

**Assignment:**  
**Common MGT 360 Management Analysis Report**  
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[ updated: Wednesday, April 6, 2016 ]

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**Course:** MGT 360

**Title:** Management and Organizational Behavior (3 units)

“Theory is about the connections among phenomena, a story about why acts, events, structure, and thoughts occur. Theory emphasizes the nature of causal relationships, identifying what comes first as well as the timing of such events.”  
--R. Sutton and B. Staw

**Goal:**

The Department of Management strives to ensure that all students enrolled in MGT 360 are critical thinkers and strong writers. In essence, the Department wants all students to be able to demonstrate competency and efficacy in applying the principles of management and organizational behavior to the issues of a contemporary organization and its broader environment.

**Objective:**

In narrative essay format, I want you to address a business/organization case study using multiple concepts from class. The case question and case text begin on page 5 of this document.

Building upon your knowledge from MGT 360, students should demonstrate their best understanding of management and organizational behavior theory, and the application of those ideas to improve the understanding of various issues. You need to clearly identify at least *three* distinct, substantive issues. For each issue you need to 1), identify evidence from the case text that shows why this issue is important, 2), use theory from our textbook as a base for your analysis, and 3), draw an analogy from something in class other than the textbook (e.g., supplemental materials, lectures, class discussions, movie clips, etc.) to strengthen your argument. You also need to use appropriate in-text citations and provide a “Works Cited” (Reference) page.

Additionally, building upon your skills from general education and lower-division core courses, students should demonstrate their best composition and technical writing skills.

**Length:**

This essay is to be no less than three full pages and in length and no more than four full pages in length. Other relevant formatting requirements (“style guide”) are linked from the course web page. The “Works Cited” page is *in addition to* the

required page length (i.e., the “Works Cited” page *doesn’t count* as one of the 3-4 pages).

**Deliverable:**

This assignment is due on the date specified on the course outline.

**Performance Measurement:**

There will be two different scores for this assignment. The *first* score will be for content, and the maximum numbers of points for content will be 15. The scoring rubric for the content portion of this assignment is as follows:

- |   |   |   |
|---|---|---|
| 2 | - | clearly identifying at least three key issues to be addressed             |
| 3 | - | appropriate use of evidence from the case text                            |
| 3 | - | appropriate use of relevant theory from our Textbook                      |
| 3 | - | appropriate & rigorous use of supplemental materials/lectures/discussions |
| 2 | - | correct and proper use of In-Text Citations                               |
| 2 | - | correct and proper use of a References (“Works Cited”) page               |

The details for earning strong scores are enumerated below.

**Requirements Rationale:**

- *You must* clearly identify at least three key issues. Readers, especially important readers whose time is valuable and decision-making you want to influence (which eventually will be *you*, at some point after graduation), can’t be guessing as to what you are writing about. Four techniques can help immensely to improve clarity in this regard. The first is to identify the three issues by the end of the first paragraph, probably in the last line of the paragraph. This first step is crucial because it sets the expectations for the reader. The second is to use sub-headings liberally (think of sub-headings as “signposts”). The third is to repeat the issue in the first or second sentence of the paragraph that will address the issue. You might use slightly different words, but the issue, in essence, is the thesis (or topic) sentence of the paragraph. The fourth and final technique is to repeat the three issues (summarized, of course) somewhere in the final, concluding paragraph.
- *You must* use evidence from the case text. It will likely be a direct quote, paraphrase, or summary (all of which need a proper citation). Without some supporting evidence, there is no way to demonstrate that the issue you wish to discuss is even an issue, much less a distinct and substantive one. There might even be more than one piece of evidence, even from a single, journalistic article.
- *You must* lead the reader through the process of inference. That is, apply the general principles (theories, models, and frameworks) from this course to explain a phenomenon that occurred in the past or predict what

phenomenon is likely to occur in the future. Both explanations and predictions require a deep understanding of “why”. Support for “why” is evidenced primarily by the rigorous use of appropriate theories, models, and frameworks. For this assignment those theories originate from the textbook readings. There are many theories in a textbook; choosing the best one requires diligent focus, a comprehensive understanding of course approach detail, and fervent review of technical subject matter. There are no “short-cuts” to using the best theory, models, or frameworks in an objective, purposeful manner.

- *You must* make a strong argument in your analysis. Convincing another smart person that your thinking is right or best is some of the most difficult work you’ll do after you graduate. In addition to evidence and theory, another critical piece of a strong argument is the elegant use of an analogy. You offer additional support for your analysis of your issue by the use of a relevant analogy between a fact from the case text and a fact from a (non-textbook) class-related material or activity (e.g., supplemental materials, lectures, class discussions, movie clips, etc.).
- *You must* cite your references, including specific page numbers, in-text (i.e., “in-line”) in the sentence in the narrative. You cannot make crass, unsubstantiated arguments or use ambiguous references. You need to provide tangible support for your reasoning. You build authority and credibility by acknowledging and referring to the work of others. Put another way anything you write that isn’t cited is assumed to be your own work. If you intentionally or unintentionally let the reader assume that the work of other individuals is your own work, you are plagiarizing. You cannot do this...ever...in either academic or professional work. You may use APA or MLA format. There are examples of in-text citations in the APA Style Guide summarized nicely by the CSUN Library:

[http://library.csun.edu/egarcia/documents/apacitation\\_quickguide.pdf](http://library.csun.edu/egarcia/documents/apacitation_quickguide.pdf)

- *You must* use a “Works Cited” page (sometimes called a “References” page). Someone else must be able to locate and use each reference on the “Works Cited” page. Multiple, In-text citations from the narrative that refer to the same reference in the “Works Cited” page are listed only once in the “Works Cited” page (even if different elements are used in the In-Text citation). You may use APA or MLA format. There are examples of how references are to be formatted on “Works Cited” pages in the APA Style Guide summarized nicely by the CSUN Library:

[http://library.csun.edu/egarcia/documents/apacitation\\_quickguide.pdf](http://library.csun.edu/egarcia/documents/apacitation_quickguide.pdf)

### **Other Tips:**

- *Don't* write haphazardly. *Do* balance breadth (broad coverage of multiple issues) with depth (sufficient, detailed analysis of each distinct issue). These issues emerge from your reading of the article, your education and experience, and your understanding of what the firm needs to succeed. You'll write a better paper if you identify issues that resonate with you viscerally because you'll have more acumen and concomitant passion for those issues.
- *Don't* focus on principles, concepts, and materials from *other* business classes (lower-division or upper-division). *Do* focus on principles, concepts, and materials covered in *this* course—MGT 360. Take the perspective that the materials from this class on "Management and Organization Behavior" are unique and distinctive from other upper-division business courses. Here are two tips: 1), review the titles of the textbook chapters, HBR and supplemental readings, 2), review the organizational structure and details of the course outline.
- *Don't* just use concepts from the current part of the course, or materials just after the mid-term exam. *Do* use materials from the entire course, including from materials on leadership and change near the end of the course. Therefore, you need to review prior materials and you need to read ahead. This class doesn't have a cumulative final exam. However, this assignment is indeed a cumulative assignment.
- *Don't* arbitrarily ignore General Education courses. *Do* incorporate materials from one or more of G.E. courses if you feel those materials strengthen your thinking.
- *Don't* write like you speak. *Do* organize your thoughts well. The main body of the report are the issues. Additionally, the first paragraph of the report should be an introduction, and the last paragraph should be a conclusion. The last sentence of the introduction might be a summary of what is to come in the main body, while the conclusion might be a summary of what was said and final recommendations.

The *second* score will be for writing, and the maximum numbers of points for content will be 10. The scoring criteria for the writing portion of this assignment will be similar to the writing scoring criteria used previously in this class.

Although the *raw* scores differ for Content (15 points) and for Writing (10 points), both scores are *weighted* equally (i.e., half of 10% overall is 5% for Content and 5% for Writing).

**Case Question:**

Assume that you are a consultant to the Board of Directors at Volkswagen AG based in Germany (note: the Board hires the CEO). The Board of Directors at Volkswagen has hired you to assist them in better understanding the current crises over vehicle emissions, especially for vehicles sold in the United States. Write a brief management analysis report that informs the Board and provides specific recommendations. That is, using the language of our class, describe (explain) any substantive issues that suggest that change is needed and prescribe (predict) what the CEO and managers should do to successfully implement such changes.

(If you need to make any assumptions or background regarding anything you might have read in the case text, simply state them as needed.)

**Case Citation:**

Boston, W., Varnholt, Hendrik, and Sloat, S., (2015, December 11). "VW Says 'Culture' Flaw Led to Crisis" *Wall Street Journal*.

**Case Text:**

**Full text:** WOLFSBURG, Germany -- Volkswagen AG on Thursday blamed a damaging emissions crisis on a "chain of mistakes" that began with the company's diesel push into the U.S. in 2005 and "culture of tolerance" for rule-breaking that allowed the deception to continue for a decade.

While offering few specifics, Volkswagen's chairman and chief executive acknowledged engineers introduced software that would lower nitrogen oxide emissions in many of its diesel engines after realizing there was no legal way for those engines to meet U.S. exhaust standards "within the required time frame and budget."

The comments by Chairman Hans Dieter Potsch and Chief Executive Matthias Muller during a two-hour news conference were the most extensive since the diesel scandal broke in September. But they still fell short of answering key questions: who at Volkswagen ordered the software be installed on the engines, at what point in time, and who covered it up for so long.

"There was not one single mistake, but rather a chain of errors that was never broken," Mr. Potsch said, declining to elaborate.

Mr. Potsch, who until the crisis broke, was chief finance officer, said the company believes a small group of employees carried out the deception. An internal audit found no evidence to suggest that members of the executive board or supervisory board were involved in the diesel fraud, he said.

The roots of the deception were the "misconduct and shortcomings of individual employees," insufficient internal processes to detect such fraud, and "a mind-set in some areas of the company that tolerated breaches of rules," Mr. Potsch said.

Volkswagen has suspended nine managers suspected of being involved in the fraud, but remained unclear if all or any of them were involved in wrongdoing. One of the managers, Ulrich Hackenberg, a 30-year Volkswagen veteran and senior engineer, resigned last week. Audi said Mr. Hackenberg wasn't available to comment.

In the wake of the crisis, Volkswagen has undertaken sweeping structural and management reform. Some of those changes were in preparation, but were accelerated by the crisis. Volkswagen has replaced six executives since the beginning of the year and has switched leadership of seven of its dozen brands.

The company is empowering its brands and regional organizations to become more autonomous in decision-making in an effort to remove Wolfsburg as the bottleneck that it was under former Chief Executive Martin Winterkorn, who former associates say was known for his autocratic leadership style. Mr. Winterkorn was not available for comment. Mr. Muller has vowed to stay out of the day-to-day decisions of the brands.

"As serious as this crisis is, it is also offering us an opportunity to drive much-needed structural change and we will use that opportunity," Mr. Muller said.

He called for empowering Volkswagen's workers, especially middle managers who were often silenced under Mr. Winterkorn and former Volkswagen chairman, Ferdinand Piech. "We don't need any yes-men," Mr. Muller said. "The future belongs to the courageous. I am appealing to the curious, to the nonconformists, to the pioneers."

Volkswagen's deception was disclosed in September by the U.S. Environmental Protection Agency, which issued an official notice of violation saying that Volkswagen had installed a defeat device to circumvent emissions tests on about 500,000 diesel-powered cars in the U.S.

Days later, Volkswagen admitted that the same software was installed on nearly 11 million vehicles world-wide. Mr. Winterkorn resigned and was replaced by Mr. Muller, who had run Volkswagen's Porsche sports-car unit.

Defeat devices were initially found on 1.6-liter and 2-liter EA189 diesel engines used by Volkswagen's namesake brand, Skoda, SEAT and some Audi vehicles.

In November, the EPA issued another notice of violation that cited larger 3-liter engines built by Audi and used on Audi, Volkswagen and Porsche vehicles, saying they also contained defeat devices. Audi later confirmed the EPA's claim.

Volkswagen also disclosed in November that employees had tipped management off to another unrelated issue, saying the company had understated greenhouse-gas emissions

and fuel consumption on up to 800,000 gasoline-powered cars. After an internal investigation, Volkswagen lowered that figure to fewer than 50,000 cars.

A Wall Street Journal investigation revealed earlier this week that Volkswagen officials failed to disclose information about a faulty emissions part to California regulators as early as 2004. Volkswagen has declined to comment; an email at the time to U.S. employees indicated a manager didn't consider the part relevant to the emissions system.

Mr. Potsch said the diesel deception began in 2005 when Volkswagen decided to launch a diesel-engine sales offensive in the U.S. Volkswagen was struggling to gain traction in the U.S. and saw an opportunity to introduce a "clean diesel" engine -- low on emissions and big on performance.

His comments suggest that Volkswagen believes the diesel fraud began under Mr. Winterkorn's predecessor, Bernd Pischetsrieder, who was ousted as CEO at the end of 2006.

Messrs. Pischetsrieder denied any knowledge of the fraud and offered to give sworn testimony to that effect.

One direct lesson Volkswagen has learned as a result of its investigation is that its information technology infrastructure needs to be upgraded. Mr. Potsch said Volkswagen's IT was insufficient to identify the fraud.

He also cited insufficient testing procedures in the engine development department that allowed individual engineers to push engines out the door without a second set of eyes to corroborate their findings.

"In the future it will be very difficult to circumvent our procedures," he said.

Investors are still wary about Volkswagen's future, given the many unknowns including the still incalculable penalties and litigation costs that could arise in the U.S.

But Mr. Muller suggested the company was turning the corner. "We will not allow the crisis to paralyze us," Mr. Muller said.

### **Case Citation:**

Stall, J., (2016, April 4). "VW Meets U.S. Dealers, Vows to Repair Image" *Wall Street Journal*.

### **Case Text:**

**Full text:** LAS VEGAS -- Volkswagen AG's management extended an olive branch to car dealers hit hard by the German auto giant's emissions-testing scandal. Much of what dealers wanted to hear, however, went unsaid.

Herbert Diess, head of the Volkswagen passenger-car brand, met with hundreds of dealers for 90 minutes at an annual conference in Las Vegas last Saturday.

The crux of his message: Volkswagen aims to be a mass-market player in the U.S., willing to chase volume at the expense of exclusivity.

The executive vowed to "redefine" the company's tarnished image and "relaunch" the Volkswagen brand.

Volkswagen will fast-track much-needed products, Mr. Diess said, so dealers can begin recovering from a punishing sales slump endured over the past six months.

Substantial attention during the discussion was given to a new Alltrack wagon, an all-wheel-drive vehicle due later this year. Sport-utility vehicles are also on the horizon.

Production targets for the Alltrack, slated to be built in Mexico, have been doubled.

Initial plans called for 8,000 Alltrack deliveries this year and 30,000 in 2017; dealers, however, demanded delivery of 75,000 all-wheel-drive vehicles next year.

Still, Mr. Diess said in an interview he couldn't give specific details about efforts to address the legal, financial and commercial ramifications of a scandal related to years of cheating on diesel-emissions tests in the U.S.

Disclosed by the Environmental Protection Agency in September, the emissions scheme led to a management shake-up on several continents and is expected to cost the company billions of dollars to repair.

The lack of information on reparations and financial reimbursements has soured relations with U.S. dealers, many of whom have invested heavily to stock car lots with ample inventory.

Volkswagen is in discussions with U.S. authorities and other regulators about resolving the problem.

In addition to facing fines, the company needs to fix cars on the roads with higher diesel emissions than legally allowed and figure out a way to gain approval to start selling big volumes of diesel cars again. Sales have plunged in the wake of the scandal, falling more than 12% in the first three months of 2016 compared with the first quarter of 2015.

Volkswagen has dueled with Toyota Motor Corp. for the No. 1 global auto maker crown, but its namesake brand's U.S. market share trails every mainstream rival.

Many dealers have expressed frustration with executives in Wolfsburg, Germany, where Volkswagen is based.

For years, Volkswagen dealers and some U.S. executives have criticized senior managers for not paying attention to American buying trends and for ignoring feedback.



Earlier this year, Michael Horn -- a U.S. sales chief well-liked by dealers -- left the company with little explanation for his departure, further upsetting retailers.

Mr. Diess's remarks to dealers included an expression of gratitude for patience during tough times. He said the company aims to sell more cars in the U.S. than ever before, signaling a move away from being seen as an elite European brand.

In a news conference following the meeting, several dealers applauded Mr. Diess's speech. Mike DiFeo, who owns dealerships in New Jersey, said Volkswagen needs to carry "price-competitive" vehicles alongside a promise of delivering "German engineering."

While the company is taking a breather from advertising diesel technology, instead focusing on gasoline engines and future plans for electric vehicles, dealers said the company eventually needs to return to touting diesels.

Mr. Diess's speech was preceded by a meeting held by hundreds of independent dealers without company executives in the room.

During that two-hour meeting, many dealers voiced frustration, but there was a general agreement to continue working with Wolfsburg and be patient for financial settlements and other reparations, participants told The Wall Street Journal.

Dealers then joined Volkswagen brass for a Friday evening party.

It was unclear if Mr. Diess's actions would persuade a smaller group of dealers to drop threats to sue the company.

Leonard Bellavia, an attorney who says he represents smaller dealers unhappy with Volkswagen managers, said several of them were ready to file a lawsuit.

Jason Kuhn, the head of Kuhn Automotive Group in Florida who helped spearhead the closed-door meeting Friday, said he couldn't speak for all 650 U.S. dealers.

Still, the broad sentiment suggests "we would much prefer to take a tack of working collaboratively. . .these are going to be our partners for a long time to come."

Alan Brown, chairman of Volkswagen's dealer council and operator of two Texas stores, cautioned "we're not fixed yet."