

Indian employees fired after GM's recall

NEW DELHI, INDIA: General Motors said on Saturday (27 July) it has fired "several employees" after violations of company policy led to the recall of 114,000 of its Chevrolet Tavera sport-utility vehicles in India.



The recall of the popular model, built and sold only in India, came after GM employees reportedly swapped engines in new Tavera models for lower-emission engines to meet standards.

The 114,000-vehicle recall, announced last week is one of the largest in India's history.

"Several employees" were dismissed after an internal investigation "identified violations of company policy", the company said in an email to AFP.

The Detroit-based manufacturer did not disclose the nature of the violations or specify the number of employees dismissed but said GM takes "these matters very seriously and holds its leaders and employees to high standards".

"When those standards are not met, we will take the appropriate action to hold employees accountable," the company said.

A GM official declined to comment on a report by Automotive News that Sam Winegarden, vice president for global engine engineering, and around 10 other employees in the United States and India had been let go.

Sackings 'an internal matter'

The official told AFP the dismissals were an "internal personnel matter".

Winegarden oversaw the production of engines across GM's international vehicle range.

The compliance lapse comes as GM, which began selling its Chevrolet marque in India in 2003, is battling to stem falling sales in the country which has been hit by a sharp economic slowdown.

GM has poured billions of dollars into plants and product development in India, which it has described as a key to fuelling future growth.

The manufacturer wrote to Indian regulators earlier in July informing them that some employees "engaged in the practice of identifying engines with lower emissions, which were fine-tuned and kept aside to be used for installation on vehicles during inspection", The Economic Times reported.

GM India president Lowell Paddock said in a published interview on Saturday (27 July) the company identified the problems in June and immediately consulted its parent company and agreed on a recall.

Sales halted

"Our internal audit revealed inconsistencies in emission results," he said.

GM said it has stopped production and sale of the Tavera until it gets Indian regulatory approval for its "proposed solution" to the problems which are not safety-related.

The diesel-powered Tavera has a starting price of 689,553 rupees (US\$11,665). The vehicles being recalled were sold between 2005 and now.

India's government, meanwhile, has formed a panel to probe the recall to decide if punitive action should be taken against GM, local media reported.

Sanjay Bandopadhyaya, a senior transport ministry official, said GM could face fines and added the government was investigating the possibility of collusion with testing agencies.

He added the government will check whether other manufacturers may have cheated to comply with emission standards.

Over 300,000 vehicles have been recalled since India's car manufacturing industry adopted a voluntary recall policy in July last year.

Last August, Ford recalled over 110,000 vehicles in India to check for potentially faulty parts that could cause breakdowns or fires.

Source: AFP via I-Net Bridge

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