Leadership Lessons from the Volkswagen Debacle


While dastardly details of the conspiracy are still emerging, one of the surprising things to me is that Martin Winterkorn, Volkswagen's chief executive, lasted almost a day before he resigned. He issued a written and video apology, asserting that he had no knowledge of the shenanigans. "I am not aware of any wrongdoing on my part," he claimed but admitted, "Volkswagen needs a fresh start."

Really? Wouldn't you think that he would have resigned immediately? Either way, the situation reflects one of the great leadership failures of our time. There are only two choices here: 1) Winterkorn knew about the subterfuge, in which case, of course he should resign and go to jail; or 2) he didn't know and exhibited startlingly poor leadership by not knowing.

If such a thing can happen without your knowledge as the CEO, you haven't cultivated the lines of communication you need in order to know what's happening in your own organization, nor have you encouraged the kind of openness that would encourage whistle-blowers to come forward and let you know such potentially brand-crushing information.

Similarly, I'm working with a board that wants to know if a group of employees who contacted them with concerns about their leader should be believed. I'm conducting an independent assessment to find out, but my initial reaction was similar to Volkswagen: 1) either the employees are right in their assertions and the leader should be ushered out the door; or alternatively 2) the leader should have known that so many employees had such serious concerns, and the fact that they did not shows a serious lack of leadership.

What should leaders learn from the epic Volkswagen saga?

Talk to your people, especially the rank and file; don't insulate yourself so thoroughly that people won't let you know their concerns; don't just surround yourself with executives who will support your point of view; and develop the two-way trust that assures employees that you will listen if they come to you with issues.
Otherwise, you may end up like Winterkorn: the CEO who will be known for killing one of the world's most iconic brands, regardless of whether he knew anything about the scandal or not.

For more information about how to cultivate a leadership style that encourages two-way communication read *The Power of a Good Fight* and "We Need to Talk" - *Tough Conversations with Your Employee*, or talk with us about one of our powerful and effective leadership workshops or coaching opportunities.

MORE TIPS ON CULTIVATING EFFECTIVE LEADERSHIP STYLE

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