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Leading in positive

Juan José López Burniol

“A leader is more than just a manager - a leader is someone who, in a time of change, is the embodiment of a future idea ”



Juan José López Burniol | Deputy Chairman of Fundación la Caixa.

Juan José López Burniol has been deputy chairman of Fundación Bancaria «la Caixa» since March 2017, and has acted as a trustee of this banking foundation since June 2014. Member of the Board of Directors of Critería Caixa, S.A.U. since June 2014 and member of the Nomination and Remuneration Committee of Critería Caixa, S.A.U. since its formation in 2014. He acted as a general adviser to the Assembly of «la Caixa», representing ESADE, from April 2005 to June 2014 and was a member of the Board of Directors of “la Caixa” and a trustee of Fundación “la Caixa” for that same period. Furthermore, he was a member of the Board of Directors of CaixaBank, S.A. from June 2011 to June 2016.

You have had an extraordinarily significant professional and institutional career and have been able to observe at first hand both the heyday and the transformation of the savings banks. Based on your own personal experience, how would you define your leadership model? What qualities should a good leader have?

A leader is more than just a manager; a leader is someone who, in a time of marked change, is the embodiment of a future idea. Furthermore, a leader has the strength, authority and courage required to take this project forward.

Authority is simply credibility. In order to perceive someone as a leader, we have to sense that they say what they believe and that they strive to do what they say, in other words, that they are consistent. People have a need to be led, to believe in something, whether in business or in politics. A leader must be able to view the future strategically, detect the things that need to be changed, communicate this, and convince people so that they confer the leader that authority. In short, leaders need to make people believe them.

Lastly, a leader needs to have the courage to place the general interest above their own particular interest.

A rapid succession of changes is currently sweeping across the political, geostrategic and technological stages and companies need to be prepared if they are to address these changes successfully. What is the key to leading a successful company in such a complex scenario?

Change has always happened, but what sets this moment in time apart is the sheer speed at which change is occurring. What this means is that there are only two possible courses of action for those who have to make medium- or long-term decisions: either they take a strategic view of what is going to happen, or they may end up making huge mistakes that could lead their businesses to destruction in a very short space of time.

In the current environment, technological capabilities and digitalisation have become a fundamental ally for economic and social development. Evidence of this are the Next Generation EU funds, which promote a higher level of digitalisation of the economy. What role is digital transformation playing with regard to the future if the financial services industry?

Digital transformation offers an array of extraordinary advantages in the area of financial transactions. An

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example of this is that we can now order money transfers from our mobile phones instead of having to go to our local bank. We should take advantage of the virtual possibilities provided by technology in everything we do.

Nevertheless, machines cannot fully replace people. In the financial sphere, what exactly does a bank do? It takes deposits, acts as an intermediary for payments, and grants loans. Although these activities can be mechanised, if the financial services industry is to perform an advisory function, a relationship of trust has to be established between the customers and the bank employees.

Therefore, I would say that we should harness all the advantages of digital transformation, but that this must be accompanied by the opening of bank branches to provide a personal touch.

This digitalisation process represents a major advance, but also a challenge in terms of the need to address the digital divide affecting the more vulnerable sectors of society. What initiatives are the savings banks and banking foundations implementing in order to combat the digital divide and social exclusion?

Both the Spanish Confederation of Savings Banks (CECA) and the Spanish Bankers' Association have drawn up a protocol to address this problem. Basically, what is being done is to implement a policy to maintain, within reasonable limits, the number of branches; to establish new systems, such as mobile branches, to serve certain areas; to provide digital training and to ensure that people have the possibility of dealing with their bank over the telephone.

In the specific case of CaixaBank, EUR 50 million were allocated exclusively to this task over the last financial year. CaixaBank currently has branches in more than 2,000 villages and, by means of a bus service, it also caters for the needs of customers in another 600 villages. In my opinion, the issue is being addressed in a reasonable fashion.

The problem is a pervasive one and the key to resolving it lies in what we mentioned earlier. We must take full advantage of the benefits of digitalisation but at the same time maintain the number of branches for the older members of society.

Young people must also adapt to this paradigm shift in order to take advantage of the opportunities provided by globalisation and digitalisation. What educational challenges must we address in order to help the new generations access the labour market?

The main issue at present is that the technological revolution is bringing about enormous changes. The new world order, deglobalisation in certain industries and inequality.

Antón Costas said that to encounter a level of inequality in Europe similar to that of today we have to look back to a time before the First World War, to 1913. After the Second World War, such was the suffering that had been endured that the great thinkers of the time did two things: first, to prevent Europeans from killing each other again, they created the European Union; second, to prevent the social classes from killing each other again, they promoted the welfare state. This worked very well. This was also the time at which the Spanish middle class emerged, from 1959 onwards. Transition to democracy occurred in Spain because there was a middle class, since democratic systems cannot prosper without a broad middle class.

Digitalisation and the technological revolution have given rise to an ever-increasing inequality, which is affecting young people in particular. At present 27 million Spaniards are living at the poverty threshold, young people have no future prospects and wages are very low. In light of this situation, social policies must be adopted and resources made available. At Fundación "la Caixa" we have published a study on inequality, and one of the causes is the failure of the taxation system from a redistribution perspective.

In a time of crisis, it is fundamental to know who is going to bear the cost, because someone is inevitably going to have to bear it. In the current crisis, the cost has been borne largely by the middle class and young people.

You have excelled as a professional, as an academic and, also, as a communicator. Who have been your mentors? Which leaders or important people have inspired you?

I was fortunate enough to have great teachers at university, such as Álvaro d'Ors, a lecturer in Roman law who taught me the fundamentals of legal training, but above all gave me an idea that has been of use to me in all areas: the consideration of law as a historical reality. What is "just"? "Just" is what each society at any given moment in history considers to be most advisable. There are of course certain basic human rights that are above the legal system. But beyond those rights, this is the definition of what is "just".

Outside of university circles, I consider General Charles de Gaulle to be a paradigmatic leader, basically due to that brilliant phrase of his: "I have a certain idea of France". This is what I referred to at the beginning of the interview - as a leader he had an idea and followed it through, to the point of preferring to be loyal to France rather than to his voters. Churchill is another historical figure that fascinates me immensely.

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Although we are witnessing an ever-increasing female presence in decision-making areas, it is evident that in the business world there continues to be a significant glass ceiling that hinders the rise of women to positions of responsibility. How can female talent be promoted in both the public and the private arenas?

I think that women's access to positions of responsibility is a wave that simply cannot be stopped - but we must remember that this change has emerged only very recently. In this regard, I believe the historian Eric Hobsbawm truly hit the mark with the statement: "when the twentieth century is looked back upon in perspective, the defining events will not be the world

wars or the advent of communism, but rather the access of women to the workplace and their attainment of equality with men”.

Nevertheless, one of the things that has to be done immediately is perhaps to encourage more women to take up technical and science-based careers. Another issue of course is that of the work-life balance. However, I am not overly concerned about these matters, as I believe the advances in question will be achieved in due course.

In addition to diversity, sustainability is another of the big challenges facing us as a society. One of the outstanding features of Fundación CaixaBank is the effort it devotes to social action initiatives, as well as to initiatives to combat poverty and social exclusion and to improve the environment. How can leaders convey the importance of social responsibility among their stakeholders?

In the wake of the Second World War a social agreement came into being which can be summarised as follows: “... what is needed is for businesses to make money, do their work well and contribute the taxes they need to contribute, and the state will take care of everything else”. This is the way things have worked up until the present day. At the current point in time, we are faced by a very complicated situation in which the state simply cannot shoulder the entire burden and, therefore, a new social agreement needs to be drawn up in which businesses take on certain responsibilities, such as those relating to climate change. This is something that affects us all, including our businesses.

There is a rule that I have applied on many occasions in other areas: when something proves extraordinarily difficult to do and entails very serious problems or disadvantages, it is only ever done in two circumstances: firstly, when there is an authority

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that imposes it; and secondly, when there is no such authority and all parties involved come to the rational conclusion that the disadvantages of not attaining this level of action far outweigh the disadvantages caused by reaching it. There will come a day when we realise just how bad things have become and that, if we do not change the way we go about our lives, we will be faced by very serious problems.

To conclude, we would like you to send out a message of hope, in these times of uncertainty, for the young. What positive message would you send out to the new generations?

I am now 77 years old and I have been able to observe this country, with full powers of perception, from 1952 or 1953 onwards, and the change that Spain has undergone has been so significant, so extraordinary, that young people today simply cannot fathom it. We are living in the best possible world, we have a vast array of instruments and institutions at our disposal, and our quality of life indicators are extraordinarily good. In short, we have numerous tools at hand with which to guarantee the future, all we need is to be able to reach consensus on the really important issues (such as social policies, housing and taxation), and to do this we need to be courageous.

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