Volkswagen Emission test Scandal Analysis

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**Introduction**

In recent decades, the provision of suitable environment is of great concern to the several nations worldwide. Several phenomenons such as globalization and environmental degradation due to emission have been considered by environmental protection agencies. However, the Volkswagen scandal is unfortunate event which was highly criticized by environmentalist and many corporate leaders. As reported by Lynch (2016) the Volkswagen scandal involved several employees from the engineering department who participated in emission test cheat. It is believed that the scandal occurred due to technology challenges which prompted Volkswagen to cheat on the emission test. The chairman of the Volkswagen pointed out to the public that a group of Volkswagen employees from engineering department made the decision to rig the emission test in 2005 to allow the company to violate the dough standard set by the United States regarding the emission of gases. According to Mansouri (2016), the Volkswagen engineers failed to meet the standard set by the United States. This happened despite the time and resources provided to them by Volkswagen. The Volkswagen made decision to stick with diesel engine production which makes less than 10% of the cars purchased in the United States, instead of electronic cars which are highly preferred. It caused the company, the market share. Besides the environmental protections agency’s (EPA) rejected the engines forcing the company to create cheating which damaged the reputation of the company.

**Analysis of Volkswagen Scandal**

The Volkswagen scandal occurred due to too much ambition to grow and make profit in the market by Volkswagen. The United States set strict standard which all automobile companies were required to adhere too. But Volkswagen deviated to continue with the diesel engine cars which emit a lot of gases against the standard and regulations set. In order to bypass the standard set, a group of engineers agreed to cheat the test. According to Lynch (2016), Volkswagen scandal is not new to corporate management because of its previous practices. It is believed that Volkswagen has been thrilling based on different scandals and therefore, the emission test

Volkswagen Scandal caused serious consequences to the company. It directly and indirectly affected the stakeholders of the company. The stock market share of the company drastically reduced and this affected the dividends and other benefits shareholders earn. A study by Lynch (2016) concluded that the scandal threaten people’s health due to additional toxic produced by cars manufactured by Volkswagen. It is believed that the excess toxin gasses produced by Volkswagen increased the environmental pollution affected several lives. This therefore caused a lot of problems forcing the government to take decisive action against the company. Mansouri (2016) pointed that when the scandal came out the Volkswagen made a huge loss and some employees were fired to clean the mess. It is also established that the scandal could have been avoided if employees were properly involved in some of the major decision making. As stated by Mansouri (2016) Volkswagen practiced autocratic leadership style where executive and other junior employees had little say on the management and other activities which are undertaken by the company. Most decisions are forced down to the executives and therefore, this create unfavorable environment for most employees. As a result employees could easily make mistake such as cheating emission test and others. With proper structure in decision making and involvement of all employees in the activities, it would be difficult for scandal such emission cheat test to repeat itself.

**Impact to Human resource department**

The scandal revealed gaps existing within human resource department of Volkswagen and the leadership style being practice by the company. It shows that Volkswagen human resource is not in touch with employees and therefore, it can human resources does not conduct proper evaluation of the employees. It is also indicate that Volkswagen’s employees are not valued and therefore, their inputs are rarely sought and this means that there is a huge gap between the human resource and employees. The human resource is supposed to look after the interest of employees, ensures that employees welfare are well addressed to improve productivity of the company. Failure to create relationship with other departments and employees caused the problem and therefore, the company must address the loopholes which exist between human resource and employees.

It is established that employees’ issues are not well addressed and the leadership practiced by the company does not allow employees to freely express their voices. The change of employees’ management and building of team work among employees would be an ideal decision which is likely to help the company address the challenge. Since it has been established that there is a gap in the company between the seniors and other executives, it would be difficult for executive to openly solve the problem and mostly conduct duty when under durance. It would upon the human resource department to improve coordination and interaction among employees, established framework of accountability and procedural operations to ensure that every employee is accountable. Above, appreciation and other benefits are also key elements which are missing with Volkswagen. Most employees feel unappreciated and therefore, their performances are very wanting. Human resource must come out strongly and establish a strong connection with employees to boost their morale so that they can morally perform their duties.

The scandal also revealed a lot of loopholes within the human resource. It is evident some employees of Volkswagen are unprofessional and unethical. The idea of cheating on emission test reflects negatively on the employees and the entire human resource of the company. It means that the human resource has not perfectly conducted its duties to build professional and ethical workforce for the company. It would be important for the human resource to review its performance and introduce serious measures which include training of employees on ethical standards. The fact that these engineers cheated could mean that it is a trend in the company and therefore, a series training of employees must be advanced to build professional workforce which can stand the test of the modern days. . Mansouri (2016) pointed that when the scandal came out the Volkswagen made a huge loss and some employees were fired to clean the mess. It is also established that the scandal could have been avoided if employees were properly involved in some of the major decision making. As stated by Mansouri (2016) Volkswagen practiced autocratic leadership style where executive and other junior employees had little say on the management and other activities which are undertaken by the company. Most decisions are forced down to the executives and therefore, this create unfavorable environment for most employees.

Employees can be help to address these challenges. First, it would be essential for the company to create teamwork. This can be done by establishing, a better working environment through effective engagement of employees. It is likely to improve their performance. It is important for a company to build a sense of belonging and this can be done by human resource in collaboration with other departments.

**Recommendation**

It is obvious the genesis of the unethical scandal conducted by Volkswagen can be traced to its business culture and structure. The modern business practices are far much different with traditional practices. The compliance based business ethics practiced by companies like Volkswagen no longer viable. Volkswagen declines to offer ethical treatment to employees make employees to face dilemma of losing their jobs or take unethical action, which gives the company a revise result. It is therefore, recommended for Volkswagen to change business attitude or culture to create a good working environment for employees. The actions which are taken by employees have significant impact on the performance of a company and it can lead to success or failure of company in the market. It is significant for Volkswagen to value its employees in order to improve their moral to complete tasks ethically. As stated by Mansouri (2016) in a value based practice, the hierarchy is not considered and this gives employees time and energy to work in teams to achieve the expected results. It is important to point that value based business ethic enhance democracy and therefore, executives can be able to raise their voice or concerns to their seniors and this might result to a great productivity.

It is therefore, recommended for the Human Resource (HR) department to work together with other departments to enhance democracy in the company. With efficient system and corporations among employees, the test emission scandal would have been avoided. The style of leadership, autocratic leadership practiced by Volkswagen a major issue causing the problem. The human resource and the entire leadership structure of the Volkswagen must change the attitude and adopt more democratic method which can give employees freedom to freely express their concerns. This would help the company to grow by tapping on the knowledge of experience of all employees without anyone feeling intimidated.

In addition, it is evident pollution and emissions are of great concern to EPA. It is therefore, obvious that the new EPA strict emission standard established putting a lot of pressure to the automobile industry. The EPA has an imperative responsibility to limit pressure to the automobile companies by providing technology and research and development (R&D) assistant. This provision can help companies such as Volkswagen to invert new methods of dealing with diesel and the emission with is needed. The case of Volkswagen revealed that strict emission standards provide opposite expected result with several devastating events. It is therefore, recommended for Volkswagen to invest in research and development (R&D). The R&D department would provide support to the production department to ensure that cars which meet the standard are produced. Above all, in order to prevent future scandals from occurring, it is recommended for Volkswagen to value its employees through value based approach. EPA is also recommended to offer supportive programs to car manufacturing firms to make sure that the level of pollutants and emissions produced by cars are under control.

In order to limit further challenges in the future, it is recommended for Volkswagen to change its leadership style so that employees can make decision. This will allow the company to have productive contribution from all employees and this would result to high productivity. The analysis established that there have been disconnect between human resource and employees. This should be improved by creating a framework where all employees are being valued based on the performance. It is also important for the company to include training of employees on ethical standards and emission issues to ensure that all employees understand international emission standards. This will make all employees to adhere to the standards and therefore, it would be difficult to experience such cases again. The training of employees should include all the departments to build a team which can be trusted to deliver specific responsibilities without much mistake. The idea should be inclusive for all employees to see its importance. It would therefore, be essential for the human resource to improve its conduct in building a better working office and building all employees for specific duties to ensure that employees feel that they belong and therefore, contributions are highly appreciated by the company.

**Conclusion**

Based on the analysis of the Volkswagen Scandal as presented in the article and other literatures, Volkswagen Scandal is a complicated case which created dramatic hassles and has direct and indirect impact to the stakeholders of the company. It is established that the scandal was made possible because of the business culture which has been in practice for decades. Albeit Volkswagen cheating regard to the diesel emission test was very unethical actions which resulted to several disastrous consequences to the company. It is therefore, essential to point that the proposal of green punishment was an ideal action suitable to finalize the case. It is evident that with change of management which includes leadership style, the company would not be able to make similar mistake in the future. The mistake was due to pressure from the top or senior management to the executives and therefore, the executive had no option but to cheat so that they could deliver specific using all tricks because of fear of losing their jobs. The manufacturing of electronic cars would allow the environmental protection agencies to save time and cost utilize to find new system which can be used to control emission tests. In brief, since there is an ongoing case, there are high chances to use green punishment to settle on the win-win method.

# References

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