

PRESS RELEASE

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Restoring Business Trust: the stories beyond the headlines – new IBE report

Real case studies of how trust has been lost, and regained, for six international organisations.

A new report by the IBE explores how organisations have dealt with crises of trust and the processes they have undergone to rebuild their reputations internally and externally.

The Recovery of Trust: case studies of organisational failures and trust repair takes a frank and open look at how the responses of six organisations to a variety of incidents impacted on their trustworthiness. Taken from interviews with those involved and media reports at the time, this publication shares insights into the process of organisational trust repair and asserts the case for a commitment to ethical business practice.

The six organisations included in the report are:

- **Siemens:** Accused of systemic bribery in 2006, the German engineering giant has overhauled its structures, leadership, processes and culture.
- **Mattel:** Faced with a series of toy recalls in 2007, the firm's exemplary response has drawn widespread praise, and minimised reputation damage.
- **Toyota:** By contrast, Toyota's initial response to its own product recall crisis in 2009-10 was widely criticised. However, its subsequent programme of thorough reforms has attempted to recover its lost reputation.
- **BAE Systems:** Beset with persistent allegations of corruption and bribery in arms deals, the company has undergone a major programme of cultural, structural and procedural transformation in pursuit of a more ethical reputation.
- **The BBC:** The Corporation's phone-in scandals in 2007-08 led to a comprehensive review of its operations, and a series of innovative reforms, but implementation has not been easy, or necessarily welcome.
- **Severn Trent:** Found guilty of distorting performance data for the industry regulator Ofwat and fined a total of £38m, Severn Trent had, within two years, been voted Utility of the Year by its peers, in part due to its innovative and impressive recovery efforts.

This case study report complements the IBE's 2011 report, *Building and Restoring Organisational Trust* also by Dr Graham Dietz and Dr Nicole Gillespie.

Philippa Foster Back OBE, Director of the IBE says: *"Organisations need to know how trust is won, developed and sustained, and what to do when that trust is threatened or has broken down. Trustworthiness can be nurtured to support an organisation's resilience and aspirations for an ethical corporate culture, contributing to a powerful business case for paying attention to trust."*

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To obtain an advanced press copy of the report, or to organise interviews, please contact k.bradshaw@ibe.org.uk

EDITOR'S NOTES

THE RECOVERY OF TRUST: CASE STUDIES OF ORGANISATIONAL FAILURES AND TRUST REPAIR by Graham Dietz & Nicole Gillespie

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The Institute of Business Ethics (IBE) is a non-profit professional organisation, which encourages high standards of business behaviour based on ethical values. They raise public awareness of the importance of doing business ethically, and collaborate with other UK and international organisations with interests and expertise in business ethics. www.ibe.org.uk

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Dr Nicole Gillespie is a Senior Lecturer in Management at the University of Queensland, Australia. Her research on the areas of leadership, teams and employee well-being, has been extensively presented internationally and appears in over 20 publications in leading international journals, books, and industry reports.