



CONFEDERACIÓN  
ESPAÑOLA DE  
**DIRECTIVOS  
Y EJECUTIVOS**

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## **Leading in positive**

Interview with José Folgado

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# “Any type of leader, even a highway robber, could have good training, tenacity and people skills, and that is why a fourth quality is fundamental: ethics”



**José Folgado** | Chairman of Red Eléctrica de España

The chairman of Red Eléctrica de España has been leading this company, 20% of which is state owned, for five years. In its 30 years of history, the energy company has grown from having 93 employees to almost 2,000 today. Folgado advocates a leadership style based on the ability to influence people in such a way that they voluntarily and enthusiastically work for the common good. For this doctor of economics, this is achieved by respecting and listening to people as well as showing them sincere, almost paternal affection, and correcting constructively and positively.

## **How do you feel that the figure of a leader has evolved throughout your professional career? What qualities do leaders need now that they did not need a few years ago?**

The fundamental aspects of leadership have not changed much because at the end of the day, we are talking about influencing the people around you to make them voluntarily and enthusiastically work towards objectives and the common good. It is true that in the past more emphasis was placed on potestas than on auctoritas. A leader had to be tougher, more ruthless and less prone to changes than at present, but the idea of leadership has generally remained the same over time.

## **If you could draw up a profile of the ideal leader, which three qualities would you choose?**

I am going to highlight four. First we must talk about training, either having it or acquiring it, but you have to learn, listen and attain knowledge of the relevant matters. You may not initially have it and you may acquire baggage over the years, as happened to me as General Secretary of Energy. Secondly, tenacity. It is not enough to know a subject, you have to be a long-distance runner and be tough and mature. Thirdly, fair, friendly and even affectionate treatment of people. You have to know how to treat and listen to people and know how to praise them without overdoing it. You also

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need to know how to correct in a positive manner and in such a way that the person you are interacting with sees that something really can be improved and is willing to change it. These three qualities could give us any type of leader, even a highway robber, and that is why a fourth quality is needed: business ethics, i.e. environmental responsibility, corporate social responsibility, corporate governance best practices, etc.

**What are your leadership principles and which do you consider are fundamental to positive leadership?**

I think that the four principles that I have just highlighted are applicable to all types of leadership. In my case I have been the same when being a university professor, the financial director of the Spanish business owners' association, the Secretary of State for various things, the mayor of a municipality and the chairman of Red Eléctrica de España. I have not changed. Leadership must be exercised using these qualities that apply to any scenario because it is a matter of character and emotional intelligence.

**In today's ever-changing environment, what message would you give to a young person who was about to enter the labour market?**

It is very important that they are genuine and that they want to contribute and learn, because if you learn you contribute a lot more. When it comes to finding a job, they should never only talk about holidays and pay. Both things will come in time if you maintain an attitude of wanting to contribute. Any businessperson values the assets that are going to be profitable for the business at the same time as they develop professionally.

**In your experience, how does someone prepare for being the leader of a business? What have been the key factors in your career?**

I do not know of any place where it says: "Here we prepare leaders for businesses" because, once again,

leadership is a matter of character and emotional intelligence. However, we can always improve through certain institutions. In this regard, I would almost oblige people to attend a Spanish business school. They are the best in the world and they prepare you to be the best, although you must have the potential to be a leader. It is also important to know the context and activity in which you are going to carry out your responsibilities.

I did not attend any course to be the chairman of Red Eléctrica de España; I went directly from being the Mayor of Tres Cantos to the chairman of Red Eléctrica without interruption or major problems. In the end it all boils down to how you manage teams and people who voluntarily accept the objectives on which you are going to work together.

**What are a leader's main training needs? What technical and emotional aspects must executive training emphasise nowadays?**

In my opinion emphasis should be placed equally on both aspects because leadership is not about managing an instrument, it is about dealing with teams, with people. You have to lead them wonderfully, know how to correct, train, learn, ask, etc.

**Is there a leader you especially admire? Could you explain why?**

In my opinion, the main leader was Jesus Christ. With few resources he fulfilled perfectly the criteria of leadership in terms of transmitting messages and encouraging people to join voluntarily throughout the centuries. I would equally highlight Gandhi and Churchill...I would also like to mention Jose María Cuevas, chairman of the Spanish Employers Confederation from 1984 to 2007. Jose María led this organisation during a historical period in which the association had to be a stabilising element in Spanish society. He contributed very positively in providing tools for dialogue and improvement for those

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in charge of developing Spain's socio-economic policy. His leadership had determination, purpose, ethics, vision and some very clear values.

**Within the sphere of activity of a leader, how do you maintain a team's trust in the organisation in an environment of cutbacks, like we have experienced?**

You see a true leader in times of difficulty. Look at Steve Jobs. They kicked him out of his own company, they had to ask him to return in order to refloat it and now it is the biggest in the world. A leader must know how to explain the circumstances at hand to his or her team in an instructive way and know how to listen to them and make decisions. It is essential not to give the impression that you are overwhelmed by the situation, but to show that you are well aware of it and willing to implement the corresponding measures in a reflective and unbiased manner.

**Innovation has become one of the great levers of growth, but how can you innovate in the field of leadership and people management?**

You can innovate in leadership almost every day. You innovate in processes, technology, promotion plans, etc. For example, in Red Eléctrica, a rejuvenation process of the executive team had to be carried out and it was done excellently in terms of innovation. We have also innovated in storage, renewable energy, etc. As regards the collective agreements, we have also innovated in training and promotion. You innovate every day in this company. Everything must be done with absolute naturalness, following the same system, relying on external companies specialised in certain matters. These changes must be well explained to employees and applied without creating upheaval. Innovation is vital on all fronts.

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