



**B. Business Impact**

Challenges for Tomorrow's Management

## Covid19 organizational leadership vaccine at Aegon

ESCP Impact Paper No. 2020-12-EN

Carlos Casanueva Nárdiz  
ESCP Business School

Gonzalo Landaluce Arias

## **Covid19 organizational leadership vaccine at Aegon**

Carlos Casanueva Nárdiz  
ESCP Business School

Gonzalo Landaluce Arias

### **Abstract**

This impact paper aims to prove that Total Leadership (TL) training has been an excellent just-in-time Organizational Leadership vaccine against Covid19 at Aegon. In 2019 and 2020, we had the opportunity to train all Aegon employees in Spain – around 450 people – in TL methodology. TL is a systematic, flexible approach for creating sustainable change to improve performance in all areas of life, both professional and personal. Initial results, pre-Covid19, show an impressive increase of 50% in Employee Engagement Measurements. Management perceptions and employees reactions and experiments observed at Aegon post-Covid19 show why TL has been very helpful to overcome the challenges resulting from lockdown and pressures due to working from home,. The program has been shared with Aegon at group level.

Keywords: Leadership, Covid19, Insurance.

## **Covid19 organizational leadership vaccine at Aegon**

In November 2018, Tomás Alfaro called his old colleague from the Santander/Aegon joint venture, Carlos Casanueva, to have breakfast together in his office at Aegon. He had just been promoted to the position of CEO at Aegon - a financial services company - a few months earlier, in September. In 2015, Carlos had translated into Spanish the book Total Leadership, authored by Professor Stewart D. Friedman from The Wharton School with whom he had been collaborating since 2008. Tomás probably remembered his participation with the quotes he kindly contributed to the Spanish edition's back cover. After twenty minutes talking about their lives, they walked through the building to the office of the Human Resources Director, Smara Conde. Tomás introduced both of them and left. The result is that, after several meetings and conversations in which Professor Friedman was involved, on April 1st 2019, Carlos was signing a contract to "Boost Cultural Transformation at Aegon through TL" and on April 25th Carlos and his colleague Gonzalo Landaluce held the kick-off training session.

The key for success has been the ability of Tomás and the Human Resources team, led by Smara, to take intelligent, brave and fast executive decisions. From the onset, they saw the transformational opportunity of training everybody in the company, to be better leaders and have richer lives. The training was conducted in medium-size groups which merged everyone without hierarchical or functional discrimination. To ensure an appropriate implementation three phases were defined:

- Start up: two pilot groups (90 employees) to be trained in 5 sessions and finishing before the summer of 2019.
- Main Training: eight groups (almost 400 employees) to be trained from September 2019 to April 2020.
- Follow-up: implementation of ideas to ensure continuity.

### **Pre-Covid19 impact**

At the beginning of March 2020, just before the Covid19 crisis, the project was performing in an excellent manner. Almost 400 employees had already been trained with very enthusiastic and active participation. Management at Aegon was very satisfied with the result. Employees shared continually and in an informal manner their positive experience and anecdotes. All this positive and natural feedback from participants was tremendously valuable.

At that time, the most objective valuation about the project came from the Aegon Global Employee Survey (GES) that it executed at Group level. Aegon Spain had been asked from Headquarters in The Hague to increase the Employee Engagement Measurement during 2019 from the 40% figure of 2018 (a low figure!) to 50% (a figure everybody thought was impossible to achieve!). The result in the November 2019 survey was 59%, overcoming all expectations, and with more than 95% employee participation. Apparently, the TL training had been one of the key activities in achieving this result and strongly correlated with the cultural transformation strategic initiative.

These improvements in results were obtained not only in the work environment but also in other personal domains, as the following data shows, proving the sustainable change properties of TL. Analysis of data gathered for the two pilot groups of the Start up phase from April 2019 until July 2019, shows that perceived performance grew in all domains: 7% in Work; 12% in Home; 17% in Community; and 19% in Yourself. These results are very much aligned with previous studies conducted by Professor Friedman.

## **Post-Covid19 impact**

On Saturday March 14th, the Spanish government declared a state of emergency. Most business activities were limited all over Spain and of course this project was stopped at Aegon. Fortunately, it was almost completed and the damage was very limited.

The interesting idea is the following: it seems that what employees learned during the program was especially appropriate for the Covid19 lockdown period. Let's see why. TL is a systematic, flexible approach for creating sustainable change to improve performance in all areas of life – at work, at home, in the community and for yourself. Participants are trained to face change in a sustainable manner, even if it is tough and difficult. They are trained to embrace change courageously, to see new ways of doing things, to play an active role and take control of new situations, instead of suffering from them with a passive and pessimistic attitude. Also, they are taught to try to harmonize these four domains, learning to draw boundaries between them and to create value in a non-zero sum game through experiments, which are called Four-Way Wins (4WW). They are encouraged to build supportive networks, so important in this lockdown period, and to find a way to talk with their more important stakeholders and to have conversations to clarify mutual expectations, focusing on what really matters and building trust.

Let's hear Aegon's management team's opinions to confirm these ideas. Vicente Gonzalez, Human Resources Manager and TL Program Leader:

- *“We believe that the TL training has helped to start new experiments during the lockdown period: exercise; family lunches; quality time; management of the work/home space..., although we don't have concrete data about this yet... Intranet messages invited employees to share experiments, practice new ones and download experiments from other colleagues that could be done during lockdown.”*
- *“I completely agree that TL has helped our employees to have a framework (the 4WW) to increase daily harmony during lockdown, managing kids' homework/enjoyment, work and home duties, everything in the same space. Sharing experiments among colleagues has been very useful.”*
- *“Finally, I want to mention that TL has facilitated the contact and the conversations among people at Aegon, asking for feedback, sharing experiments or daily problems during lockdown such as work/home pressure. Due to TL and Covid19, we have broken an existing barrier and now we are closer, more empathetic and in a certain way more human.”*

Smara Conde, Human Resources Head at Aegon Spain:

- In her periodic “Aegon takes care of you” communication to employees, she has reminded everybody of the power of experiments during these days of lockdown,

*“Do you remember TL experiments? This could be a good moment to put in practice some of them, because we can use digital media to have conversations with our most important stakeholders in all domains. Now more than ever it is necessary to find harmony at Work, at Home, in the Community and for Yourself.”*

- *“The way of working from now on is going to be completely different. Conversations and their preparation are key for being effective. Through conversations we will learn to use them in a digital manner. When you are face to face, in person, non-verbal language gives you a lot of information and with digital tools this information must be verbalized, and you can only say it with conversations.”*
- *“Learning how to harmonize appropriately (with the TL methodology) has been critical in these moments in which you have so many roles at the same time, and you need to keep boundaries between each of them for recharging the energy that a critical situation like this requires.”*

Tomás Alfaro, CEO at Aegon Spain believes 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 our 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”.*

Professor Friedman, in his April 2020 mail *“Parents Who Lead in Pandemic Times”* confirms these conclusions: *“We are deeply gratified to see how this book has been of use to so many working families at a time when they urgently need the help it offers. We never imagined the book would arrive at a moment when the physical boundaries that used to separate work and family life have been obliterated, when working parents are struggling to guide their children’s schooling at home, and when everyone is anxious about the profound uncertainties of our new world order. Parents Who Lead has relevance these days in ways we could not foresee. Our evidence-based guidance – for how to take practical steps to focus on what matters most, on who matters most, and on experimenting with new ways to live and work that are sustainable because they serve both personal and collective interests – is resonating with working parents and their employers in this strange episode of our history”*

## **Conclusion**

Before the Covid19 crisis, TL training had a strong impact at Aegon Spain with 50% increase in Employee Engagement Measurement and perceived performance increase in all domains - Home, Work, Community and Yourself - of 7%, 12%, 17% and 19% respectively. After the Covid19 state of emergency declaration in March 2020, it is clear that what employees learned during the TL course has been especially appropriate for this lockdown period. Aegon's management team's perceptions and actions have confirmed this view. In summary, mainly by chance, it seems TL has been the perfect just-in-time Organizational Leadership vaccine against Covid19. The next possible interesting question to answer is if TL will also be a good vaccine to face other disruptions and challenges that await us in the future.

## **References**

Friedman, S. D. (2008). Total Leadership: Be a Better Leader Have a Richer Life. Boston: Harvard Business School Press.

Friedman, S.D. (2015). Total Leadership: Sé un mejor líder, consigue una vida más plena. Madrid: Claves de Gestión.

Friedman, S. D., Westring A.F. (2020). Parents Who Lead: The Leadership Approach You Need to Parent with Purpose, Fuel Your Career, and Create a Richer Life. Boston: Harvard Business School Press.