



The Condition of Trust: Focusing on Trustworthiness in a “Post-Truth” Era

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Business leaders and technology suppliers need to evolve their understanding of trust and how to achieve it to succeed in the digital economy. IDC has created the Future of Trust to guide businesses through this shift.

Defining Trust

Trust, in its basic form, is a condition that enables decisions to be made between two or more entities with a level of confidence in quantifiable risk and subjective reputation for an exchange of mutual benefit to occur.

For enterprises, trust goes beyond the lack of harm to include not only risk, but compliance, privacy and business ethics. Decisions, tactics and strategy become more about mitigating potential harm, and about maximizing return. Business leaders are commonly faced with decisions about which choice limits risk; they must also choose strategies that support the best possible return on the investment of capital, resources, and work. Creating trust requires investments of time and resources for an organization that require both tangible and opportunity costs; trust investments must drive a return on investment for enterprises.

A challenge for business leaders is that Trust, although influenced by organization, is not controlled. Trust is effected by various interest groups with their own set of biases and agendas. Thus, truth varies based on the audience.

In this era of multiple interpretations of truth, the big question for enterprises and their customers, partners, and regulators becomes not what is necessarily a consensus interpretation of truth, which may not be attainable, but what is trustworthy. And with a focus on trustworthiness, what information can be used to support mutually beneficial exchanges between two or more entities — the condition of trust.

Recent IDC CEO and sentiment surveys show that digital trust is a key agenda item for the next five years.

Measuring Trust

While trust will continue to involve measurements of risk, the future of trust will dominate and introduce a host of new variables based on the subjective measurements of a company’s trustworthiness. The information supporting trust is measured in two categories:



Objective

Information is measured in terms of “risk,” where trust moves from a binary “trusted” and “not trusted” decision to a measured assessment of the trustworthiness. This provides the information upon which actions and decisions can be based. If 0 is a complete lack of trust and 100 is absolute trust, in this post-truth era the reality is likely somewhere in between.



Subjective

Information is measured in terms of “perceptions” of the almost unlimited sources of news and information, which, by the nature of perception, come with biases based on countless individual and group points of view.

It will be more challenging for enterprises to base actions and decisions on a combination of objective and subjective measurements, but it must happen. Ignorance will not excuse companies from failing to take them into consideration when making decisions.

Companies that don’t do this are already seeing financial consequences and reputational damage. Examples of events that erode trust are data breaches, personal information not being protected, information being mishandled, or violations of state privacy laws.

Data handling practices are in the spotlight and enterprises are being held responsible for their handling of information associated with their vendors, partners, investments, hiring practices, and even the personal and political beliefs of their employees.

By 2023, 50% of the G2000 will name a chief trust officer, who orchestrates trust across functions including security, finance, HR, risk, sales, production, and legal.



IDC’s CxO View of the Future Enterprise in the Digital Economy researchers found that establishing technology/software transparency is an organization’s top trust goal.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,100 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC’s analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly-owned subsidiary of International Data Group (IDG), the world’s leading tech media, data and marketing services company.

As the language of trust changes, it is becoming a boardroom topic, one that must evolve from abstract descriptions of security to quantitative and qualitative expressions of trust. The downside to not preparing for this can be extreme.

By 2025, two-thirds of the G2000 boards will ask for a formal trust initiative that executes a roadmap to increase an enterprise’s security, privacy protections, and ethical execution.

Driving Trust

While trust will continue to involve objective measurements of risk, the future of trust will dominate and introduce a host of new variables based on the subjective measurements of a company’s trustworthiness: trusted enabled commers, trusted ecosystem and trusted governance.

Using technology to create highly differentiated experiences can drive trustworthiness – and revenue. Building integrity by ensuring safety in digital transactions assures customers their data is secure; mitigating enterprise risk through internal governance adds another layer to the pillar of trust business leaders are trying to build.

The conversation around trust and trustworthiness is changing from what a company “must” do to prevent negative outcomes to what a company “should” do to prevent negative outcomes and build toward positive trust outcomes.

Business leaders rarely make decisions based simply on reducing risks or costs and are instead equally concerned with maximizing the return on the investment of capital, resources, and work. Trust is about more than just mitigating harm; it’s also about maximizing return, creating a differentiated impact on revenue, expenses, and shareholder value. The future of trust provides a definition of trust in a post-truth era and guides businesses in establishing trustworthiness and a condition of trust.

To learn more about how enterprises can create positive trust outcomes, read IDC’s Infographic “What is Trust?”

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