

Examining the Volkswagen Emissions Scandal Through the Lens of Duty Ethics

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On my honor as a University Student, I have neither given nor received unauthorized aid on this
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Introduction

In 2015, the Volkswagen emissions scandal exposed a deliberate deception in which VW installed "defeat devices" in millions of diesel vehicles. These devices enabled the cars to pass emissions tests while emitting nitrogen oxides (NOx) at illegal levels while driving, which were about 40 times higher than the legal limit set by the Clean Air Act. The scandal resulted in severe financial penalties, legal action against executives, and damaged public trust. More importantly, it raised ethical concerns about corporate integrity and environmental responsibility (Environmental Protection Agency, n.d.).

Scholars have analyzed the scandal through corporate social responsibility and business ethics, often focusing on corporate deception, regulatory failures, and consumer trust. However, these discussions overlook how Volkswagen's corporate culture and decision-making process contributed to its failure to comply with ethical standards. Furthermore, existing literature does not adequately address how Volkswagen's emissions scandal constitutes a failure to uphold duty ethics, which requires adherence to moral obligations independent of outcomes. Without this perspective of duty ethics, corporate accountability remains only to legal and financial penalties, disregarding the ethical lessons that can be learned and adopted to prevent future wrongdoings. For example, Ameen (2020) critiques Volkswagen's ethical compliance failure but stops short of applying a formal deontological framework, which this paper will analyze through Kant's categorical imperative.

This paper argues that Volkswagen's emissions scandal was not just a regulatory violation but a fundamental breach of duty ethics—an ethical framework provided in Kant's categorical imperative. Volkswagen's corporate culture enabled deception, failing to uphold moral duties such as honesty, transparency, and respect for stakeholders. To support this argument, I will

examine how Volkswagen's decision to install defeat devices contradicts Kant's categorical imperative. Additionally, I will analyze how corporate culture reinforced unethical decision-making, leading to widespread moral failure. Using previously published literature, this paper will demonstrate how Volkswagen's actions violated ethical principles and explore ways to prevent similar corporate misconduct, and in what follows, I will demonstrate that Volkswagen's corporate culture and emissions scandal were morally unacceptable due to their failure to practice duty ethics: honesty, transparency, and moral obligations to its stakeholders.

Literature Review

The Volkswagen emissions scandal in 2015 erupted when it was discovered that Volkswagen had installed defeat devices in millions of its diesel vehicles sold worldwide. These vehicles allowed cars to pass laboratory emission tests while emitting Nitrogen Oxide (NO_x) at levels up to forty times higher than legal limits of driving conditions. This emission deception was deliberate and allowed Volkswagen to market its vehicles as environmentally friendly. The scandal resulted in billions of dollars in fines, legal consequences for the executives at Volkswagen, and severe damage to the public trust of the company (Environmental Protection Agency, n.d.).

Scholars have written literature to examine the case of the Volkswagen emissions scandal through various ethical frameworks, with a major focus on duty ethics. While these analyses provide a good insight into the understanding of the Volkswagen emissions scandal, these literature fail to focus on the duty ethics of how the corporate culture and dynamics contributed to the ethical failure. One study focused on Volkswagen's actions through Immanuel Kant's categorical imperative. The paper argues that Volkswagen's deception of the defeat devices violates the categorical imperative, which states that one must act according to universal laws.

Furthermore, the paper also states that the second formula of the categorical imperative was broken, which asserts that individuals should be treated as ends in themselves rather than a means to an end. By deceiving its consumers for financial gain, Volkswagen essentially treated its consumers merely for financial gain and corporate success and disregarded their intrinsic dignity and rights (Dura, 2017).

Another study, published in 2020, highlights Volkswagen's failure to uphold its duty to honesty and compliance to the law. The literature suggests that corporate executives had the moral responsibility to ensure that their vehicles met the emissions standards without using deceptive devices to falsely pass the emission test. The scandal indicated to the public that Volkswagen prioritized profit and financial gain of the company over its ethical duty to the consumers and the industry (Ameen, 2020).

While existing literature highlights Volkswagen's failure to comply with its ethical responsibilities, there remains a need to examine how the company's corporate culture influenced the emissions scandal and contributed to this ethical failure. In my analysis, I will address this gap by exploring Volkswagen's "defeat device" and how Volkswagen's internal culture and industry practices shaped its decision-making processes, ultimately leading to its failure to uphold duty ethics. By doing so, I aim to provide a more comprehensive understanding of the ethical shortcomings within Volkswagen and the broader automotive industry.

Conceptual Framework

My analysis of the Volkswagen emissions scandal draws upon duty ethics, which allows me to explain how Volkswagen failed to uphold its universal duties, leading to the scandal. Duty ethics evaluates actions based on moral rules that are independent of the action's consequences. It establishes a moral framework in which right and wrong are determined by adherence to duty,

rather than by potential outcomes or benefits. In duty ethics, an action is considered “right” if it aligns with universal moral laws that apply to all individuals equally (van de Poel & Royakkers, 2011).

At the core of duty ethics is Immanuel Kant’s categorical imperative, which outlines moral laws that apply universally. The first formulation of the categorical imperative states that one should only act according to maxims that could be universalized without contradiction. This principle ensures that moral actions remain consistent and universally applicable. The second formulation emphasizes that individuals and institutions must treat others as ends in themselves, rather than as mere means to an end (van de Poel & Royakkers, 2011). This concept reinforces the necessity for ethical integrity, honesty, and respect in all corporate practices.

Drawing on duty ethics, in the analysis that follows, I begin by examining Volkswagen’s ethical responsibilities as a corporation and how duty ethics establishes clear moral obligations for businesses. I then analyze Volkswagen’s decision to install defeat devices through the lens of the categorical imperative, assessing whether their actions could be considered universally justifiable. Finally, I explore how the company’s failure to respect stakeholders has contributed to broader ethical consequences, including public deception, environmental harm, and regulatory failures. Through this analysis, I aim to demonstrate that Volkswagen’s ethical violations were not merely a failure of compliance but a fundamental disregard for universal moral duties, which go against the categorical imperative of duty ethics set by Immanuel Kant as mentioned above.

Analysis

Creation and Impact of the “Defeat Device” in the Emissions Scandal

Volkswagen’s installation of the “defeat device” demonstrates a deliberate violation of duty ethics by prioritizing profit over moral obligations such as honesty and fairness. This ethical

failure aligns with the central claim of this paper: that the emissions scandal was not just illegal, but morally unacceptable under Kant's categorical imperative. Volkswagen's "defeat device" was put in place so that the diesel motor vehicles equipped with this defeat device could cheat on the federal emission tests. This defeat device was implemented through a computer software designed specifically to cheat on the federal emission test, and thereby violated the Clean Air Act by the sale of approximately 590,000 model year 2009 to 2016 (Environmental Protection Agency, n.d.). EPA prohibits the manufacture, sale, or installation of devices that bypass or render inoperative a vehicle's emission control system, as mandated by the Clean Air Act (Environmental Protection Agency, 2014). Therefore, the installation of the defeat device by Volkswagen in itself is already a violation of the ethical standard set by the EPA and the Clean Air Act, knowingly breaching the ethical code of conduct to falsely pass the emissions control system tests to manufacture and sell products at a cheaper cost.

The software algorithm was embedded within the engine control unit (ECU) of their diesel vehicle. This software could detect when a vehicle was undergoing official emissions testing by monitoring specific parameters such as steering wheel position, vehicle speed, engine operation duration, and barometric pressure. During these tests, the software activated the full emissions control systems, ensuring compliance with regulatory standards. However, under normal driving conditions, the software reduced the effectiveness of these controls, leading to nitrogen oxide (NO_x) emissions up to 40 times higher than the legal limit (Environmental Protection Agency, n.d.). This meant that the defeat device installed by Volkswagen had successfully frauded the government regulations and consumers of their right to the honest truth in the manufacture of products. This allowed Volkswagen to fraudulently pass regulatory tests and market their vehicles as environmentally friendly while avoiding compliant engineering

practices. This deception clearly violates Kant's first formulation of the categorical imperative, which states that one must act only according to maxims that can be willed as universal laws (van de Poel & Royakkers, 2011). If every company used defeat devices to mislead regulators, the system of environmental protection would have no meaning.

Affected vehicles

2.0 liter diesel vehicle models and model years with defeat devices:

- Jetta (2009 – 2015)
- Jetta Sportwagen (2009 - 2014)
- Beetle (2013 – 2015)
- Beetle Convertible (2013 - 2015)
- Audi A3 (2010 – 2015)
- Golf (2010 – 2015)
- Golf Sportwagen (2015)
- Passat (2012 - 2015)

3.0 liter diesel vehicle models and model years with defeat devices:

- Volkswagen Touareg (2009 - 2016)
- Porsche Cayenne (2013 - 2016)
- Audi A6 Quattro (2014 - 2016)
- Audi A7 Quattro (MY 2014 - 2016)
- Audi A8 (2014 - 2016)
- Audi A8L (2014 - 2016)
- Audi Q5 (2014 - 2016)
- Audi Q7 (2009 - 2016)

Figure 1. Vehicles Found with Defeat Devices. Source: (Environmental Protection Agency, n.d.)

By deliberately cheating the official government examinations to pass all necessary regulations, Volkswagen practiced dishonesty, and disobeyed its moral obligations to the consumers that would purchase their vehicles. Not only did this “defeat device” impact the consumers negatively, it also put the environment at risk by violating the Clean Air Act, which practices to reduce air pollution from stationary and mobile sources (Environmental Protection Agency, n.d.). This “defeat device” employed by Volkswagen not only defrauded the government and all of Volkswagen's stakeholders, but also negatively impacted the environment, which

ultimately impacted the people that were in no way involved with Volkswagen by implicitly polluting the air around them. This sort of deception also negatively affected Volkswagen's competitors, where Volkswagen sought to claim profit by saving money through their defeat device to not properly develop an engine that actually meets the EPA government standards of the Clean Air Act. It meant that the competing companies were spending more money to produce products that truthfully met all government regulations while Volkswagen could save the cost in production while still being able to advertise their cars as being environmentally friendly.

Volkswagen's defeat device installation is an act of ethical breach, violating Kant's categorical imperative. By deliberately programming vehicles to misrepresent their emission numbers when under official emission testing, Volkswagen actively engaged in a deception that if universalized, would result in the breakdown of environmental regulations and consumer trust. The first of the categorical imperative proposed by Immanuel Kant states that actions should be judged by their ability to be applied universally without contradiction (van de Poel & Royakkers, 2011). Volkswagen's defeat device therefore breached the notion of universal moral duties and ethical responsibility that is in place.

To further examine the impact of the defeat device, a study published in Environmental Research Letters estimated the environmental impact the defeat device ultimately caused. With its estimate of releasing about 40 times more nitrogen oxide, emissions from affected vehicles in the U.S. between 2008 and 2015 would lead to approximately 59 premature deaths, primarily due to respiratory and cardiovascular impacts. The study also projected that if these faulty vehicles had followed the emission standards of the government, it could have prevented an additional 130 early deaths caused by such issues and could have avoided approximately 840 million dollars in social costs compared to a case without recall (Muehlegger, 2015). This

evidence is not just about emissions—it shows how deceptive business practices inflict harm on society, making the breach of duty ethics not only moral but deadly. In summary, Volkswagen’s use of the defeat device was not a one-time error or technical oversight—it was a strategic violation of ethical duty, rooted in a cost-benefit mindset that valued honesty and environmental responsibility over profit. Under Kantian duty ethics, such deception cannot be morally justified, as it violates duties owed universally to regulators, consumers, and the public.

Volkswagen’s Work Culture that Suppressed Proper Ethical Practice

Volkswagen’s unethical corporate culture enabled the emissions scandal by fostering fear, suppressing moral dissent, and prioritizing profit over duty-bound ethical responsibilities. This systemic failure directly violates Kantian duty ethics, which demands that individuals and institutions act according to moral principles, not consequences. After the “defeat device” was presented to the public as the Volkswagen emissions scandal, Volkswagen’s organizational silence that impacted the scandal became clear. According to an article by Reuters, during legal proceedings, a former manager attributed the prolonged concealment of the emissions cheating to a corporate environment that discouraged open communication and dissent (Reuters, 2021). This atmosphere of fear and employees being inhibited from expressing concerns about unethical practices allowed the deception of the company to go unchecked. Looking at this company-wide issue of the atmosphere that was set in the work environment, it is clear that the suppression of moral practice and discourse fails to uphold the duty of honesty and transparency in the perspective of duty ethics.

“Faster, Higher, Farther: The Inside Story of the Volkswagen Scandal” by Jack Ewing provides a detailed account of how Volkswagen executives rationalized their actions and the corporate actions that eventually led to the scandal. According to Ewing (2017), Volkswagen’s

top executives, including former CEO Martin Winterkorn, fostered a corporate culture that prioritized aggressive market expansion and cost-cutting over regulatory compliance and moral responsibility (Ewing, 2017). This decision-making framework ignored ethical considerations in favor of short-term financial gains, violating duty ethics, which mandates that actions must be judged by their moral correctness rather than their outcomes. In particular, Kant's categorical imperative asserts that moral laws should be universally applicable; however, Volkswagen's leadership engaged in deception that, if universalized, would undermine all emissions regulations and consumer trust in the automotive vehicle industry. By prioritizing corporate dominance over ethical duties, Volkswagen executives directly contributed to one of the most significant corporate frauds in modern history.

Even besides the failure to follow the guidelines of moral obligations, Volkswagen's emission scandal had repercussions on their stakeholders, customers, employees, shareholders, etc. "The Volkswagen Diesel Emissions Scandal and Accountability" by Daniel Jacobs and Lawrence P. Kalbers (2019) discusses the adverse effects that were brought by the Volkswagen emissions scandal. Volkswagen's deliberate violation of ethical code of conduct brought significant financial losses to the shareholders as their stock prices plummeted. In addition, customers of Volkswagen had to face potential health risks due to the elevated emissions level from vehicles marketed as environmentally friendly. Volkswagen's employees were dealt with job insecurity and damaged their professional reputation that is now associated with the company's misconduct. Regulations also became more strict, as people became more convinced that the emission testing process needed to be strengthened to prevent similar cases from happening in the future. Volkswagen's defeat device and its emission scandal showed that they had failed to uphold its moral obligations to these stakeholders by prioritizing profit over

honesty, transparency from the perspective of duty ethics (The CPA Journal, 2019). This ethical breach of duty from Volkswagen not only caused financial and health damages to its stakeholders and the surrounding environment, but also undermined the trust that consumers have in a company, which is absolutely essential for the company to succeed. In conclusion, Volkswagen's internal culture created the conditions for ethical collapse by devaluing moral obligations in favor of hierarchy, control, and profit.

Reasoning Behind the Ethical Breakdown of Volkswagen

Volkswagen's ethical collapse was driven by three interrelated organizational flaws—autocratic leadership, unrealistic expectations, and a lack of accountability—that collectively illustrate a failure to uphold moral duty within corporate decision-making. Each of these organizational flaws reflect the greed towards profit over ethics, which once again directly violates Kantian duty ethics. “VW Emissions and the 3 Factors That Drive Ethical Breakdown” published by Darden Ideas in Action attributes Volkswagen's ethical breakdown to three key factors: autocratic leadership, unrealistic goals to be met, and a lack of consequence for its unethical actions. Former CEO Martin Winterkorn fostered a top-down corporate culture where dissent was discouraged, and employees were expected to meet aggressive performance targets at any cost (Freeman, 2020). This environment made unethical decision-making not only acceptable but a rationalized survival strategy.

With respect to duty ethics, corporate leaders have a moral obligation to establish a workplace environment that prioritizes ethical integrity over financial incentives. However, Volkswagen's leadership ignored this duty, treating employees as mere instruments for achieving corporate success rather than autonomous moral agents. This directly violates Kant's second formulation of the categorical imperative, which states that individuals should be treated as ends

in themselves, not just as means to an end (van de Poel & Royakkers, 2011). The lack of accountability within Volkswagen further exacerbated the ethical collapse, as employees believed that fraudulent behavior would go unpunished and were afraid of the consequences that may come if they became the whistleblower of the company.

Darden Ideas to Action emphasizes that unethical behavior often thrives when employees perceive low risk and high reward for misconduct, a sentiment that was evident in Volkswagen's decision-making. Had Volkswagen's leadership embraced their moral duty to foster transparency and ethical responsibility, the emissions scandal might have been prevented. Instead, their failure to uphold duty ethics resulted in widespread deception, environmental harm, and irreparable damage to the company's reputation.

Volkswagen, in the wake of the emissions scandal, publicly acknowledged its wrongdoing and took measures to restore its image. The company accepted financial penalties, dismissed key executives, and pledged to reinvent itself as a leader in corporate responsibility. In order to refurbish their image to be honest and trustworthy to the consumers, Volkswagen invested heavily in electric vehicle development, sustainability initiatives, and internal ethical oversight (Freeman, 2020). However, many critics argue that these actions were reactive rather than proactive, driven by public and legal pressures rather than a genuine commitment to ethical transformation.

From a duty ethics standpoint, genuine moral responsibility is not about damage control but about consistently making ethical decisions regardless of external pressures. If Volkswagen had truly adhered to duty ethics, it would have upheld emissions standards before being caught rather than engaging in deception for years. While the company's response reflects an attempt to

rectify its past mistakes, its initial failure to act ethically suggests a deeply ingrained corporate culture that prioritized financial incentives over moral obligations.

The Volkswagen case demonstrates the necessity of moral leadership and accountability in corporate governance. Ethical failures do not occur in isolation but are the result of structural and cultural deficiencies that develop over time. To prevent future misconduct, corporations must ensure that ethical considerations are embedded into decision-making at every level, rather than being treated as an afterthought when scandals emerge. Volkswagen's response may indicate an effort to change, but without a fundamental shift in its corporate philosophy, its ethical credibility remains questionable. Therefore, Volkswagen's ethical breakdown was not accidental or isolated—it was the outcome of a corporate environment that failed to practice moral leadership, accountability, and respect for human dignity.

Some might claim that the scandal was the result of a few bad actors at the top, particularly Winterkorn, CEO of Volkswagen at the time, and not a failure of the company's broader ethical fabric. According to this view, the ethical blame should rest on individual misconduct rather than indicting the entire organization or its culture. However, this interpretation overlooks the structural and cultural context that made such misconduct possible. In a healthy corporate environment guided by duty ethics, internal mechanisms—such as whistleblower protection, value-driven leadership, and open dialogue—would have prevented or challenged wrongdoings that happened at Volkswagen. The absence of institutionalized moral accountability allowed misconduct to continue unchecked for years. From the perspective of Kantian ethics, blaming only individuals ignores the ethical obligations of the organization itself. Kant insists that morality must be embedded in the principles guiding all actions, not selectively applied when convenient. Thus, even if some individuals acted unethically, the company as a

whole failed in its moral duty to uphold universal ethical standards in both its policies and culture.

Conclusion

This paper investigates the impact of corporate culture and its failure to follow ethical standards through the application of duty ethics, which ultimately led to the Volkswagen emissions scandal. While existing literature highlights Volkswagen's failure to comply with ethical standards and its prioritization of financial success over moral obligation, it does not sufficiently examine the internal moral checks and decision-making processes within the company that led to the scandal. By applying duty ethics, in particular, Immanuel Kant's categorical imperative, this analysis bridges the gap between Volkswagen's corporate culture and its ethical failures.

Understanding the scandal through duty ethics provides new insights into how corporate structures and leadership can either uphold or undermine ethical responsibilities. This approach emphasizes that corporate decision-making should be grounded in universal moral duties rather than short-term financial incentives, which may be better regulated with more strict government standards. Recognizing these ethical failures is essential for improving regulatory oversight and corporate governance practices, ensuring that companies are held to higher moral standards in the future.

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