Chapter 2

Trust as a Success Factor in Open Innovation: The Case of Nokia and GNOME

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ABSTRACT
This chapter analyzes trust, open innovation, and software development modes. Basing on the case of GNOME – Nokia collaboration, it shows how trust can be perceived as a strategic resource, which is actually the crucial ingredient of successful collaboration. The dichotomy of the professional (expert) trust and the political trust is proposed as an interpretive key to understanding trust enactment in open source communities.

INTRODUCTION
Historically, the software development sector has been ruled by two alternative logics of action: close and open coding (Weber, 2004). On the one hand, the classic business approach benefits from the intellectual property rights concept. This institution of law secures profits from the produced in-house innovations. Internally developed source code is converted into binary version and offered on the market with particular licenses to use it as well as restrictions about copying, modifying, and distributing. The alternative perspective for developing software solutions is an open source process, which is based on free access to the source code and permission to make changes and introduce innovations by the broad community of developers. Open licenses are often characterised by the “viral rule,” which says that the modified...
code or software containing Open Source code has to be distributed as the same type of license as the original piece of code. This means that any company using Open Source code in its software development must release the altered code on the Open Source Software (OSS) license. Here, the institution of law is used for a contrary purpose than in the case of intellectual property rights.

Nowadays, OSS can be neither underestimated nor ignored by business players, and many companies aim to take advantage of the Open Source movement by either passively using OSS (one-way benefit) or more actively participating in OSS projects, submitting patches and developing external collaboration networks. Nokia (Jaaksi, 2006, 2007), IBM, Intel, and even Procter and Gamble (Chesbrough, 2006) have incorporated open innovation models to expand their R&D. Customers and users can easily contribute their explicit and tacit knowledge to a company’s R&D processes as technology development and internet availability make the distinction between work and hobby more difficult (Westenholz, 2003). The organisational consequences of OSS strategies are significant:

The open source process undercuts conventional business logics. The GPL\(^1\) does more than just release control of the source code; it explicitly establishes a situation in which no one can control the source code. This forces a dramatic shift in the underlying structure of the software business (Weber, 2004, p. 192).

The Open Source-business collaboration is especially interesting in the setting in which contributors-coders participate both as private persons and as contractual partners or employees. Moreover, the boundaries of known identities, such as a software developer and a software user and entities like a company and a community, are transgressing as a result of interactions between the two worlds (Westenholz, 2009). While in the organisational or intra-organisational context trust is considered as a means of facilitating exchange of resources and information (Uzzi, 1996, Tsai & Ghoshal, 1998), the specific setting of the competing logics (closed-proprietary products vs. quasi-public goods) possesses questions about the common grounds of the Open Source-business collaboration. By analysing an empirical case, we argue that trust is a crucial strategic resource that makes this cooperation fruitful. We start with the theoretical framework based on trust literature, where we discuss its importance in off- and online relations. We also introduce the concepts of political trust and trust in expertise, which we argue are of key importance in open innovation networks. Then after we discuss data collection methods via case studies, in data analysis part of the chapter, the case studies on Nokia and Open Source, GNOME, Nokia’s politics of involvement in GNOME, and trust in expertise of GNOME community members will be discussed. The case studies will be followed by the discussion on the two-dimensional taxonomy of trust.

**OUR FRAMEWORK**

The studies in origins and nature of different concepts of trust, including in particular institutional and personal relations, structural, cognitive, and affective sources of trust as well as various targets provide a framework for our study. This section looks at the current state of literature on trust showing gaps in our understanding of development trust in the setting of Open Source-business collaboration. It also unfolds the concepts of political trust and trust in expertise, which we found particularly important in the studied setting.

**Unfolding the Trust as a Strategic Resource**

Trust as one of the preconditions of co-operation (Gambetta, 1988; Hardin, 2002, 2006; Lane & Bachmann, 1998, 2000). Trust theories have been