

Statement of  
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Testimony before the U.S. Senate Special Committee on Aging  
Hearing Entitled  
“Breaking the Silver Ceiling: A New Generation of Older Americans Redefining the New  
Rules of the Workplace”

September 20, 2004

Good afternoon, Mr. Chairman, Sen. Breaux, and members of the committee.

I'm pleased to be here today to discuss the value and appreciation Volkswagen of America has for its older workers. I would like to thank Sen. Stabenow for her support of our Company and our industry.

Volkswagen of America was founded in 1955 and is currently headquartered in Auburn Hills, Michigan. Volkswagen employs approximately 2,180 people in the United States who are responsible for the design, engineering, marketing and service of Volkswagen and Audi products. In the U.S. alone, Volkswagen of America's retail network comprises approximately 840 independent dealers. Currently, we are the nation's top-selling European importer of automobiles. Additionally, Volkswagen of America's International Purchasing Department is responsible for sourcing from U.S. suppliers approximately half a billion dollars' worth of components annually for the Volkswagen Group's worldwide production.

One thing that makes Volkswagen different from other car manufacturers is our success rate in retaining our employees – old and young alike. Nearly one quarter of Volkswagen's U.S. workforce is over the age of 50, and employee turnover rate is just 5%. And, recently, the AARP recognized Volkswagen as being one of the top environments for older workers.

Volkswagen's attitude toward its older workers is different from most companies. In the mid-90's, there was a common practice of actively recruiting young professionals with MBA degrees in order to infuse the organization with what was commonly referred to as “new blood.” As many companies tried to turn their organizations around, they became dismissive toward older, more experienced workers. This attitude is, in fact, a form of ageism...and ageism can be just as powerful as any other “ism.” In fact, in today's job

market, older workers are obscuring dates on their resumes so their age isn't so apparent.

I had the experience of joining Volkswagen at the age of 53. Knowing I was one of six candidates, I was concerned that my age might be an issue. I later learned that when the hiring managers discussed the candidates, age was never even mentioned. It was then that I knew I was joining a company that valued experience, knowledge and skills over anything else.

I was asked to talk today about the benefits Volkswagen offers its older workers and what Volkswagen does to retain its older workers. The truth is that there is no "magic" benefit at Volkswagen...

...rather, it's the "magic" of treating all employees with decency and respect.

We mainly attribute Volkswagen's good record of retaining our employees to a positive corporate culture. Our employees feel they are part of a larger family, and Volkswagen has a clear policy against discrimination of all kinds and a strong commitment to diversity. Our anti-discrimination policy is taken very seriously starting with our CEO Gerd Klaus and throughout the entire organization. Volkswagen protects and sustains this vital aspect of its culture through the work of a Corporate Diversity Council comprised of top management and employees at all levels.

Human resources professionals understand human nature – and part of human nature is that people appreciate feeling valued. Companies that demonstrate an appreciation for older workers will retain them...as well as their experience and knowledge. Older employees hold a vital key to success: a solid understanding of the business that can not be gained any way other than through experience.

Data<sup>1</sup> shows that when communication fails, 93% of the time it can be attributed to a lack of relationship building rather than a lack of expertise. Clearly, companies that understand the importance of relationship-building will have a competitive advantage over those that do not.

I believe that Volkswagen is a company rooted in relationships, which can explain why employees who join Volkswagen tend to retire with Volkswagen. Volkswagen understands that relationship-building is a significant component to survival. Understanding differences between people and establishing a value for diversity is vital. At Volkswagen, we understand the different – but equally significant - contributions that older and younger employees bring to the organization.

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<sup>1</sup> Cite source of data  
Harris and Osborne (1975)  
Assertiveness Training for Women

Why is Volkswagen a company that has such a capacity for valuing differences? It is a tough question to answer, but perhaps it is based on Volkswagen's culture and unique history and place in this country. Volkswagen has always been an emotional brand – even an icon to some generations. People root for the Beetle. Volkswagen and Audi have always been thought of as innovative and creative brands – not only in automotive design and engineering, but also in management.

Performance in the auto industry is critical to success. It is a complex industry, made even tougher in today's highly competitive marketplace.

Volkswagen understands that the key to success is its people. Its people have the power to keep two of the most successful automotive brands alive. And that power comes from years and years of in-depth experience, and a thorough understanding of what works and what doesn't. For this, Volkswagen places high value on its older workers – and that is the “magic” benefit that makes older employees want to work at Volkswagen, and in turn, what makes us successful.

Thank you for the opportunity to share a little of Volkswagen's culture with you today. I will now be pleased to answer any questions you may have.

