

TRUSTLETS™

QUICK CASE STUDIES ON ORGANIZATIONAL TRUST

Takata/General Motors/Fiat Chrysler: Automakers and the Public Trust

Overview:

The largest consumer product recall in U.S. history was announced in May 2015 when Takata, after numerous deaths, doubled its faulty airbag recall to 34 million vehicles, impacting 11 automakers. This comes in the wake of the General Motors airbag crisis that claimed over 100 lives, as well as a Fiat Chrysler airbag recall. All three cases are attributed to “cost cutting” measures.

For the first time in history, the NHTSA (National Highway Traffic Safety Administration) is exercising legal authority that it gained about 15 years ago from the Transportation Recall Enhancement, Accountability, and Documentation Act, or TREAD Act.

Articles to be read before discussion:

Read Newsday: [Automakers Risk Losing the Public Trust Forever](#)

Read Reuters: [Takata Faces Questions Over Airbag Fix](#)

Read Detroit Free Press: [NHSTA Tightening Oversight](#)

What industry conditions or behaviors lead to greater regulatory action? What social solutions are available to create greater trust on the part of consumers?

Questions for discussion:

- What could Takata have done differently?
- Is tightening oversight the only solution to restore consumer trust?
- What steps must the automakers take to restore consumer trust?
- What should an automotive CEO be doing to walk the trust talk?
- When cost cutting measures result in deaths, should executives serve jail time?