Volkswagen: The Diesel Dupe

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Introduction

There has been a wave of corporate scandals since 2000 and the list continues to grow. There are documented instances of bribery, illegal accounting maneuvers, underreporting of profit, overcharging and reporting exaggerated earnings, safety violations and theft. All of these scandals are the result of ethical misconduct within the organizations, with the most recent being the Volkswagen debacle. The wave of scandals that has inundated since Enron have raised questions about the integrity of corporate leaders and placed concerns with morality and corporate social responsibility on the national agenda (Deetz, 2003). Although organizations have tremendously increased their commitment towards social, environmental and ethical issues, following the recent Volkswagen scandal, it has been widely argued by industry experts that the whole idea of corporate social responsibility needs to be improved. Organizations need to step up and encourage their employees to voice concerns and malfeasance acts, and cultivate a culture where employees feel motivated enough to comply with the law and wider social expectations.

This paper will present in detail Volkswagen's awarded sustainability practices and how company's recent egregious violations represents a massive ethical and legal lapse. The paper provides a detailed account of how the scandal has been developing for a while and how the repercussions will impact the entire automotive industry. Given that Volkswagen's reputation has been tarnished, the paper also puts forward three recommendations that will help the company restore consumers trust over time.

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Company Background

Founded in 1937, Volkswagen is one of the world's leading automobile manufacturers and the largest carmaker in Europe. The group comprises of 12 brands and each brand has its own character and operates as an independent entity on the market. Widely recognized as 'The People's Car Company' Volkswagen's goal is to offer attractive, safe and environmentally sound vehicles which can compete in an increasingly tough market and set world standards in their respective class. Their 'Group Strategy 2018' focuses on positioning Volkswagen as a global economic and environmental leader among automobile manufacturers. The four goals which they aim to achieve by 2018 include:

- Become a world leader in customer satisfaction and quality
- Generate unit sales of more than 10 million vehicles a year
- To be the most attractive employer in the automotive industry
- To reduce energy and water consumption, waste and emissions by 25%

As a major employer with over 600,000 employees working across Europe, America, Asia and Africa, Volkswagen produces 10 million vehicles every year across a range of low-consumption small cars to luxury vehicles, buses and heavy vehicles.

Volkswagen's Sustainability Practices

For the Volkswagen group, sustainability refers that they conduct their business activities on a responsible and long-term basis and do not seek short-term success at the expense of others (Global Sustainability Report 2014). According to Volkswagen, Corporate Social Responsibility is extremely important, as they believe in investing in the communities where they do business, providing necessary skills and training to nurture the workforce of tomorrow and being environmentally responsible citizens. Volkswagen's environmentally friendly program, 'Think Blue', launched in 2011, is a global initiative to promote eco-friendly mobility and motivate employees and customers to practice environmental responsibility in their everyday lives. The initiative not only focuses on the development of eco-friendly technologies and efficient production processes, but also aims to address social and cultural issues. Volkswagen's Think Blue program goes back to the legendary 'Think Small' slogan of the 1960s, which focused on how Volkswagen Beetle contributed to democratizing mobility (Auto Blog, 2011). Under this initiative, the environmental impact at all Volkswagen plants is to be reduced by 25% by 2018, in areas such as energy consumption, waste, airborne emissions, water consumption and CO2 emissions. Volkswagen's corporate culture allows the group to integrate traditional entrepreneurial business values with a modern understanding of responsibility and sustainability. Across China, Volkswagen has been working to promote safer cycling and in Poland, the company is working towards promoting work-life balance for mothers. In all the counties that Volkswagen operates in, they have been introducing new initiatives to protect the environment, promote diversity or bring about world peace. Volkswagen has been ranked significantly high for their commitment to the environment. The Reputation Institute recently ranked the company as the 11th best in the world for its CSR practices. In 2014, Volkswagen was awarded with the 'Gold Medal Award for Sustainable Development' from the non-profit World Environment Center, which applauded the company for its understanding of sustainability as a strategic goal and its exemplary implementation. The company also won the 2014 policy award for Corporate Social Responsibility for its strategic partnership with the Nature and Biodiversity Conservation Union (The Telegraph, 2015). Volkswagen takes particular pride in the Dow Jones Sustainability Indices award (DJSI) as they have been listed as the world's most sustainable automotive group for two consecutive years since 2013. Being consistently ranked as the 'greenest', most environmentally conscious carmaker globally, DJSI has highly accredited Volkswagen in the areas of codes of conduct, compliance and anti-corruption as well as innovation management, climate strategy and life cycle assessment. (Volkswagen Press Release, 2015). Overall, Volkswagen reiterates on reducing any negative impact of its businesses activities and aims to create demonstrable value – for the company, for society and for the people associated with their brands (Global Sustainability Report 2014).

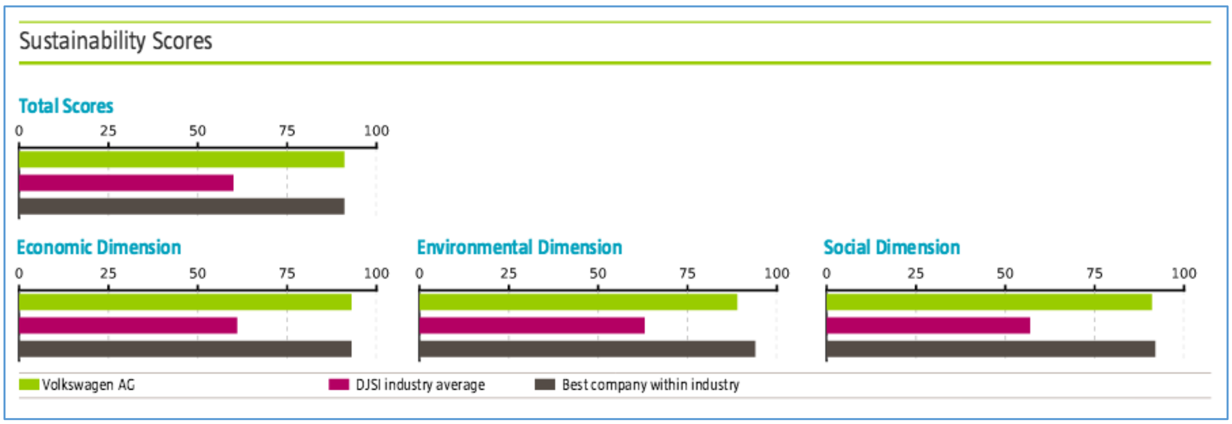

Figure 1. Volkswagen's Dow Jones Sustainability Indices Scores (GreenBiz, 2015)

The Scandal – What went wrong, its impact and how is it questioning Volkswagen's current CSR practices

Being recognized as an industry leader and after having won numerous sustainability awards, the scandal indeed came as a surprise to everyone, as it was brewing for a while. Volkswagen has been installing "defeat devices" – a sophisticated software that allowed cars to cheat in emissions tests, making them appear cleaner than they actually are. This particular software allowed the engines to beat the tests in a lab, but when on the road with emissions controls switched off, the engines emitted nitrogen oxide pollutant (a pollutant that can contribute to respiratory problems including asthma, bronchitis and emphysema) up to 40 times above what is legally allowed in U.S. Volkswagen has been installing the software in its diesel cars from 2009 to 2015. Although the Volkswagen emissions scandal has caught many by surprise, in fact it has been brewing for a while. It all started in 2013, when International Council on Clean Transportation (ICCT – An independent non-profit founded to provide first-rate, unbiased research and technical and scientific analysis to environmental regulators) set out to prove modern diesels were genuinely clean and would therefore be able to make a significant contribution to improving both CO2 emissions and air quality. The U.S. has higher emissions standards than Europe, which were regularly passed by Volkswagen's diesel-fueled cars. The ICCT decided to test why this was the case and had some surprising results. ICCT commissioned researchers at West Virginia University to test diesel car emissions in 2013 and found that Volkswagen models (Jetta, Passat and BMW) displayed much higher levels of nitrogen oxide emissions than permitted by law. Following the results, ICCT alerted US Environmental Protection Agency (EPA) and California Air Resources Board (CARB – California based clean air agency, founded in 1967) about Volkswagen's faulty emissions. The concerns raised by ICCT prompted CARB to start an investigation and discussions with Volkswagen in 2014, following which Volkswagen issued a voluntary recall of about 500,000 vehicles in U.S. The recall did not end the matter and CARB in cooperation with EPA notified Volkswagen that the test vehicles still showed emissions that exceeded state and federal limits. All this while, Volkswagen had been denying the test results and attributed the excess emissions to various technical issues. However, it was not until August 2015, when EPA and CARB threatened to withhold certifications for Volkswagen's 2016 diesel models that the company confessed to installing the defeat software that led its cars to deliberately cheat during the emissions tests and its consumers as well. Upon announcing the company's violations globally, Volkswagen's CEO, Martin Winterkorn was forced to resign coupled with multiple changes in the leadership and 11 million vehicles were reported to having been rigged to circumvent environmental rules globally. As a result of unethical and irresponsible business practices, Volkswagen's share price fell by over 40 percent (Triple Pundit, 2015). The scandal started in U.S. but now it's spreading to other countries as well. UK, Italy, France, South Korea, Canada and India too have opened investigations. Throughout the world, politicians, regulators and environmental groups are questioning the legitimacy of Volkswagen's emissions testing. The company has been further delisted from Dow Jones Sustainability Indices and will no longer be recognized as an industry leader in the automotive sector.

Volkswagen has had a major push to sell diesel cars in the US, backed by a huge marketing campaign trumpeting its cars' low emissions. The company has spent the last several years cultivating a public image that evokes precision, efficiency and ecological sensitivity– Volkswagen's are 'clean, quiet and powerful' according to their advertisement's messaging. Undoubtedly the scandal is most likely to have far-reaching consequences. Given that Volkswagen has been deemed as a global leader in 'Corporate Social Responsibility' and a 'change agent' for improving society, the scandal has led many of us to believe if there is any credibility left in the CSR reporting standards and the ranking systems and awards. In fact, just a week before the scandal broke in September 2015, Volkswagen was held up by DJSI as the overall global winner in the automotive industry for its commitment to the environment. Moreover, the company's latest Global Sustainability Report 2014 which runs to 156 pages, reviewed by consulting firm PricewaterhouseCoopers, details its commitment to social responsibility, customer, employees, safety and to the environment. The word 'Environment' in itself has been mentioned 335 times over an average of twice per page (Huffington Post, 2014). The report and the various awards that Volkswagen have bagged for their supposed responsible practices have been touted as a joke given their willful act to deceive consumers. By making broad declarations of ethical commitment, Volkswagen's sustainability report follows a long tradition of companies using self-reported data, thereby reassuring the public that companies aren't just profit-seeking monsters (Huffington Post, 2014). The 2014 sustainability report quotes statements such as 'The Volkswagen Group has a long tradition of resolute commitment to environmental protection' (page 86), 'We intend to put our creative powers to good use for the benefit of people and the environment' (page 14) and 'We have learned that sustainability, environmental protection, and social responsibility can be power value drivers' (page 12) to highlight a few (Switchboard Blog, 2015). Revelations that Volkswagen cars may not be as environmentally responsible as its "clean diesel" advertising had promised are potentially even more damaging to the company's image in Europe than in the United States. Diesel vehicles account for more than half of all vehicles sold in Europe largely because of government policies that have made diesel fuels cheaper than gasoline, and because of less stringent emissions standards for diesels than in the United States (New York Times, 2015). No doubt much of the public outrage directed at Volkswagen owes to the contradiction between the company's "green" reputation, on the one hand, and its systematic engagement in fraudulent polluting, on the other hand. As more and more information about the company's decision-making is now coming to light, the easier it is getting to see the matter in purely ethical terms, as a case where they wanted to maintain their profitability and achieve their target of becoming the most successful, fascinating and sustainable automobile manufacturer worldwide.

While parallels can be drawn to other individual cases of corporate misconduct such as BP's botched handling of the historic Deepwater Horizon Gulf oil spill and General Motors' deadly recalled ignition switches, the Volkswagen fiasco also reveals fundamental flaws in environmental standards for large companies (Green Biz, 2015). According to analysts and environmental commentators, in all cases of wrongdoings, it would be ingenuous to think that one or a collection of individuals were and are the sole cause at the root of the issue. It all comes back to culture and the lack of values and an ethical/responsible culture. To become socially responsible, workplaces must become appropriate places for value debate and inculcate a forum for the articulation and resolution of important social conflicts regarding the use of natural resources, the production of desirable services, the development of personal qualities and the future direction of society (Deetz, 2003). It is argued that company or department cultures caused certain individuals to act in unethical ways. As a result, questions of corporate ethics have taken a center stage in boardroom discussions but the recent Volkswagen scandal warrants a stringent need to infuse ethical principles and values into the corporate cultures. Below are four potential factors that can give way for an unethical culture:

- Excessive focus on goal-setting - Chasing sales targets, acquiring market share, obtaining new contracts are just a few goals that could create the pressure to act unethically

- Rankings and Rewards System - Rankings such as DJSI and Global Reporting Initiative (GRI Index) rely too heavily on self-reporting without much weightage on independent environmental assessments. Similar to goals, companies that reward results but don't look at how they were achieved could allow for unethical behavior to prosper

- Lack of transparency - Transparency is the norm today. If a company doesn't encourage open dialogue or allow for bad behavior to be reported, then an unethical culture can evolve. Whistle-blowers can play an important role in inducing more ethical cultures and early identification of ethical lapses can prevent, detect and deter the behaviors and decisions that jeopardize the company’s future

Firms increasingly elect to use their product brands as powerful vehicles in order to develop close, long-standing relationships with consumers (Chang & Chieng, 2006). This strategy may be due, in part, to the way in which brands lead consumer's purchase decisions and affect the consumer's user experience (Tsarenko & Tojib, 2015). While creating and maintaining strong relationships with customers are paramount for most firms, like any other relationships, these are challenged by mishaps and conflicts. Organizations and their brands are not immune from and can indeed be tarnished by brand-related crisis or transgressions (Fediuk, Coombs, & Botero, 2010). Therefore it is of critical importance to understand how firms can prepare to manage brand-related transgressions. Mismanagement following brand transgression can lead to unfavorable and irreparable consequences, including damage to the organization's reputation and the organizational legitimacy of the firm and temporary and permanent disruptions to business relationships (Coombs et al., 2010). That blatant disregard for the environment is unsettling because it points to a deeper amorality among its corporation. Knowing what we now know has been going on in Volkswagen for many years, there definitely seems to be a clear disconnect between what they are projecting themselves to be versus what they are currently doing. Based on Volkswagen's discrepant results and greenwashing claims, I suggest the following three recommendations below which may help the company to regain its consumers trust and their leadership position in the market.

Creation of a Mission Statement and Bolstering Codes of Conduct-

Given the sheer size and revenue of Volkswagen, it goes without understanding that an organization like Volkswagen will have a well-articulated mission statement. However, Volkswagen does not have an official mission statement. According to the Strategic Management Website (2013), Volkswagen's currently stated goal, 'to offer an attractive, safe and environmentally sound vehicles which can compete in an increasingly tough market and set world standards in their respective class', could qualify to becoming the company's mission statement. However, this statement is rated very poorly, as the focus is more product-oriented, which reveals that the company focuses on what products to produce and services to offer rather than on how to satisfy customer needs. One of the most viable strategy in light of the undergoing crisis, is that Volkswagen should create a mission statement evoking the sentiments of the customers and take steps to bolster ethical standards. Additionally, the company should rethink their goals and priorities which they have set for 2018. The mission statement should strongly address that they are responsible and how going forward will their efforts contribute to the lives of the customers, communities and world they impact. As pointed by Strategic Management Website, that Volkswagen's current goal is more product focused and does not address any its stakeholders nor does it communicate business' core purpose to its stakeholders, it refers us to Lynn Stout's argument of revisiting the idea of corporate purpose. Stout argues that investors and business leaders need to liberate themselves from the defunct thinking of maximizing shareholder's wealth and corporate profits. Diesel cars are still a niche product in the U.S. For Volkswagen U.S. increasing its sales was a priority and part of the way to meet that goal of more U.S. sales was to disable the emissions controls which brought major advantages, including much better mileage and increase diesel's appeal with American consumers. In Stout's perspective, the ideology of profitability focuses on the interests of only a narrow subgroup of shareholders, those who are most short-sighted, opportunistic, willing to impose external costs and indifferent to ethics and others' welfare. Such thinking can lead managers to focus myopically on short-term reports at the expense of long-term performance, discourage investment and innovation, harm employees, customers, communities and lure companies into reckless and socially irresponsible behaviors. While it is still unclear who knew what and when, it has been presumed by experts that along with engineers and designers, Volkswagen must have had a chain of management command that approved of fitting cheating devices to its engines. And since the deliberate intention was to cheat consumers, commentators have further stated that CSR has become a dangerous racket, as it allows companies to parade their virtue, and look good, while internal standards are allowed to slip (The Telegraph, 2015). Volkswagen at this point should make their customers feel that they hold a significant place in the company's rebuilding process, hence the mission statement should serve as a starting point to win them back. Given that consumers expect firms to be socially responsible and in case of Volkswagen, consumers will definitely desire to be kept informed about the organization's plan to mitigate any further risks, as their investment is in stake.

The scandal also calls attention to the prevalence of serious forms of ethical misbehavior in business. We have seen in the past how the massive scandals and disasters, from massive frauds at Enron and Worldcom in early 2000s to the BP Gulf oil spill disaster in 2010 have enforced companies to put in place internal ethics programs designed to infuse their corporate cultures with a deeper understanding of ethical principles and practices. Volkswagen's unethical practices run counter to the automaker's own code of conduct. Volkswagen's code of conduct was introduced in 2010, which provides managers and employees throughout the group with a guide to meeting legal and ethical challenges in their everyday work. Employees are mandated to complete the online training modules for the code of conduct, and as of 2014, over 185,000 employees received 4,444 classroom and online training courses across compliance, money laundering, human rights and combatting corruption among others (Global Sustainability Report 2014). Although Volkswagen has an extensive code of conduct in place, the company however failed to detect the misdeed and prevent from ruining its own reputation. Going forward, it is incumbent for Volkswagen to building ethics into the company's mission and vison statements and encouraging more and more ethical autonomy among its employees. In addition to developing strong whistle-blower protections, the company should coordinate ethics with other corporate social responsibility functions, as CSR can provide a vehicle for bringing ethics and values into alignment with business goals (Corporate Reputation Review, 2004). While goal setting can be a powerful motivational tool, an aggressive focus on meeting the goal targets can promote unethical behavior and damage organizations. The interplay between organizational culture and goal setting is particularly important. Goal setting impedes ethical decision making by making it harder for employees to recognize ethical issues ad easier for them to rationalize unethical behavior (Barsky, 2007). Goal setting, of course is not the only cause of employee unethical behavior. A number of factors serve as catalysts in the relationship between goal setting and cheating: lax oversight, financial incentives for meeting performance targets and organizational cultures with a weak commitment to ties (Schweitzer et al., 2009). As Volkswagen outlined a bold strategy of becoming the world's largest automaker by 2018, it surely did overtake Toyota as the world's largest carmaker by sales in the first half year 2015 (New York Times, 2015), but Volkswagen's pursuit of growth and increase vehicle sales caused it to ignore its values and crash its brand and customer trust.

Transparency and effective communication-

Claims for transparency and accountability have pressured organizations to place CSR on the agenda. When the scandal broke, several Volkswagen board members learnt about the violations not from the company executives but through news reports (New York Times, 2015). When Volkswagen sought to explain how the emissions cheating scandal had taken root, it claimed that top management was not aware of fraudulent practices. This defense is proof that no effective liaison existed with its middle managers, undermining the whole management structure. Effective communication will increase control, facilitate timely information exchange and keep top managers closely informed on the operational side of activities. Simultaneously, it will allow middle managers to champion initiatives and secure support and legitimacy in early stages of research and development (The Conservation, 2015). Although Volkswagen has issued multiple statements apologizing and trying to convince consumers and other stakeholders that they understand the seriousness of the situation, it will be extremely difficult to restore the trust back anytime soon. Since it is evident that Volkswagen compromised its integrity, the challenge here is even bigger. Moving forward, Volkswagen will have to combine robust corrective actions with increased transparency, building a new culture based on uncompromising integrity. This will take a long time but the company could even emerge stronger at the end (Wall Street Journal, 2015). According to communication experts, to really fix things Volkswagen need to have to communicate in a new way. With software taking over all the complexities of a product, the only way to avoid problems is that Volkswagen should break things down, step-by-step, in terms of where they are in the investigation and correction of all internal corruption and must be as public as possible, using social media and media airtime purchases to reach the public (Wall Street Journal, 2015). With an issue of this size and this type of deception, it is key that Volkswagen proactively engages all its stakeholders, especially customers, thereby integrating everyone’s opinions in their engagement plan to resolve the ongoing crisis. Because this was a deliberate deception that endangered public health and violated its ‘clean diesel’ branding, consumers, employees and other stakeholders cannot remain in the dark and should be well informed. Bhattacharya points out that an honest acknowledgement of failures in the corporate responsibility performance can enhance the credibility of a company’s success. In case of Volkswagen, it is evident that the CSR department was not acting responsible enough to find where the loophole is, which led the company to deceive everyone for past six years. In fact, the company continued to earn accolades for its CSR initiatives. It is curious that Volkswagen tried to protest its innocence for more than year since the falsified tests were uncovered, blaming a software malfunction only eventually coming clean when EPA threatened not to issue them with environmental certifications for their 2016 models. Following the Volkswagen's scandal, it has been argued that companies need to focus less on rankings, less on platitudes and less on generating positive press. Honesty, transparency and real impact will not only keep the public's trust, but also, pragmatically, keep those customers and build a stronger, more reputable and sustainable company in the long run (Triple Pundit, 2015).

Collaboration with independent trusted Third-Party organizations-

Environmental management and practices are important and highly visible components of CSR. Greenpeace's 1995 media campaign against Shell's plans to sink on obsolete oil storage platform in the North Sea played an analogous role in placing environmental responsibility on the global CSR agenda (Vogel, 2005). Although Volkswagen claims to be environmentally conscious, winner of numerous sustainability awards with a long tradition of resolute commitment to environmental protection (Global Sustainability Report 2014), the recent emission scandal has proven to be extremely hazardous for the environment leading to premature deaths. Since the engines emitted nitrogen oxide pollutants 40 times more than what is legally permitted in U.S. it is estimated that the affected 11million cars could be responsible for nearly 1million tones of air pollution every year (Guardian, 2015). Had it not been for the ICCT, who alerted EPA and CARB, Volkswagen's cheating may have never been exposed. The ICCT's of the world exist because some corporations try to cheat the system and cannot be trusted to hold themselves accountable. Volkswagen was approached by ICCT in 2014 directly before sharing the results with the EPA, as they did not have any intention to expose the company, but rather to fix the problem and reduce excess emissions. Since Volkswagen was in a denial mode for a year, it prompted ICCT to seek EPA and CARB's help to escalate the matter. As Vogel states, 'The increasing scrutiny of corporate behavior by media, consumer groups, community organizations, local and international nongovernmental organizations and the immediacy of global communication leave companies with little, if any, hiding place'. And this is what exactly happened with Volkswagen. Vogel further states that the extent to which the civic pressures have encouraged some firms to aggressively explore more ways of reducing their environmental footprint, CSR has made a difference.

At this point, it is imperative for Volkswagen to collaborate with independent trusted third party organizations, for example a non-profit organization like ICCT or any governmental agency such as EPA. These organizations play a key watchdog role and want to help corporation's improve their operations. Moreover these organizations are trusted and they play an effective role in monitoring and reporting standards. The trust factor across the third party organizations is further endorsed by 2015 Edelman Trust Barometer, which states that NGOs continue to be the most trusted institution. Hence it is extremely critical for Volkswagen to build that trust through a third party collaboration, behave with integrity and engage with customers and stakeholders proactively throughout the process. It can also be argued that the fact that regulators in Europe ignored previous warnings about the emissions from Volkswagen's diesel models emphasizes the importance of greater corporate transparency and NGO monitoring (Financial Times, 2015). Based on a 2013 report shared by the European Commission's Joint Research Centre, the report drew attention to the challenges posed by the devices, which are able to skew the results of exhaust readings. However, the regulators failed to pursue the issue. According to industry experts, the inability of regulators across the Europe to expose this deceit has shone a spotlight on the lobbying power of the European motor industry which has made a huge gamble on diesel (Financial Times, 2015). In order to make CSR more effective, governments should send corporations consistent messages about their responsibilities. According to Economist (2015), governments in several countries turn a blind eye to the fact that car manufacturers frequently fudge the laboratory tests on which their published fuel efficiency standards are based. It seems likely that this lax regulatory environment contributed to an atmosphere in which Volkswagen's malfeasance was seen as more acceptable. This takes us back to Vogel's definition of corporate social responsibility which advocates the inclusion of responsibilities of business to strengthen civil society and the capacity of governments to require that all firms act more responsibly.

Conclusion

Volkswagen's scandal has definitely sent shock waves and is raising profound questions about sustainability. The entire automotive industry is facing the brunt, as the scandal is bound to affect the perception of other carmakers. The entire auto industry is now under scrutiny, as are regulators, whose testing procedures proved so easy to game and whose complex relationships with governments and auto manufacturers may not serve the public interest (Guardian, 2015). Industry watchers also expect that Volkswagen's actions will almost certainly ratchet up emissions regulations worldwide. Volkswagen alone is not paying the price here. The scandal is likely to fuel consumer belief that companies are more interested in green washing and doing the occasional good deed or project than changing their core values. Every company that calls themselves good or makes green claims will now have a harder time convincing an already skeptical consumer base that the claims are more than marketing ploy (Huffington Post, 2015). Additionally, it's a big blow for the diesel car market, as the revelations are likely to lead to a sharp fall in demand for diesel engine cars. In regards to whether other carmakers are implicated, CARB has already started investigating and looking into other carmaker’s testing results, such as Ford and Renault-Nissan among others. The Volkswagen scandal is a reminder that culture matters. Corporate culture is not just platitudes in an annual report but something with a significant business impact. In Volkswagen's case, Credit Suisse estimates that fixing the emissions problems, reimbursing owners and settling court cases could cost the company $87 billion (CNBC, 2015). According to industry experts, the Volkswagen scandal is a wakeup call and is a good time for car makers and auto suppliers to seriously re-evaluate their corporate cultures and truly embed responsible and ethical behavior into the heart of its operations. In doing so, they should ask some tough questions: Is there so much pressure that leads to cheating? Does your corporate culture make it impossible for employees to speak up about a problem and report somebody else’s wrongdoing? Is the industry so competitive that you need to cut corners? (CNBC, 2015). As stated by Deetz (2003), Corporate Social Responsibility, responsiveness to the needs of the wider society can be made possible by the inclusion of multiple social values into the decisional chain and the development of communication processes that use the situations of conflict and difference to generate creative win-win responses. Needless to say, Volkswagen will have to work extremely hard to regain any kind of trust and integrity that they lost not because of negligence but due to their deliberate deceptive acts.

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