

Name: LAI Ho Yin

Student ID: 19047229D

ENG3004 Individual Assignment

Q2: Volkswagen (VW) emission scandal cost the company billions in criminal fine. [Watch this video](#). Discuss how the scandal impacts the Professional and Social/Cultural Dimensions for VW. Did VW engineers uphold their codes of conduct? What about their duties to their employers? Has VW's attitude impacted the social perception of the company? You may need to conduct independent research to support your position.

### Introduction

In September of 2015, the Environmental Protection Agency (EPA) in the US found that there were irregularities in Nitrogen Oxide emissions of the Volkswagen (VW) diesel car sold in their local market [1]. When the car, which equipped with the "Clean Diesel TDI" engine from VW, was being tested in the lab, all the emissions figures were perfectly above the standard. However, the lab crew found that the emissions figures of Nitrogen Oxide exceeded by 40 times above the allowed standard in the US when the car was being tested on road. In this situation, this not only contradicted the VW marketing campaign that advertising their diesel cars with low emissions, but also violate the Clean Air Act in the US which the situation became illegal with reference to the video provided.

When the cars were being operated in the lab with the controlled conditions, there was a "defeat device", a computer software designed by VW engineers, found in the cars that it would put the vehicle into pollution control mode to have the lab result meeting the US requirement. Once the defeat device senses the car is on the open road, the pollution control would be turned off.

Regarding to the video of this question, actually the VW engineers had found the problem of their TDI diesel engine back in 2008, which is 7 years before this scandal being disclosed. Clearly, they knew that their diesel cars would not meet the emission standards although the performance and fuel efficiency of the engine could still fulfill their promise toward the customers. However, as they kept promoting their TDI engine was clean when they were trying to sell the car in the US market, this problem would

possibly badly affect their market reputation if it had been disclosed. Designing the defeat device became their solution to the problem and it had developed into a scandal eventually.

#### How the scandal impacts the Professional and Social/Cultural Dimensions for VW?

On the professional dimension, the scandal negatively impacts the corporate social responsibility of VW and how the public perceive the professionals of VW.

As a professional and renown automotive company, there should be the social responsibility for the business to maximize their profit while not to harm the public and stay within the rules of the society. In other words, there should be no deception or fraud when engaging into the free market as the company should be conscious about how they would influence the society, for instance, for the aspect of social, environmental.

For the case of VW scandal, the management staff only emphasized their company need in maximizing the profit while ignoring the possible negative impact toward the society. In 2007, VW launched the aggressive business plan called “Strategy 2018” which they aimed to have doubling annual vehicle sales [2]. To achieve this goal, they decided to rapidly expand their diesel cars business in the US market. They promoted their TDI clean diesel technology in 2008 which they claimed that their product would have the high fuel efficiency and performance while not violating the emission standards. However, they did not achieve this technological level and instead, they sacrificed their responsibility in improving the emission to solved this problem. Because of the increased cost and lower fuel efficiency after complying with the emission rules, VW engaged in a fraud [2].

Obviously, this kind of behavior violated the definition of corporate social responsibility as there should be no fraud even though maximizing profit is what a business do. Moreover, having the car which failing the emission test is an unwanted way to harm our environment. Implementation of corporate social society should always be a “win-win” scenario which both the business and the public would not be badly affected [3].

For the view of public toward the VW professional, there would be the negative impact as a professional should serve the best interests of the public while complying to the ethical standard and code. For example, rule 4 of HKIE Code of Conducts mentioned

that the profession should be governed by the interest of public, such as the aspect of environment. VW engineers obviously violated the ethical standards, and this would cause the disappointment from the public.

On the social dimension, the engineers of VW did not accomplish their engineer social responsibility at the beginning of designing the TDI Clean Diesel engine and VW lost their positive public perception of engineers from the society.

Engineers are the characters who shape the society, and they should accomplish their social responsibility. When an engineer introduces a product through his/her company, it should add value to our society. For example, introducing the cleaner car directly enhances the environment. Every engineer should consider the well-being of the society and not violate any rules, public's trust when introducing a product. However, when the VW introduced their claimed cleaner diesel car, it violated the environmental rules and public's trust, and harmed the public eventually. In short, VW, especially the engineers and the management staffs, did not fulfill their social responsibilities and this would lose the good public perception as a result.

Did VW engineers uphold their codes of conduct? What about their duties to their employers?

To uphold the professionalism, there should be an official organization to regulate any activity by the professional. It is a "formal recognition" of the society responsibilities of the professionals and it is usually defined in a code of conduct. Taking an example of Hong Kong, there is the Hong Kong Institution of Engineers founded in 1947 to be the official organization for the professional engineer. With reference to their Code of Conduct, every qualified engineer should behave properly to uphold "the dignity, standing and reputation of their profession", and he/she should treat the clients with integrity with the highest business ethical standards. Also, the profession should be governed by the public interest, especially about their health, environment and other aspects.

If we are considering the code of conduct established by HKIE as mentioned above, it should be concluded that the VW engineers did not uphold their codes of conduct as an engineer. Before the substandard diesel car was introduced to the market worldwide, the engineers were noticed with the emission problem and knew about all the negative impact to the society it might cause [2]. Instead of putting the project to a halt, they designed the defeat device and allowed all the “dirty car” to go on sale. Clearly, they did not uphold the dignity, integrity which an engineer should have when they designed the product for the public. The scenario proved that they emphasized on business profit only instead of having the balance and maintaining the public interest, ethical standard of business was not followed. Therefore, we should regard that the engineers of VW did not uphold the codes of conduct which a qualified engineer should have.

About the duties of engineer to VW, it should be perceived that they had accomplished what their company ordered, but not followed the codes of conduct required. As mentioned above, doubling the annual sale of cars and expand the market of diesel car in the US market were the order by the VW CEO, Martin Winterkorn [2]. Moreover, in 2008, the engineers actually found the problems of substandard emission about the new TDI diesel engine. However, in order to evade the US emission standard and have their success in diesel car market, defeat device was designed. Nevertheless, it was done only because the company’s aggressive business plan. Therefore, it should be concluded that the VW engineers had finished their duties to VW but had not followed the codes of conduct in being a qualified engineer.

#### Has VW’s attitude impacted the social perception of the company?

As a product introduced into the market, there should be the impact toward the public and social perception would then be generated. For example, when smartphone came out and everyone was feeling positively toward the product because it does good to the society. Regarding to the case of VW emissions scandal, the public was happy about their diesel car at the beginning as it could be proved by its massive sales in the US market. However, as the public realized the VW’s attitude of deceiving the customer and hiding the fact of “dirty engine”, the social perception of the company would badly impacted. Public is aware of the advancement and human progress as each of the product designed by engineers. Once the engineers violate the moral standard and the

trust from public, exactly the case of VW emission scandal, and with the attitude that VW was being deceptive since the product launched, social perception of VW would be negative influenced definitely.

## References

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