TRENOX
- ADVISORY -

FROM INFORMATION ASYMMETRY TO INFORMATION INTELLIGENCE

The Economic Thesis Behind Employer & Employee Due Diligence

Closing Information Asymmetries on Both Sides of Employment

> **“The economic advantage of the past was often knowing more than the other party. The economic advantage of the future may increasingly lie in enabling both parties to know enough to make better decisions.”**

INFORMATION ASYMMETRY → INFORMATION INTELLIGENCE → TRUST → BETTER DECISIONS → VALUE CREATION

TRENOX ADVISORY | Personal Strategic Master

1 | A LIMITED MISSION CAN STILL CREATE REAL CHANGE

It is neither necessary nor realistic to eliminate every asymmetry, discrepancy or problem in the world. The relevant task is more focused: identify one consequential asymmetry, understand it deeply, create a methodology that reduces it, demonstrate that the methodology works, and then enable others to carry it forward. In the employment market, that means helping employers and employees avoid consequential decisions made in the dark. If Employer & Employee Due Diligence can prevent even part of the avoidable harm caused by missing, distorted or unverifiable information, the project has created genuine social and economic value.

2 | THE ECONOMIC THESIS

Historically, information advantages have often been a source of economic power, margins and wealth. They are not the only source: scarcity, innovation, productivity, capital, risk-taking and brand also create value. But information asymmetry has repeatedly allowed one party to price, negotiate or transact from a position the other party could not fully assess. The thesis behind this project is that the next generation of economic value may increasingly be created by reversing that logic: reducing relevant asymmetry, lowering uncertainty and enabling better-informed decisions.

3 | FROM MONETISING INFORMATION ADVANTAGE TO MONETISING TRUST

The old logic can be expressed simply: I know something you do not know; therefore I possess an advantage; therefore I can monetise that advantage. The emerging logic may increasingly be: we make relevant information visible and verifiable; uncertainty falls; trust increases; decisions improve; transactions become more efficient; and new value is created. Transparency, verification, context, comparability and trust can themselves become economically valuable products.

4 | WHY AI CHANGES THE ECONOMICS OF INFORMATION

As AI makes information easier to discover, aggregate, compare and analyse, the mere possession of generally accessible information may become less valuable. What becomes more valuable is the ability to establish whether information is reliable, current, relevant, comparable and properly interpreted. The information itself becomes cheaper; trustworthy information intelligence becomes more valuable. This is precisely where a bilateral Employment Intelligence platform can create a defensible role.

5 | BILATERALITY IS THE CORE PRINCIPLE

The objective is not to transfer informational power from employers to employees. Nor is it to create another one-sided employer-rating platform. The objective is to replace information power with information quality. Candidates should be able to understand material characteristics of a prospective employer. Employers should likewise be able to make better-informed decisions and credibly demonstrate their own quality, stability, governance or transformation. The platform therefore rests on Employer AND Employee Due Diligence.

6 | A NECESSARY PRECISION

Information asymmetry should not simply be equated with lying. Asymmetry can arise naturally and legitimately: an organisation will always know more about itself than an outsider. It becomes economically and socially problematic when material information relevant to a decision is unavailable, unverifiable, misleadingly presented or deliberately obscured. The project should therefore focus not on eliminating every difference in knowledge, but on reducing harmful and decision-relevant asymmetry.

7 | THE BROADER VISION

Employer & Employee Due Diligence is the first concrete application of a broader economic idea: sustainable value creation should increasingly come from enabling participants to understand the relevant basis of a transaction rather than from exploiting what another participant cannot know. Better information can improve allocation, trust, productivity and the quality of economic decisions. In that sense, transparency is not merely a moral objective; properly structured, it can become an economic infrastructure.

PERSONAL GUIDING THOUGHT

“I cannot eliminate the asymmetries of the world. But where an asymmetry causes avoidable harm, I can try to make the relevant truth visible.”

THE NEXT GENERATION OF ECONOMIC VALUE MAY NOT BE CREATED BY EXPLOITING INFORMATION ASYMMETRY, BUT INCREASINGLY BY ELIMINATING IT.