

An examination of the performance of thyssenkrupp engineering essay

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In the world today, many organizations maximize their shareholder value to attract many investors to invest on the corporations. But, corporations sometimes forget about the important roles which they play on social environment when achieving their target. Corporations can affect into some impacts to the sociality life, furthermore market power and corporate social responsibility (CSR). Corporation's decisions and behaviours can reactive to both negative and positive impacts to society which can influence to the corporation market share. In this case ThyssenKrupp A. G, which is one of the world's largest steel producers, is a worldwide German Corporation which has more than 150. 000 reliable and experienced employees on it, operates as a steel manufacturer (Richardson 2010). ThyssenKrupp keeps improving its performance by giving some innovations and developing their new ideas to provide consumers satisfaction on sustainable projects (ThyssenKrupp 2011). But, both negative and positive impacts in business activities may be occurred on the social environment during this period or in the future. This paper examines the environmental operations of the company specifically in ThyssenKrupp Corporation, furthermore the aims of this paper to display a balanced argument into positive and negative impacts of ThyssenKrupp environment activities.

ThyssenKrupp Environmental Damage Problems

As we noted, the fact from World Health Organization (WHO) about air pollution is a crucial part of environmental risk to be healthy which is estimated to cause approximately 2 million premature deaths in whole year (WHO 2008). From the statistics of premature deaths, WHO stated air pollution should be reduced to prevent human premature deaths worldwide

every year. ThyssenKrupp Corporation reflects lack of commitment and concern when ThyssenKrupp AG Brazilian steel mill unable to cut emissions in steel productions, which is contaminating the society environment (Anonymous 2010). Because of environmental damage the Brazilian authorities, especially in Rio de Janeiro and Santa Cruz, should fine ThyssenKrupp AG. The Project called Blast Furnace of ThyssenKrupp with an investment about 6.7 billion dollar, has the maximum capacity of the plant is expected to produce about 5 million tonnes of steel per year, but environmental violations have led ThyssenKrupp to reduce the production until 30 percent. (Reuter 2011). ThyssenKrupp AG can be fined around 1.2 million dollars related to particle emissions from steel plant as mentioned by environment secretary in Rio de Janeiro (Comfort 2010). The firm had had the same problems July 2010, which influenced Rio's environmental secretary authorities to fine CSA 1.01 million dollars and ThyssenKrupp's Brazilian subsidiary CSA was fined again for repeated violations of environmental regulations at its new steel plant in Rio de Janeiro in January 2011 (Reuter 2011). ThyssenKrupp displays very disappointing social commitment because of environmental damage for the second time. ThyssenKrupp Corporation violated its social responsibility by contaminating the environment society both in Rio de Janeiro and Santa Cruz. Because of the violation, ThyssenKrupp became the faces of environmental contamination at Brazilian steel mill (Burns 2011). As the result, CSA must pay a fine of 1.66 million dollars and damages around 8.3 million dollars to maximize the rights of locals people, as mentioned by Rio de Janeiro state Environment Minister Carlos Minc (Reuter 2011). Ethical business should

concern about human rights when operating their business. One example of human rights is freedom, freedom for breathe clean air, but ThyssenKrupp had contaminated the air and against people rights. However, in this violation not all of the stakeholders were negatively influenced by ThyssenKrupp cases. ThyssenKrupp steel productions achieve the record levels with an outstanding output about 1. 4 billion metric tons and Around 200 - 250 million tons of this is premium flat carbon steel, which means the investments in ThyssenKrupp in the Brazil are better investment in the future. Dr. Schulz as Chief Executive Officer of ThyssenKrupp AG said ThyssenKrupp in Alabama and the launching of the steel plant in Brazil is leading to new dimensions of its history (ThyssenKrupp 2010). This means stakeholders like investors and consumers from United States and Europe will get a lot of beneficial from ThyssenKrupp operations. In spite of ThyssenKrupp objectives to achieve maximum profitable growth in global markets in the future but, the steps to sacrifice social environment have been questionable. Residents of Rio de Janeiro and nearby community are the stakeholders most affected by ThyssenKrupp. They complained in December due to graphite dust emissions, which led to air pollution when pig iron is poured into an open-air container to cool (Reuter 2011) . Furthermore, the community protest about appearance of ‘ Metal Rain’ which caused pollutions from steel plant which is hazardous for people’s health in Brazil. Not only a protestor held out a handful of metal dust, which is part of the ‘silvery rain’ falling for a long time in Santa Cruz but also, local people with low income on the west side of Brazil city, as a proof of the environmental nightmare affecting because of ThyssenKrupp (Frayssinet 2011). The

contamination was referring to the graphite dust, generated by the operation of pig iron material in producing the steel. As protestors stated that the air pollution appearance is permanent and some days it is so hazardous that a silvery rain over the society in nearby area, which can damage people's health, especially for children and aged people. The possible illness of graphite causes irritation to eyes, nose, skin, and has been linked to respiratory problems such as pneumoconiosis, dehydration of nasal mucus and earache (Burns 2011). Graphite dust has already been proved to be major occupational hazard that leads to dangerous diseases (Onkol 1989). It is showing how dangerous if community nearby the area will be affected by the graphite dust. With this consideration, The power plant which produces graphite silvery dust that falls on the surrounding community, business leaders said the dust was harmless and is a consequence, inevitable once to start the blast furnace. Authorities are ordering ThyssenKrupp to perform environmental audit (Amy 2011). When the leaders said the dust was harmless and consequences to the local people, ThyssenKrupp attempt to communicate with public. In addition, with authorities support in preventing pollution by spending a lot of money, auditing, installing camera, and new equipment. But, it's not the solution to the problem of ThyssenKrupp. Nearby community of Brazil need more facts rather than planning in the future. If ThyssenKrupp improves its social commitment, it would be better. This closer examinations conduct over in this part tell how ThyssenKrupp moves in changing people's public opinion.

Conclusion remarks

1<http://www.bloomberg.com/news/2010-12-30/thyssenkrupp-may-pay-2-million-real-pollution-fine-valor-says.html>2<http://www.minesandcommunities.org/article.php?a=107603><http://proquest.umi.com/dbgw.lis.curtin.edu.au/pqdweb?index=0&did=2231395691&SrchMode=1&sid=8&Fmt=3&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1300983277&clientId=222124><http://agmetalmminer.com/2011/03/07/thyssenkrupp-faces-charges-of-environmental-pollution-at-new-brazilian-steel-mill/5> <http://www.who.int/mediacentre/factsheets/fs313/en/index.html>6 <http://www.ncbi.nlm.nih.gov/pubmed/27283867><http://proquest.umi.com/dbgw.lis.curtin.edu.au/pqdweb?index=3&did=2229971721&SrchMode=1&sid=3&Fmt=2&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1301167433&clientId=222128> http://www.thyssenkrupp.com/en/presse/art_detail.html&eid=TKBase_1292850484690_4945907109<http://www.mining-reporter.com/index.php/component/content/article/100-vale/4026-thyssenkrupp-and-vale-usher-in-a-new-steelmaking-era-for-brazil?directory=7910>. <http://proquest.umi.com/dbgw.lis.curtin.edu.au/pqdweb?index=3&did=1046966781&SrchMode=1&sid=5&Fmt=3&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1300869814&clientId=2221211>. <http://www.thyssenkrupp.com>12 <http://www.automatedtrader.net/real-time-dow-jones/12560/brazil039s-csa-steel-mill-cuts-output-on-pollution-warning>13<http://proquest.umi.com/dbgw.lis.curtin.edu.au/pqdweb?index=2&did=2246784971&SrchMode=1&sid=3&Fmt=3&VInst=PROD&VType=PQD&RQT=309&VName=>
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