

# Leadership and Human Values to Make the Change in the Right Direction in the Modern Service Oriented Society

Carlos Casanueva<sup>1,\*</sup>

<sup>1</sup>ESCP, Associate Professor Finance Department, 28035 Arroyofresno 1, Madrid (Spain).

**Abstract.** My experiences as a practitioner have shown me that appropriate leadership methods that are built considering traditional human values are a key cornerstone for success in the modern service-oriented society. This paper will review, with real management experiences, the usage of these methods and its results.

## 1 Introduction

This paper will expose real management experiences, it will not bring traditional academic research. I will review my life management experiences and its results. In concrete the experiences at Banco Santander, at Aegon Insurance Company and at ESCP Business School.

When I think about IESS challenges, many possible issues come to my mind: sustainability, digitalization, shareholders' value maximization, employee's satisfaction, political fight... and, at the end, building a better world. This paper will focus on how leadership and human values can support the modern service-oriented society to achieve its goals.

Also, the paper will show that serendipity, understood as time and randomness, has been one of the key drivers of the results obtained.

## 2 In my experience, leadership and employee satisfaction are a key factor for success in the service industry

### 2.1 Banco Santander

In 2013, I was working at Banco Santander as General Manager of the Insurance Company in Spain. In those days Mr. Emilio Botín was the President of the bank.

The anecdote I want to share happened in a Top Management Conference of the bank in December 2013. At the end of a four-hour conference, with almost five hundred executives of the bank, Mr. Botín entered the auditorium. Everybody stood up and started a big applause. He was coming with some papers, but he left them aside and started to talk in his own words. Without reading. He said that the most important project for the bank was to improve the

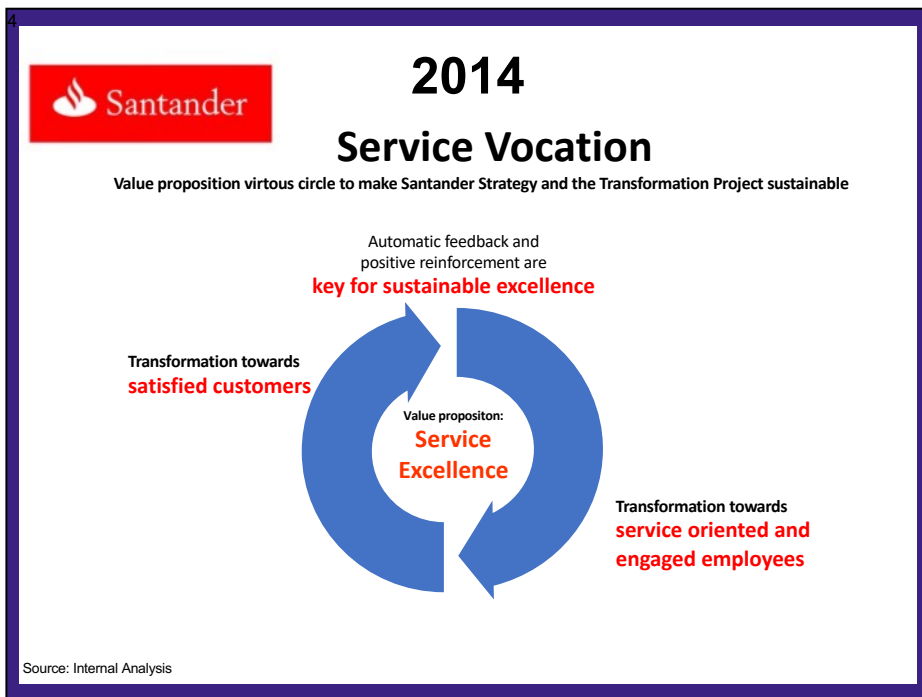
---

\* [ccasanueva@escp.eu](mailto:ccasanueva@escp.eu)

200.000 employee's life and personal satisfaction. He gave a lot of examples. One of them was that late dinners should be forbidden in the bank. No official dinners after 6:00 pm. Employees need to go at night to their homes and have dinner together with their loved ones. After twenty minutes talking about similar examples in an authentic and charismatic way he said: "And now I am going to read what somebody has prepared for me". And started to read without too much interest about other organizational projects that probably Human Resources had prepared for him.

Mr. Botín was seventy-nine years old, and I don't think the executives in the audience understood well what he was talking about. I personally felt astonished, and I connected this with Total Leadership. I decided to join this corporate leadership transformational project for the 200.000 employees of the bank.

In January 2014, I managed to organize a meeting with Santander CEO, Javier Marín, to tell him that I wanted to work in this project. I went to the meeting with very few slides. One of them is Figure 1.



**Fig. 1.** Value proposition virtuous circle to make Santander Strategy and Transformational Project sustainable.

This slide centres the value proposition of the bank on Service Excellence. To make this virtuous circle work the key is to initiate with service oriented and engaged employees. As a result, the bank gets satisfied clients. And satisfied clients generate an automatic feedback and immediate positive reinforcement that become the real reward for employees when they interact again with new clients, generating a virtuous circle which is the key for sustainable excellence. In my opinion, these ideas hold not only for Banco Santander, but for the service industry in general. And I knew that Total Leadership (TL), the methodology created by Professor Friedman from The Wharton School, was a perfect catalyser to create a sustainable culture of service oriented and engaged employees.

Since that meeting, in January 2014, I started to interact with several Santander Global General Managers. All of them were tremendously enthusiastic about the project and were convinced of the positive impact it will have on Santander results. It took several months until the project was organized to start on September 2014. But serendipity and randomness rule our lives. Mr. Botín died unexpectedly from a heart attack on September 10<sup>th</sup>. In a few days, he was replaced by his young daughter and the project stopped because she had other priorities to ensure her new powerful position.

## **2.2 BBVA**

In 2015, after the failure at Santander, I decided to leave the bank and to try to implement for companies in Spain, my country, what we had try to do at Santander. I joined ESCP Business School as an Associate Professor and translated the TL book into Spanish. The first opportunity came from BBVA, Santander main competitor. We did several trainings on TL for BBVA and one of them was for the bank CEO, Mr. Carlos Torres, and his fourteen executives management team. This training had a six-month duration, the impact was great, and Mr. Torres was promoted to President of the bank. When we finished the training, he said [1]: *“The concepts of Total Leadership have an extraordinary power, especially the idea of looking for simultaneous improvements in the different parts of life. This is the four-way win approach. It is the key to our transformation of BBVA into the bank of the future.”* The four-way win approach mentioned by Mr. Torres is one of the key breakthrough concepts of the TL methodology [2]. Basically, four-way win experiments are actions develop with the intention to have a positive impact in the four domains: work, home, community and yourself (body, mind and spirit). The impact can be direct or indirect, but what is important is to visualize it. It is a way to learn to look to life with the “four-way win glasses”. At the beginning, when learning the method, it is better to start with very small experiments, like going to yoga classes once a week with your partner, but normally, once you have internalized these ideas, it is normal to start to implement bigger and bigger four-way win experiments and developing a powerful and energized leadership style.

## **2.3 Aegon [1]**

In 2019, I had another great management experiment at Aegon, the Dutch insurance company. The CEO at Aegon in Spain, Mr. Tomás Alfaro decided to implement a TL Transformational project for the whole Spanish organization. It was a two-year project, for all the five hundred employees of the company in Spain. The project consisted of sixty TL sessions, three hours per session, and with around fifty participants per session.

At the end of the project, the measurement of employee engagement, measured by the headquarters in The Netherlands, increased from 40% to 60%. The impact in the organization was impressive. It clearly developed a leadership culture based on basic human values like authenticity and purpose; harmony, work/life synergies, and sustainable change; four-way win experiments and creativity [3].

The impact was especially interesting because the last sessions of the training were held after the Covid19 lockdown had started. In this sense, Mr. Alfaro stated that: *“Whoever has not experimented with his personal leadership during this crisis, he is sinking... We are facing a change in paradigm that has opened our capacity for experimenting, and this is what we are sharing throughout the organization. For example, I make phone calls while walking on the terrace and thanks to this I am walking more than ever, or perhaps while cooking... Now, we have the possibility to organize our work and our life in a different manner”.*

## 2.4 ESCP Business School

Finally, today at ESCP Business School I teach TL to EMBA and to MBA students. I have around 100 students per year. Valuation from students is very high and from their comments it seems that the course has big impact in their lives, in line with other TL results measured by Professor Friedman that are showed in Table 1.

**Table 1.** Percentage increase in Total Leadership experiments.

	Satisfaction	Performance
Work	21	8
Self (Body, Mind, Spirit)	39	22

## 3 Leadership and human values to make the change in the right direction

The management experiences at Santander, BBVA, Aegon and ESCP demonstrate, in my opinion, that methodologies like TL have a proved positive strategic impact in service organizations [4].

It is interesting to note that many academics from different domains have a similar opinion. For example, Rebecca Henderson from Harvard and Robert J. Shiller from Yale. Both, in two important books written by them, one about Sustainability and the other about Finance, finish talking about the importance of leadership.

Henderson in her book, “Reimagining Capitalism: How Business Can Save the World”, she finishes with a section about “Six Steps to Making a Difference”, and says:

- *“Discover your own purpose... what do you value about everything else?”*
- *“...reflect on the ways in which the problems of our current age have echoed through your own life...”*
- *“...do something now. Bring your values to work. Get political...”*
- *“...take care of yourself and remember to find joy.”*

Shiller in his book, “Finance and the Good Society”, at the end of the book he writes a Epilogue about “Finance, Power and Human Values”, and mentions: “...part of the reason successful societies develop power elites is that they need a leadership that has the power to get things done...”

## 4 Next steps

The challenge is that after proving that this type of methodology works correctly, it is important to identify what else can be done. I feel that training around one hundred students per year it is not enough.

The first solution could be to try train many more people every year. An obvious solution should come from new techs, for example Massive Open Online Courses (MOOC). Professor Friedman has done some experiments in this direction with extremely good results.

A second possible solution could come from Artificial Intelligence (AI). Many things are happening about this technology, but the direct question related with this paper would be:

how do we ensure that AI enriches peoples' life with valuable leadership techniques? Should these tools be trained in a similar way that we train people to enhance their lives? Let me write some examples in this direction. Normally in my TL classes, at the beginning, I make an open question to the students: "What type of leadership do we need nowadays?". The answer normally includes concepts like empathy, inspiring, good communicator, fairness, develops direct reports... After this brief brainstorming, I tell them that, yes, we are going to talk about all these ideas in the course, but more important than that I am going to try to prove to them that: "leadership nowadays is not only about work, but it is also about life", and it is true that after the course, everybody agree about the importance of this idea. In a recent course, after asking this question I had the opportunity to read an article [4, 5] in the Expansion newspaper about the description of a perfect boss by ChatGPT. Interestingly, the article showed that AI gave a very similar answer to the one given my students: empathy, inspiring, communicator... For this reason, I had the perception that AI seems to be behind more powerful leadership methods, like TL, that give a broader answer to the question connecting leadership and leading the life you want. Would it be possible to "teach" AI on these methodologies? Would it be possible to "audit" AI tools to ensure that the way they interact with people consider these ideas?

A third possible solution could relate to politics. Let's take the situation in Spain, my country. In my opinion, the quality of the political debate has devaluated too much in the last years. For example, lying openly has become a common rule. This should not be accepted without fighting against it. Politics are too important for society, they shape everything. It cannot be that everything is black or white without opening space for agreements. It always makes me think about this, that in my leadership training sessions, I have participants from every political side, and I do not perceive any confrontation. I have the perception that we all have very similar common human ground to accept differences in values of each person without the need to fight and confront. Probably, it is even the opposite, my perception is that people value diversity as enriching. Then, why do not try to educate Spanish politicians with TL techniques? If they become more real, more whole, and more innovative wouldn't be then less tempted to lie? If they achieve richer personal lives, wouldn't it reduce the chance to become corrupted because the personal opportunity cost becomes higher? Wouldn't all this, even if we only achieve a small improvement, result in a big positive impact for the whole society, improving the lives of millions of people?

In any case, life experience has shown me that serendipity will be the big force that finally will shape this future.

## References

1. [www.totalleadership.org](http://www.totalleadership.org): "*BBVA – Transformation to the Bank of the Future*", (2018)
2. S. D. Friedman. "*Total Leadership: Be a Better Leader Have a Richer Life*". Boston: Harvard Business Press, (2008)
3. C. Casanueva, G. Landaluce, "*Covid 19 organizational leadership vaccine at Aegon*", ESCP Impact Paper No 2020-12-EN, (2020)
4. C. Casanueva, "*Leadership and business dilemmas that emerge when teaching finance under the new light of sustainability*", ESCP Impact Paper No 2021-49-EN, (2021)
5. I. Vilches, "*Así describe ChatGPT al jefe perfecto*", Expansión 28-6-2023, (2023)