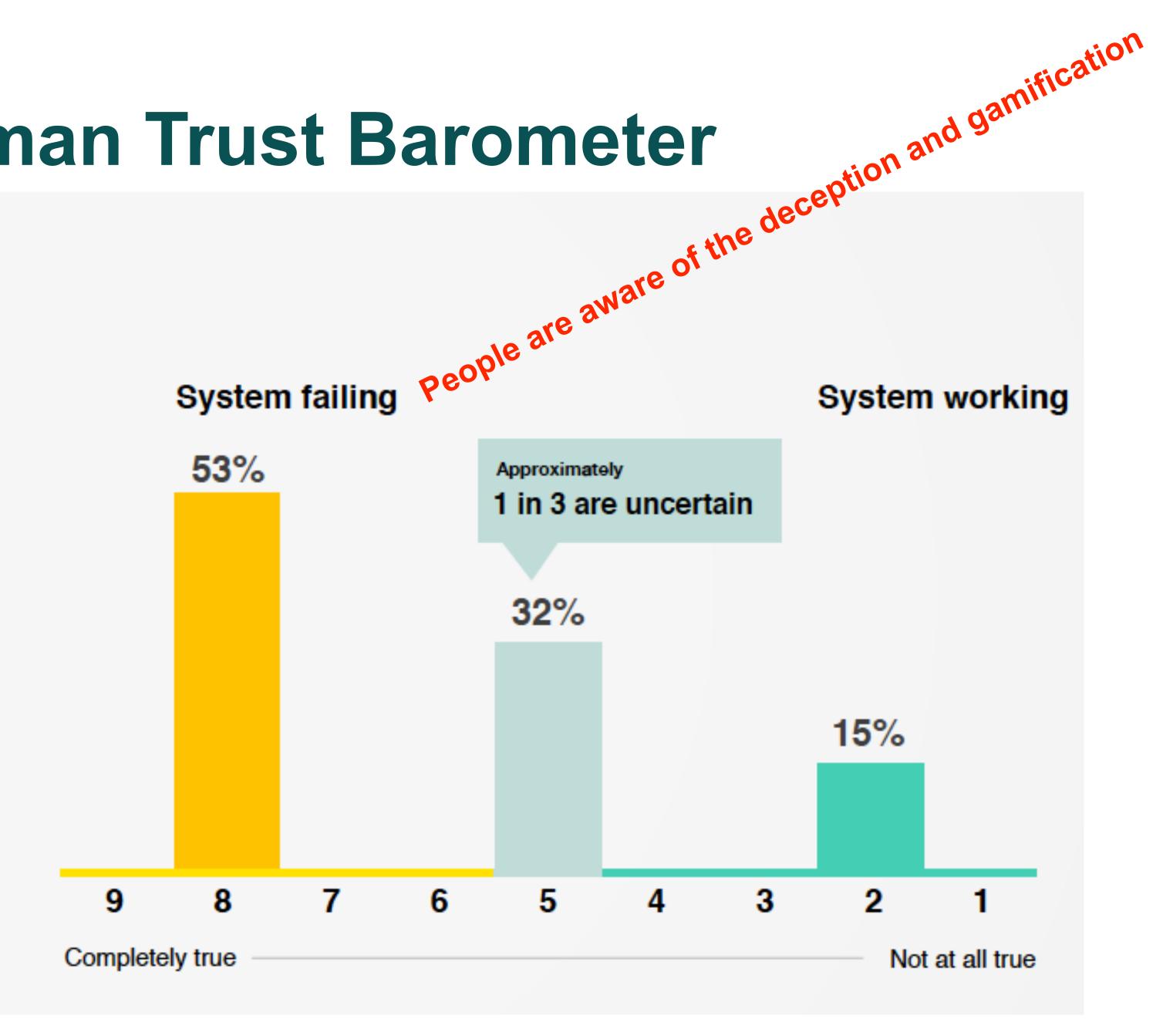




Majority Believe the System is Failing Them

How true is this for you?

Sense of injustice Lack of hope Lack of confidence Desire for change



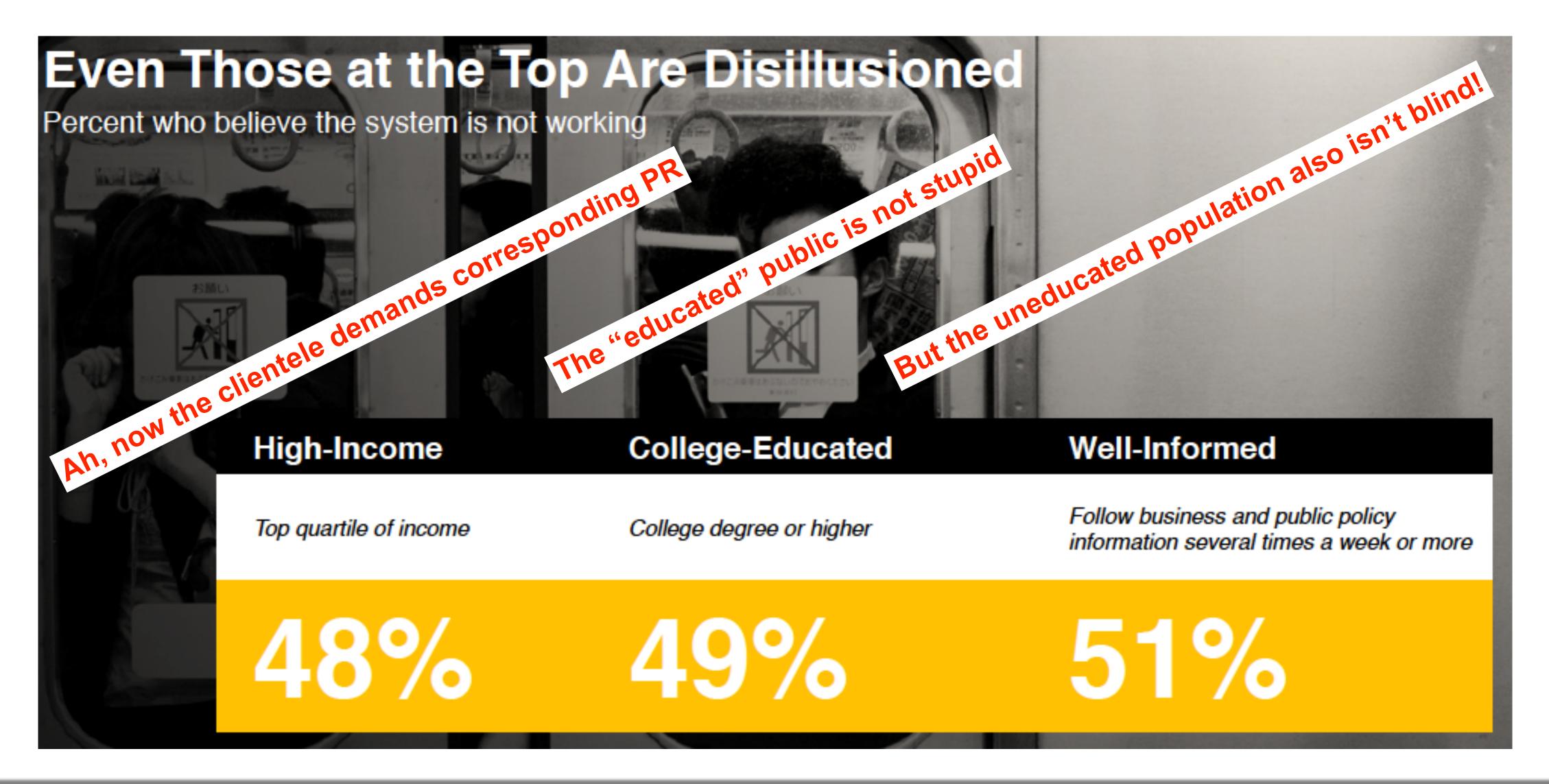


End of story! Designing tools for the next 200 years

Time to stop confusing innovation with entertaining stories. Time for creating a visual language and interaction style that is better than English or any other linear language:

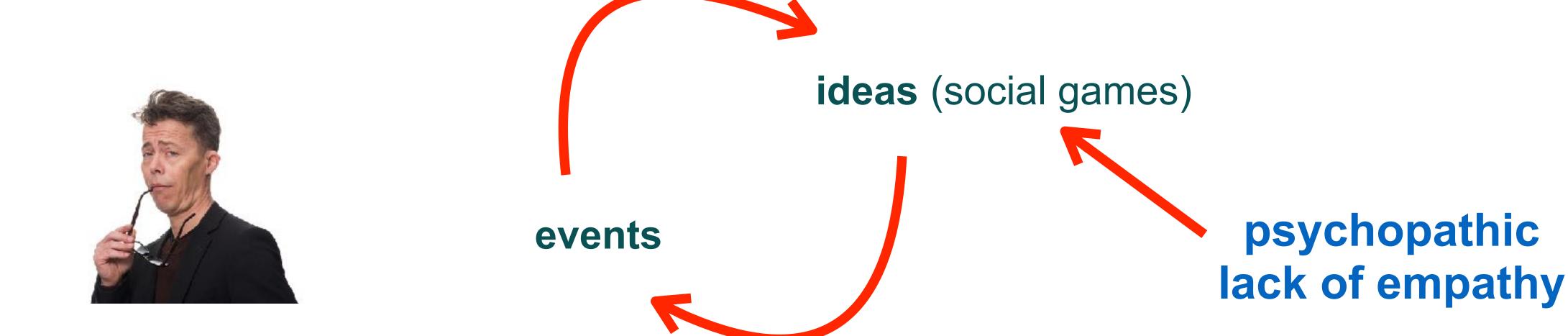
- 1. for validating and representing knowledge
 - in a way that is intuitive and easily understandable for humans
 - in a way that is easy for processing by software tools
- 2. for validating and representing knowledge flows
 - between individual agents/teams/organisations/communities
 - in a way that facilities collaborative validation of knowledge and beliefs
 - as a substrate for interdisciplinary innovation and the creation of context specific variants
- 3. for filtering, validating, and representing economic flows
 - supports domain specific accounting of all kinds of knowledge flows
 - using Culture, Engineering, Maintenance, Energy, and Transportation as the basic sectors for modelling economic value cycles
 - with explicit tools that assist with the detection of deception
- 1. https://ciic.s23m.com/2017/04/25/designing-filtering-collaboration-thinking-and-learning-tools-for-the-next-200-years/
- 2. https://ciic.s23m.com/2017/08/30/addiction-and-story-withdrawal/
- 3. http://s23m.com/about/index.html Contact jorn.bettin@s23m.com for related PhD research opportunities











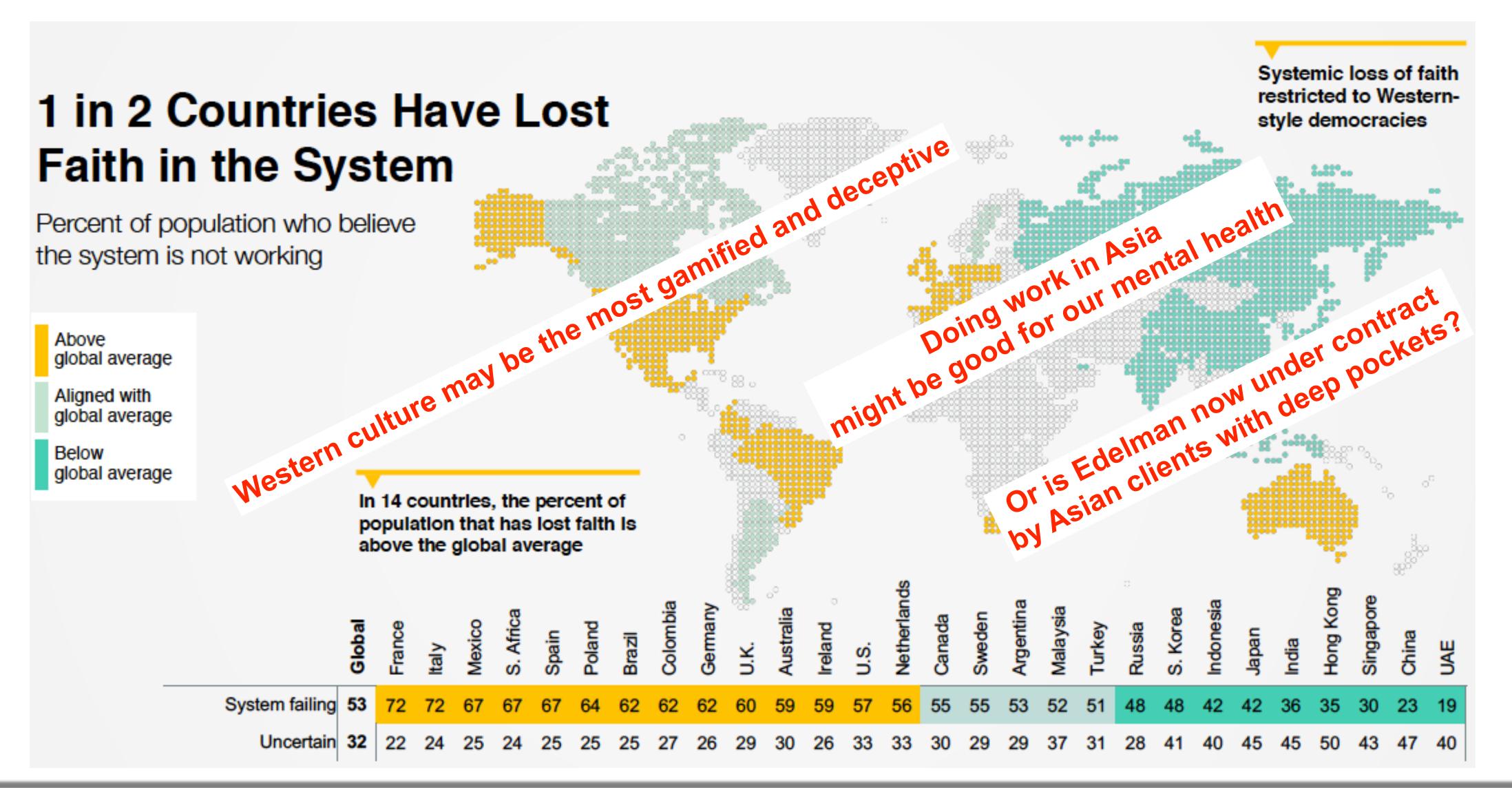
We have perverted the definition of intelligent behaviour ability to deceive others = "intelligent behaviour"

George Soros developed the theory of reflexivity based on the ideas of Karl Popper. Reflexivity posited that market values are often driven by the fallible ideas of participants, not only by the economic fundamentals of the situation. Reflexive feedback loops are created where ideas influence events and events influence ideas. Soros further argued that this leads to markets having procyclical "virtuous or vicious" cycles of boom and bust, in contrast to the equilibrium predictions of more standard neoclassical economics."

http://www.tandfonline.com/doi/abs/10.1080/1350178X.2013.859415

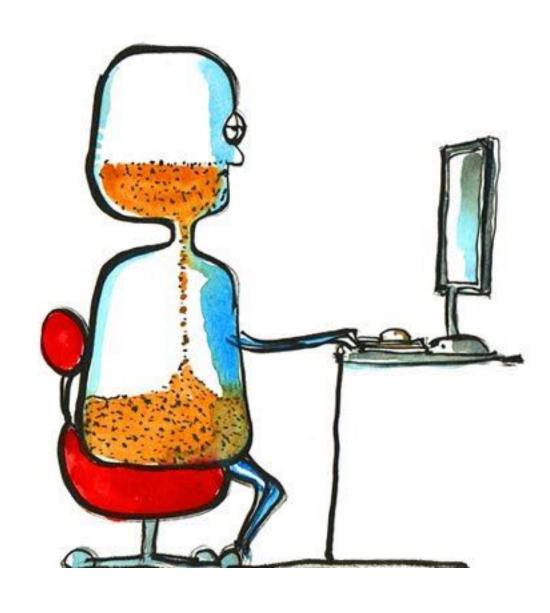








Bullshit jobs



David Graeber has analysed the phenomenon of "bullshit jobs" in detail.

"In the year 1930, John Maynard Keynes predicted that technology would have advanced sufficiently by century's end that countries like Great Britain or the United States would achieve a 15-hour work week. There's every reason to believe he was right. In technological terms, we are quite capable of this. And yet it didn't happen.

Instead, technology has been marshalled, if anything, to figure out ways to make us all work more. In order to achieve this, jobs have had to be created that are, effectively, pointless.

Huge swathes of people, in Europe and North America in particular, spend their entire working lives performing tasks they secretly believe do not really need to be performed. The moral and spiritual damage that comes from this situation is profound. It is a scar across our collective soul. Yet virtually no one talks about it. ..."



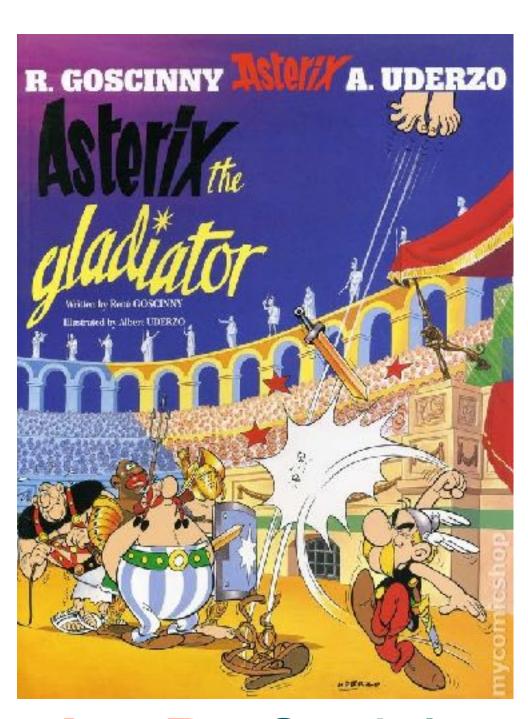


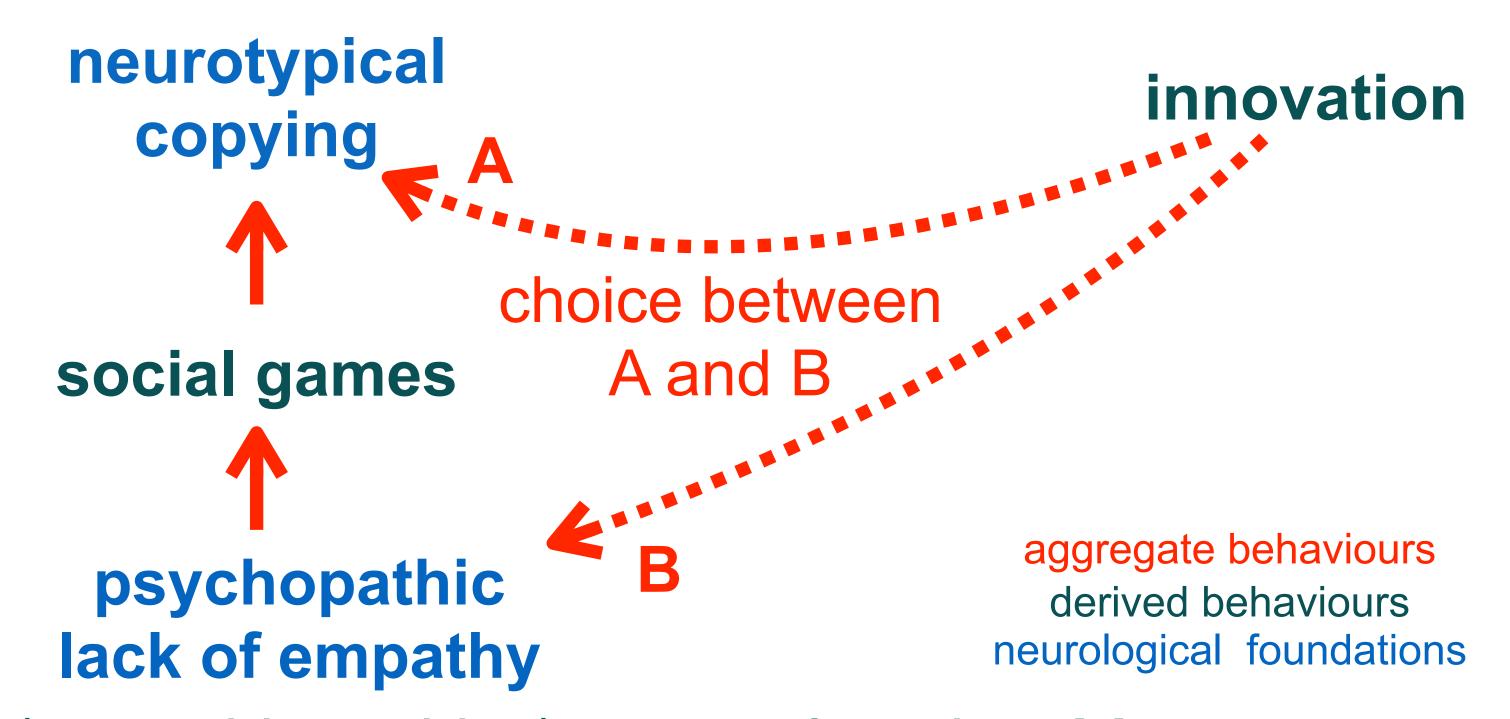


The reason for hope and despair is one and the same

Typical humans are highly programmable ... mostly via social games ... and sometimes via scientific evidence and personal experience

The balance may shift if the social games become too costly! 80% disengaged at work etc.





A < B : Social games (power hierarchies) prevent learning; history repeats

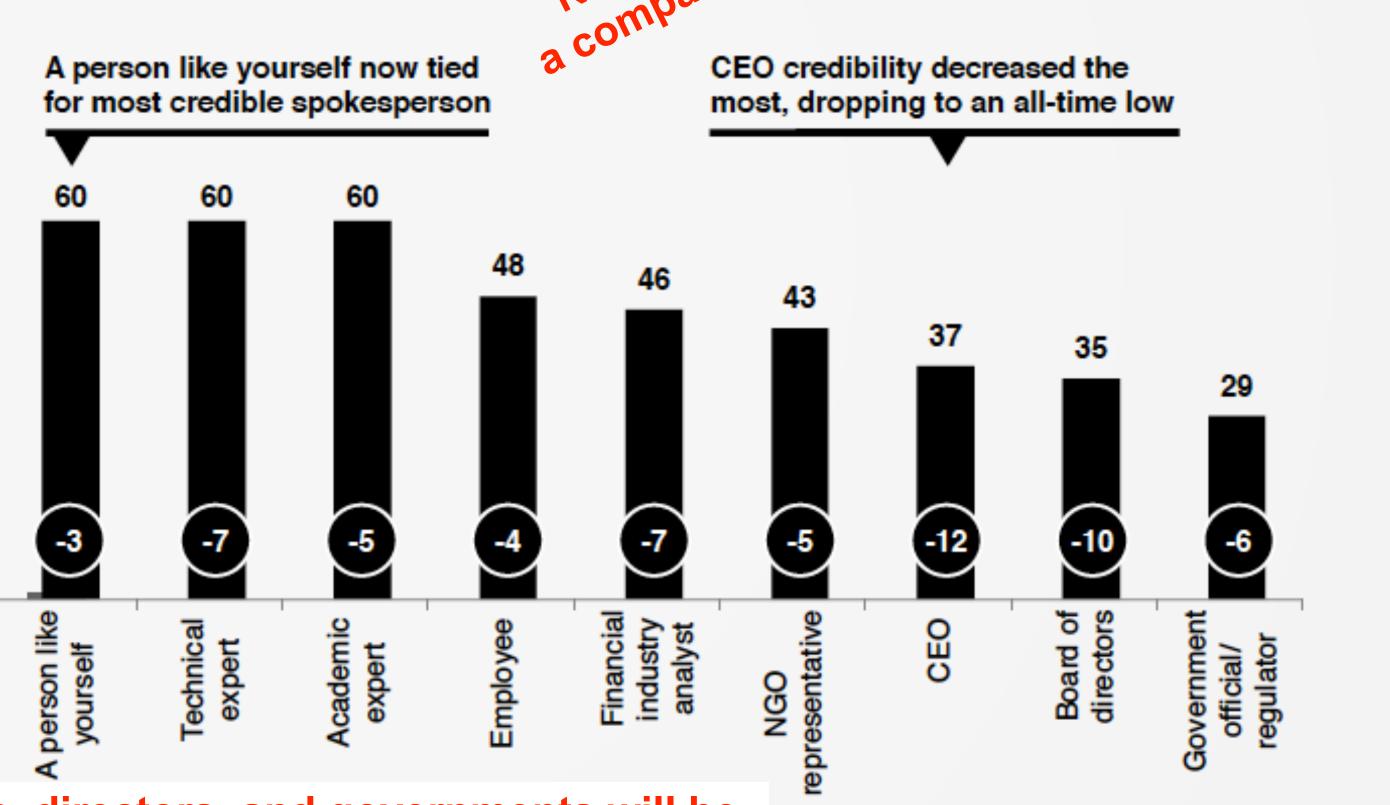
A > B: Learning from history at all levels of scale

Peers Now as Credible as Experts

Percent who rate each spokesperson as extremely/very credible, and change from 2016 to 2017

"People in this country have had enough of experts."

Michael Gove,
 Member of Parliament, U.K.



Now CEOs, directors, and governments will be asking Edelman to come up with ways of being seen to be listening and doing the right thing \$\$\$\$



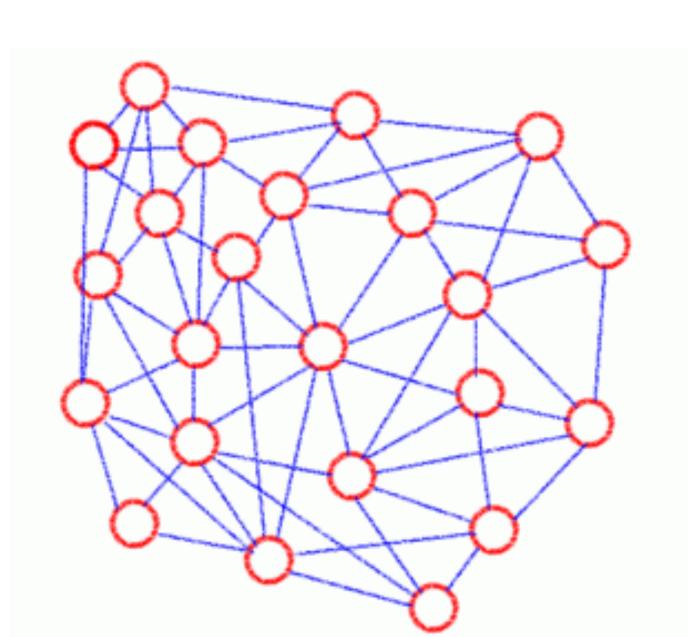
Competence vs authority



Looking under the hood of any hierarchical organisation and analysing communication and collaboration patterns reveals three social structures:

- 1. **The official hierarchy**, which defines the scope of various "authorities" within the organisation.
- 2. **The unofficial hierarchy**, which reflects the actual coercive power structure, which inevitably emerges within all hierarchical structures, and serves as the rank climbing ladder within the hierarchical structure.
- 3. The competency network within the organisation, which is the union of all the multi-dimensional domain-specific competency rankings that individuals allocate to the other members within the group. Each individual independently allocates competency rankings to other group members, leading to a multi-dimensional network rather than a tree based on a unidimensional ranking.

The competency network



... is the only social structure that directly supports the purpose of an organisation.

The existence of competency networks represents an inconvenient truth for all authorities, it contradicts the simplistic claim that a lack of hierarchy leads to chaos and dysfunction.

Those who claim that hierarchical organisation is an inevitable result of [human] nature confuse unofficial hierarchies with competency networks. The latter tend to be complex graphs that are not governed by any simple onedimensional ranking. It can be argued that in terms of resilience and adaptiveness, unofficial hierarchies are as least as counter-productive as official hierarchies.

All healthy and resilient communities have a well-functioning competency network.

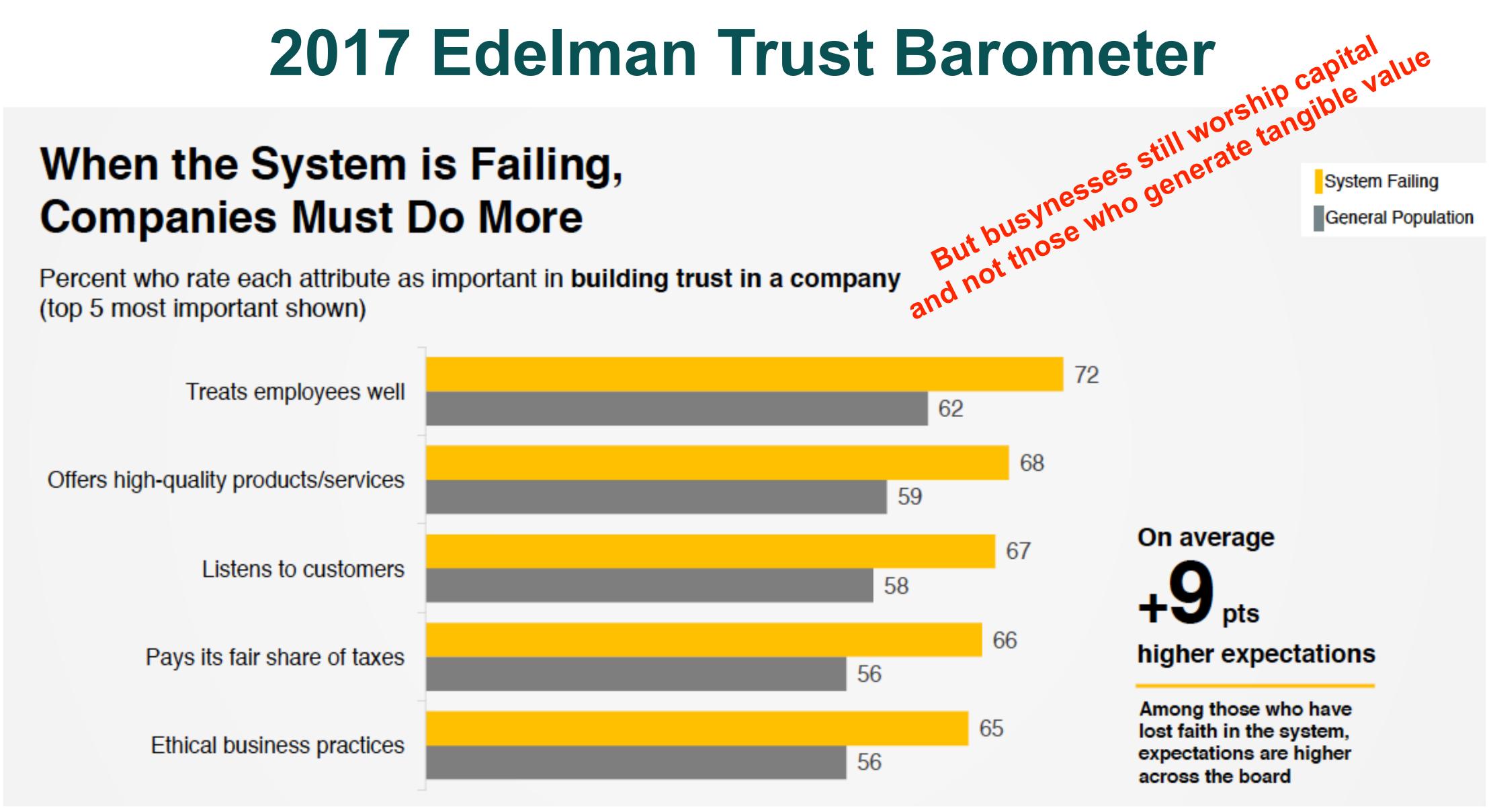


This is accepted usual busyness as usual

2017 Edelman Trust Barometer

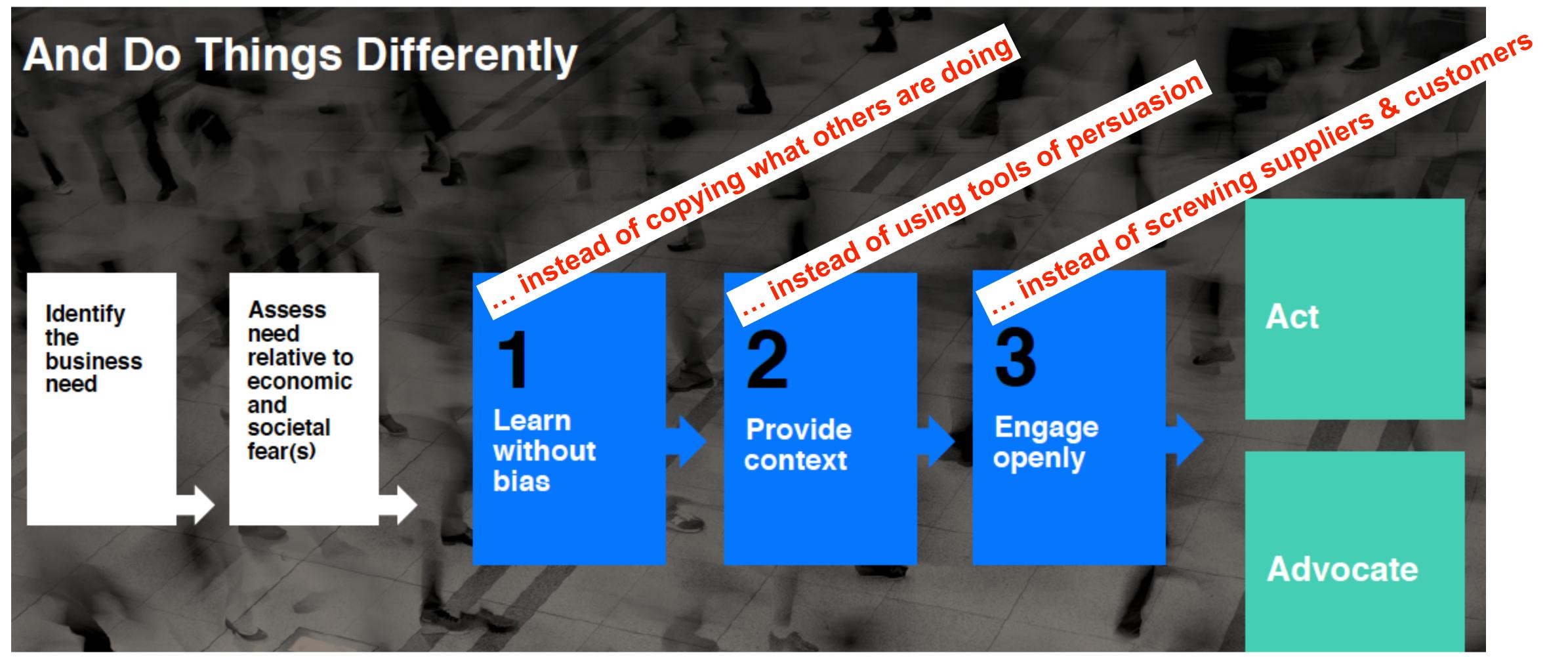
if you optimise for "profit" and not for trustworthiness First, Do No Harm Actions business can take that would most damage trust in a better future (top 5 most-selected) Pay Overcharge Pay bribes to Reduce costs Move profits government executives for products by lowering to other officials to hundreds of that people product countries to need to live quality win contracts times more avoid taxes than workers

Message to clients: Contact us to reframe these activities into the lingo of new economics and sustainability \$\$\$









Adopt the lingo, then pervert the semantics, invent new social games, and voila, another 10 years of runway \$\$\$





Value creation fuelled by mutual trust and zero capital @ S23M

- 1. Clear purpose, a long term perspective, revenue sharing instead of salaries resilience
- 2. Purpose supported by 26 backbone principles an inclusive culture of thinking and learning
- 3. Employee ownership and zero debt no distractions by stakeholders with short term motivations and hidden agendas
- 4. Intensive 12 month induction and on-boarding process a foundation of mutual understanding
- 5. Organising around the talents and needs of specific people ability to benefit from an incredible diversity of talents
- 6. Relying entirely on equitable team-oriented incentives and zero individual incentives elimination of in-group competition
- 7. Operating an advice process instead of hierarchy maximising learning opportunities
- 8. Open source intellectual property no barriers to flows of tacit knowledge

mutual trust

The 26 MODA + MODE principles

The 26 M+M principles provide a set of thinking tools that help overcome limitations to organisational learning. The essence of the S23M operating model as outlined at the last CIIC (previous slide) is one example result of applying these thinking tools.

From our perspective the characteristics I talked about are stable. I do not expect them to change over the next 200 years. The two places where I reference "salary" and "debt" are annotations that tie the core concepts to the current external economic context, essential now in terms of "implementation", but irrelevant in potential future economic contexts.



Collaboration and diversity

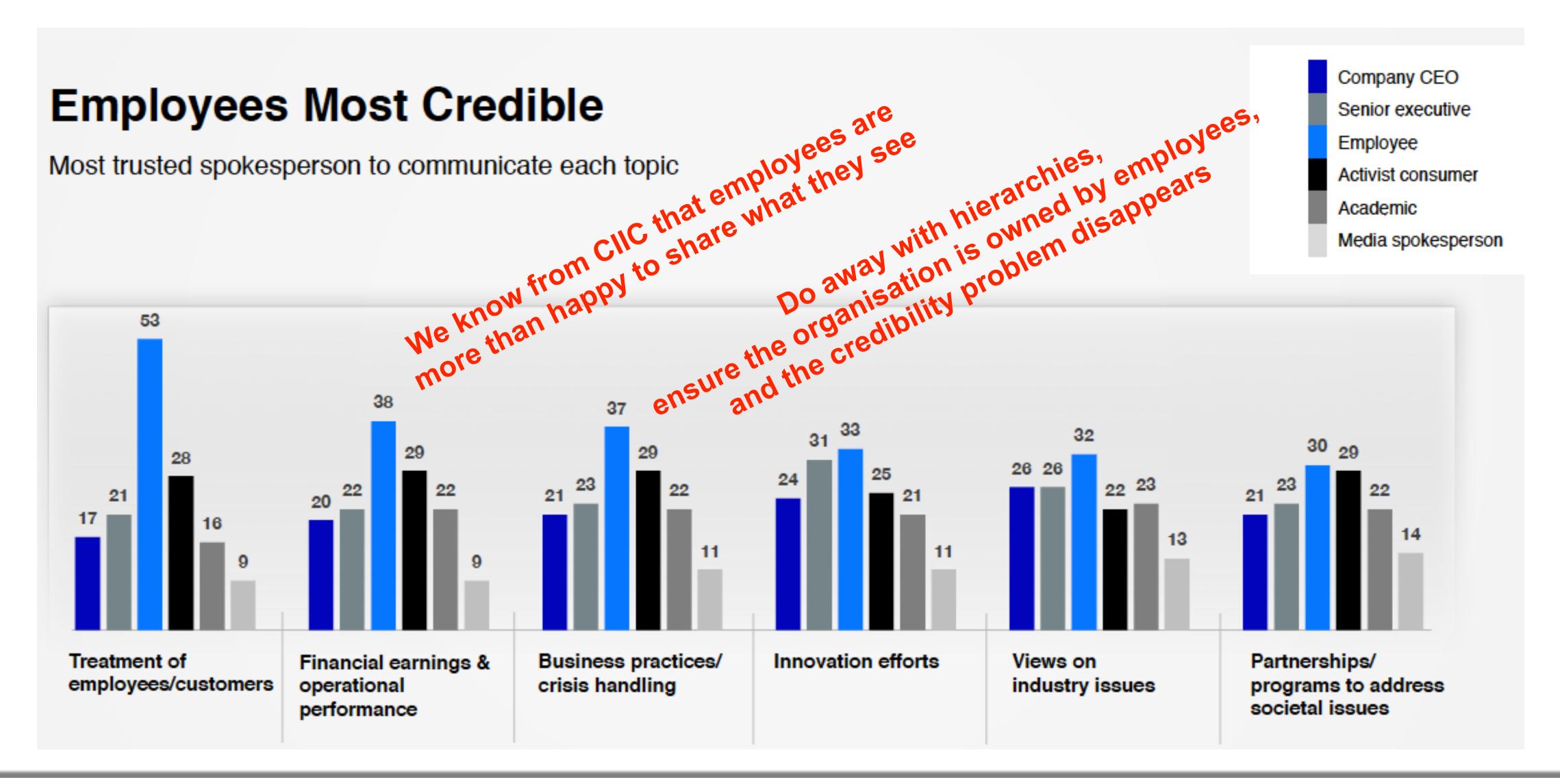
The underlying S23M organisational design is one that promotes collaboration and diversity at the same time, which takes its clue from evolutionary biology. The level of collaborative practices within an organisation defines the level of diversity an organisation can support.

Conversely the level of diversity within an organisation pushes the boundary of collaborative practices, and via organisational learning leads to new forms of collaborations that in some aspects are unlike the techniques found in any other organisation.

This is our unique strength, and it is the Achilles heel of most other organisations.









A simple advice process creates a learning organisation

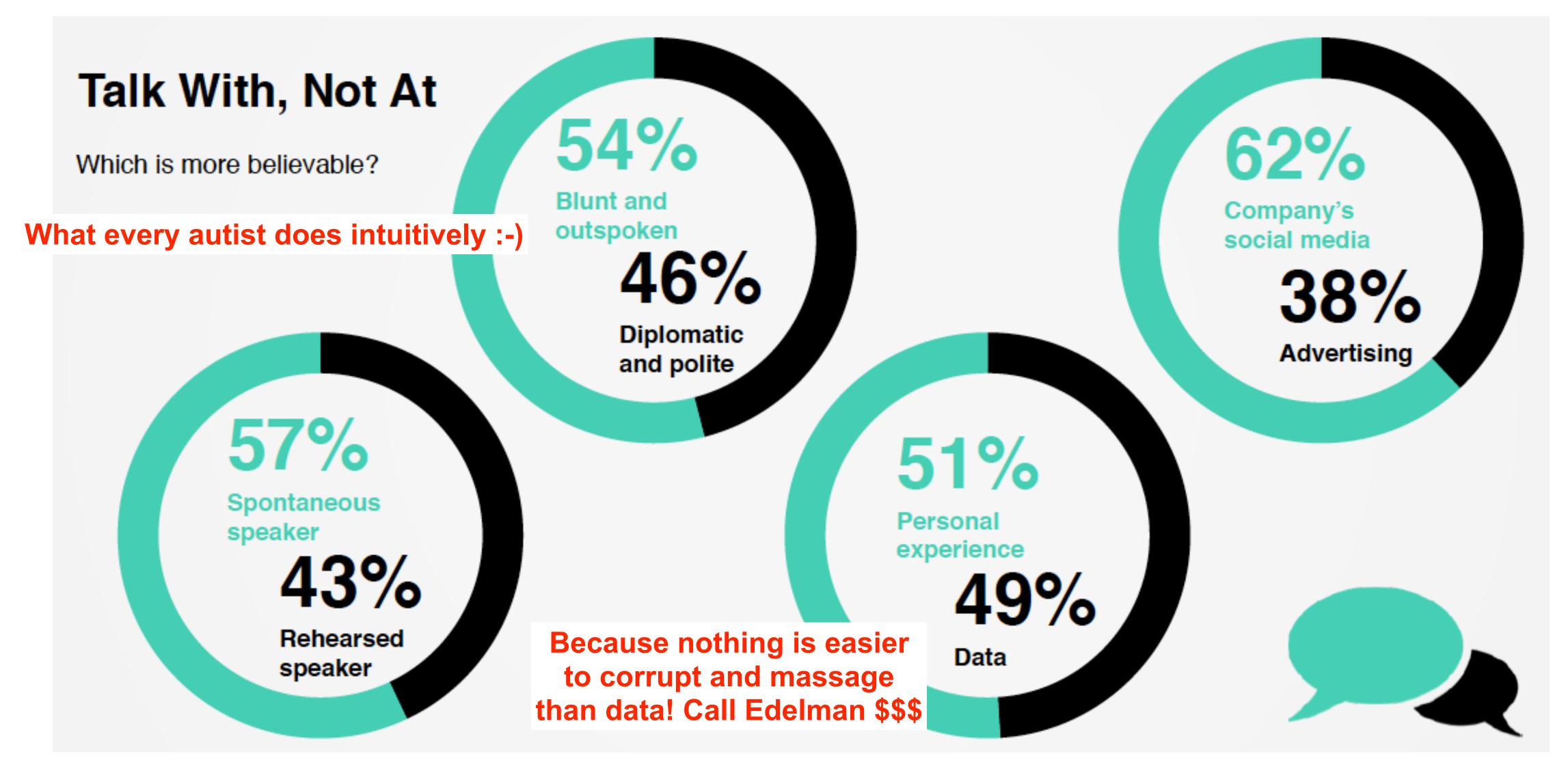
Before making a major decision that affects others in the organisation

- 1. A person has to seek advice from at least one trusted colleague with potentially relevant or complementary knowledge or expertise.
- 2. **Giving advice is optional**. It is okay to admit lack of expertise. This enables the requestor to proceed on the basis of the available evidence.
- 3. **Following advice is optional.** The requestor may ignore advice if she/he believes that all things considered there is a better approach or solution. Not receiving advice in a timely manner is deemed equivalent to no relevant advice being available within the organisation. This allows everyone to balance available wisdom with first hand learning and risk taking.
- 4. There is no need for a complex formal process for dealing with people who regularly ignore advice (or consistently refuse to seek or give advice) and therefore regularly cause downstream problems for others as a result. Such situations are obvious for all involved. A persistent breakdown of collaboration either results in a significant change in behaviour once the downstream problems are recognised, or in the non-cooperative person leaving the organisation.

More information: Frederic Laloux, page 22 in Reinventing Organisations http://www.reinventingorganizations.com/

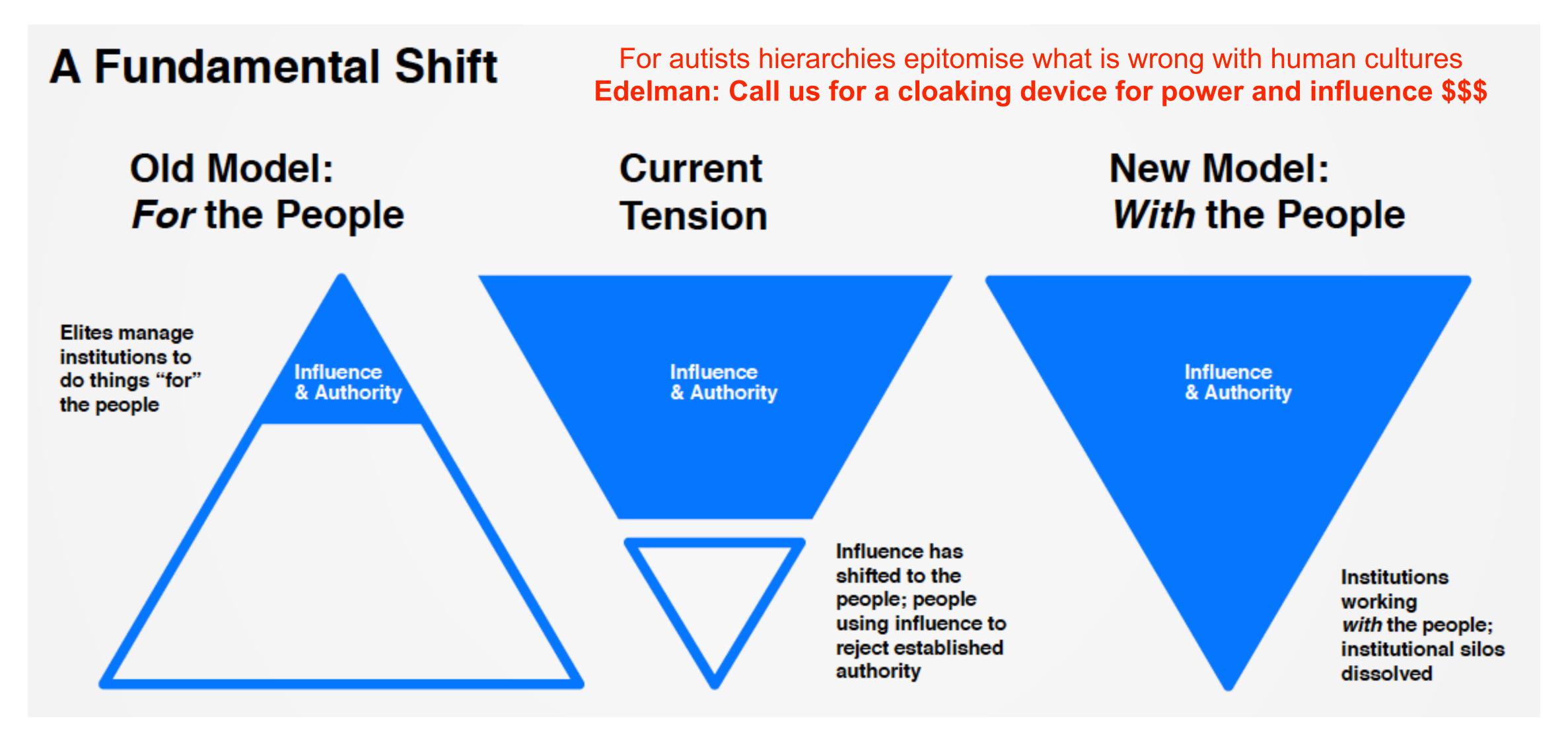












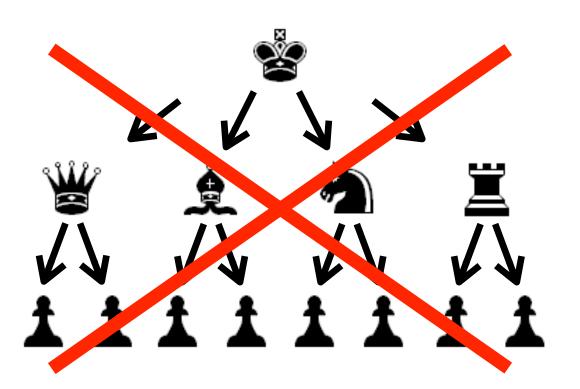




Improvements and innovation

All effective approaches for continuous improvement (such as Kaizen, Toyota Production System, Waigaya, ...) and innovation (Open Space, collaborative design, ...) share one common principle.

In order to successfully identify and implement opportunities for improvement and innovation the belief in the existence and relevance of social hierarchies must be suspended



Why is this the case? What does this tell us about society?

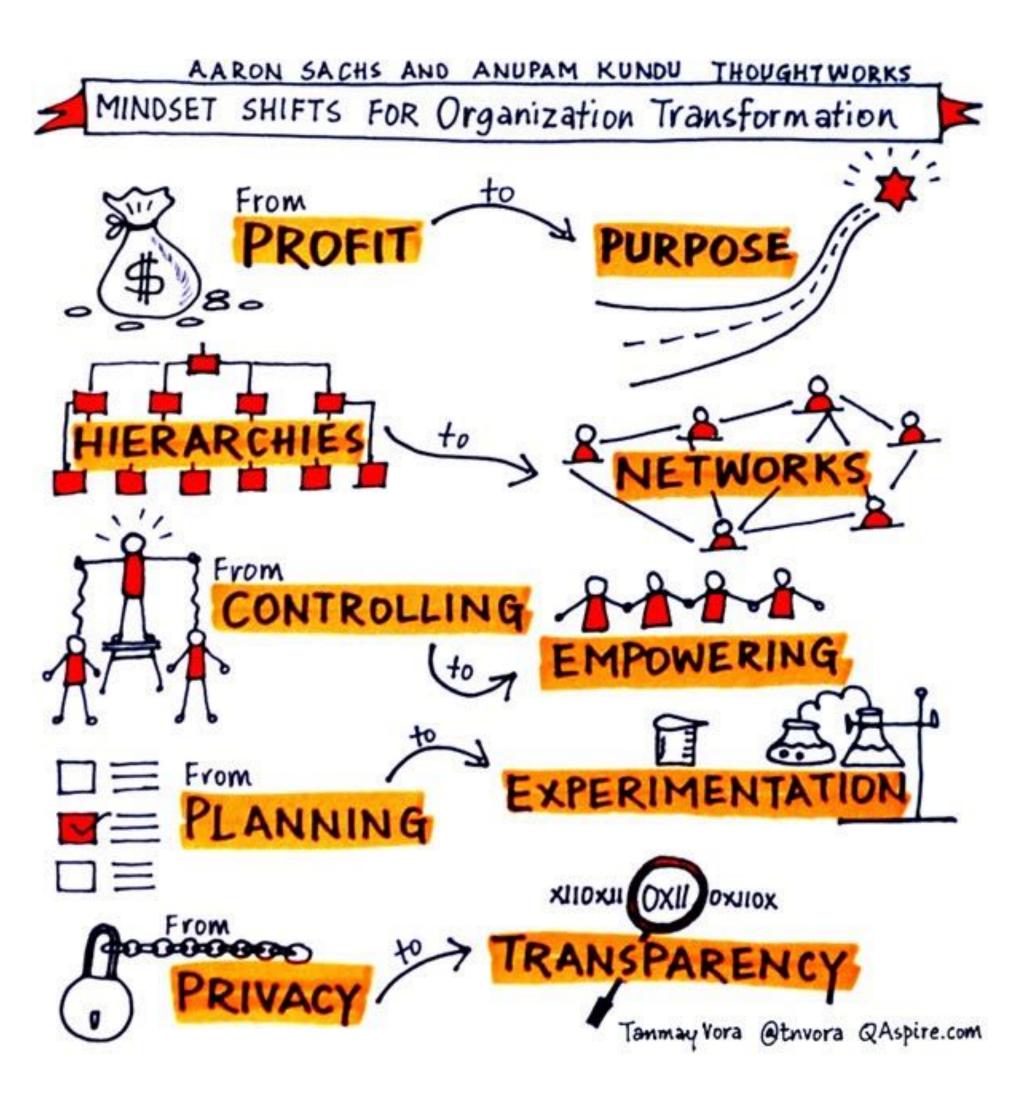
The Trust-building Attributes This seems like a pretty good set of trust generating factors

Company Importance vs. Performance	% Importanc	% e Performance	Gap
Integrity	56	39	17
Has ethical business practices	56	40	16
Takes responsible actions to address an issue or a crisis	55	39	16
Has transparent and open business practices	55	39	16
Engagement	56	40	16
Treats employees well	62	43	19
Listens to customer needs and feedback	58	41	17
Places customers ahead of profits	55	38	17
Communicates frequently and honestly on the state of its business	52	37	15
Products	51	41	10
Offers high quality products or services	59	44	15
Is an innovator of new products, services or ideas	44	39	5
Purpose	45	34	11
Works to protect and improve the environment	52	38	14
Creates programs that positively impact the local community	46	36	10
Addresses society's needs in its everyday business	46	35	11
Partners with NGOs, government and third parties to address societal issues	37	30	7
Operations	40	34	6
Has highly-regarded and widely admired top leadership	42	34	course
Ranks on A global list of top companies, such as best to work for or most admired	38	34	-1115B
Delivers consistent financial returns to investors	38	34	COC

e had to be on the lis

World Economic Forum 2017





Is the era of management over?

... The bottom line is that the **hierarchical management mode is no longer suited for the challenges of the modern economy**. Every pillar of a traditional organisation is now in flux.

The status quo is often protected by the vocabulary of business: directors direct, presidents preside, and managers manage. But all those activities are adding much less value than they used to be. They constrain innovation and stifle creativity in the pursuit of order. ...

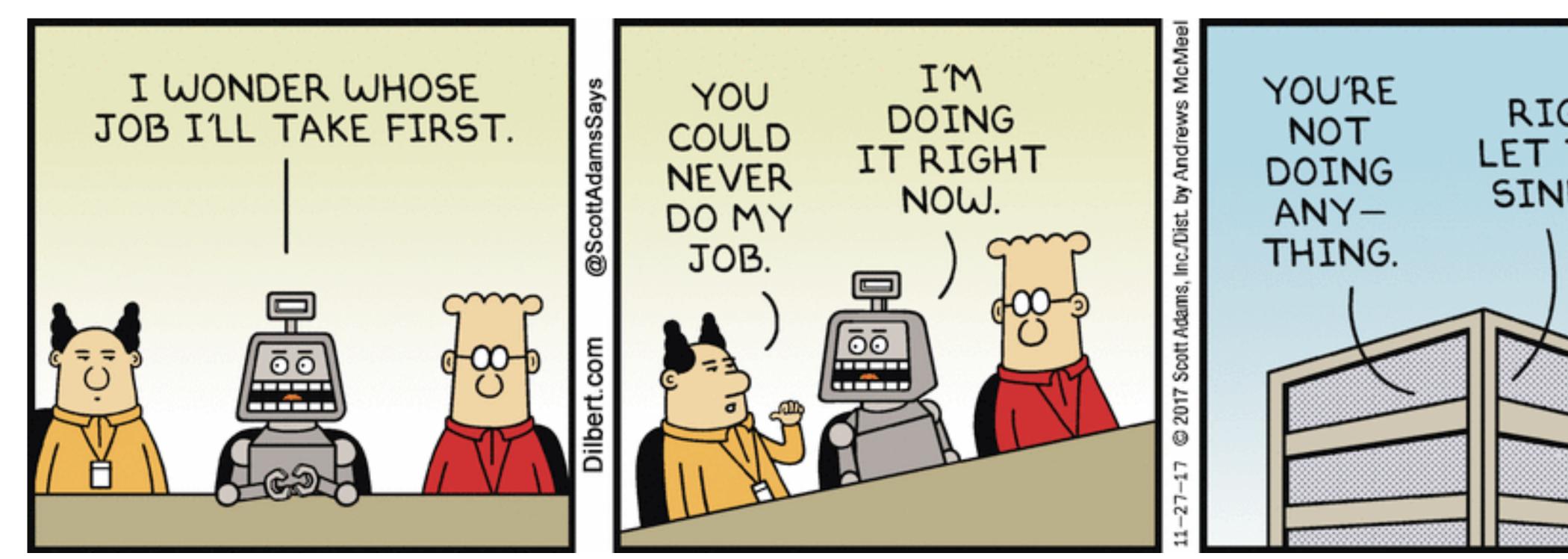
https://www.weforum.org/agenda/2017/12/is-management-era-over

The effect of hierarchical structures on innovation

- 1. Any form of hierarchy indicates a dampened feedback loop.
- 2. Power is the privilege of not needing to learn.
- 3. A hierarchical organisation is the antithesis of a learning organisation.



The future of management





All coordination is either non-productive guard labour or is ripe for automation!

Spurious cultural complexity is also known as guard labour

Guard labour is an increasingly common form of busyness, the term was coined by Arjun Jayadev and Samuel Bowles https://en.wikipedia.org/wiki/Guard_labor





Guard labor is wage labor and other activities that are said to maintain (hence "guard") a capitalist system. Things that are generally characterised as guard labor include: management, guards, military personnel, and prisoners.

Guard labor is noteworthy because it captures expenditures based on mistrust and does not produce future value.

Common psychological traits in group of Italians aged 90 to 101

https://www.sciencedaily.com/releases/2017/12/171212091045.htm

Study finds group displays distinct optimism, stubbornness and bond with family, religion and land

"The group's love of their land is a common theme and gives them a purpose in life. Most of them are still working in their homes and on the land. They think, 'This is my life and I'm not going to give it up,'"

"I have fought all my life and I am always ready for changes."

I think changes bring life and give chances to grow."

"If I have to say, I feel younger now than when I was young." "I am always active. I do not know what stress is. Life is what it is and must be faced ... always."

"I am always thinking for the best. There is always a solution in life. This is what my father has taught me: to always face difficulties and hope for the best."



Lessons from evolutionary biology (1)

https://aeon.co/essays/how-evolutionary-biology-makes-everyone-an-existentialist

"... What biology teaches us about human nature is that, in a very real sense, there is no such thing as human nature. The only coherent attitude to that fact is that of the existentialist: if there is any guidance to be found in nature, it is that there is nothing there to follow. Instead, we should aspire to create it."

The industrial age was the age of simplistic cookie cutter approaches to everything. We now have to live with the consequences and find ways of undoing them.



Lessons from evolutionary biology (2)

https://evolution-institute.org/article/the-evolutionary-ecology-of-cancer-an-interview-with-athena-aktipis/

"...one can think of multicellularity as a supremely sophisticated cooperative system or set of systems – we have different types of multicellularity — but what they all do well is to coordinate their parts in ways that are cooperative and allow the higher-level units to be functional and effective. Doing that requires regulating the behavior of the cells. In particular, we've identified foundations of multicellularity that we see in many different forms of multicellular life, which all seem to break down when we have cancer or cancer-like phenomena. These include control of cell proliferation and death. They also include goods and services, the more economic side, which involves allocating resources effectively among cells, maintaining a shared multicellular environment and dividing labor. These foundations allow multicellular entities to function effectively and accomplish adaptive goals on the level of the collective—and they all break down in one way or another with cancer..."

Note that "higher-level" units are groups/networks of collaborating cells, and not hierarchical structures "led" by some "manger cell".



Thriving = minimising all forms of coercion

Cultural evolution is about improving human relations, and not about power politics

- 1. Humans have an innate bias towards collaboration
- 2. Humans compete when their environment forces them to do so
- 3. With cultural transmission humans to a significant degree shape their environment
- 4. Competition is not a law of human nature
- 5. Equitable sharing of resources eliminates all incentives for in-group competition
- 6. Automation has significantly reduced the reliance on human labour for survival, and has minimised the group-level rationale for coercion
- 7. Appreciation of the value generating potential of diversity minimises the impulse to use coercion
- 8. Slipping into coercion can be avoided by asking about and appreciating individual needs and interaction preferences
- 9. Consistent modelling of desirable behaviour provides the best foundation for group-level learning and fosters a sense of individual agency
- 10.Genetic neurological differences define limits for cultural programming. If we all make an effort to accommodate the needs of others, we maximise the level of mutual trust, which in turn optimises the quality of collaboration and the level of overall group intelligence

Where big ideas really come from

https://eand.co/where-big-ideas-really-come-from-ae91d34c4630

The big leagues of ideas operate at this level: dramatically raising the things which matter most a great deal, like elevating life expectancy by decades, or creating peace where once there was war, realizing potential in transformative, tangible, radical ways. So: does disparaging people lead us to big ideas? Of course not.

The biggest ideas in human history, whether they are polio vaccines or political unions or world wide webs, all come from a single source: a fierce belief in human possibility. Big ideas really begin, then, by having profound respect for human fragility, combined by unshakeable faith in each life's inalienable potential.

We are playing in the little leagues now, having forgotten what the big leagues are entirely—chasing tiny marginal things like delivery times for snacks, instead of transformative, revolutionary, life-giving achievements. And that, in turn, is probably because the luminaries that we turn to, wide eyed and breathless, don't have the faintest clue what big ideas ever were to begin with.





Trusted collaboration at scale

Is there any scenario where coercion does create value?

- Coercion may at times be necessary to enforce the social norm that no one should exert coercive power over others
- This norm is many thousands of years old, possibly hundreds of thousands of years, it predates civilisation, and is a common thread in hunter gatherer societies
- Today this norm is reflected in the existence of police forces, which are tasked with policing individual and small group behaviour for abuse – a function similar to an immune system
- The root cause of the problems created by "civilisation" is scale
- Police forces with centralised governance at the scale of nations, states, and mega cities pose a risk of corruption
- Military forces, which are tasked with policing large scale group behaviour are dangerous and increasingly counter-productive by definition
- The next step of progress in cultural evolution towards improved global collaboration is the roll-back of the frequency and scale of coercion in human societies and institutions



Maximising trust, resilience and learning

The larger a human social group

- The more geographically distributed it should be
- The more open it should be

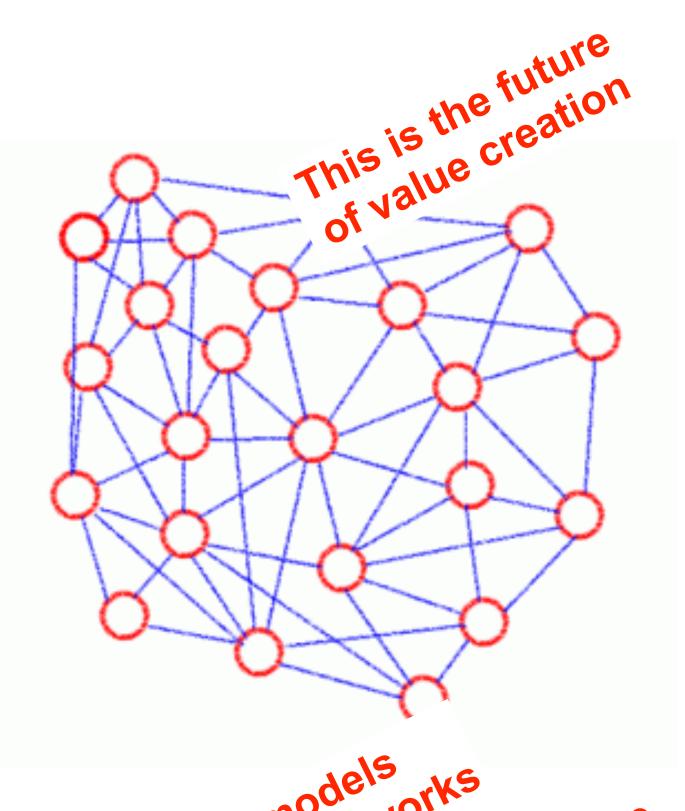
The more geographically co-located a human social group

• The smaller it should be (Dunbar's number)





Formalising and digitising the competency network



for composition are straight And they wedling

Definition: A competency network is the graph of experience-based pairwise trustworthiness ratings in relation to various domains between the members of a group.

Trustworthiness ratings are tied to specific pairs of individuals; they are not directly transferable and they can not easily be aggregated. This limitation probably was one of the key reasons for the small size of pre-historic huntergatherer societies.

The age of digital networks gives us the opportunity to construct cognitive assistants that help us to nurture globally distributed human scale (= small) competency networks – networks of mutual trust.

Humans knew how to build and maintain mutual trust many hundreds of thousands of years ago, and our brains are still designed to operate on mutual trust. It is time to tap into this potential and to combine it with the potential of zero-marginal cost global communication and collaboration.

Thank you!

S23M

info @ s23m.com

Nothing beats capturing the knowledge flow of leading domain experts to co-create organisations & systems that are understandable by future generations of humans & software tools.



