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The Main Challenges to 21st-century Business Administration: the management of people and knowledge. The ner Group case

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1. INTRODUCTION

Since the beginning of the 20th century, an important debate on the validity and the need to adapt or radically transform the Business Administration model in order to confront the new economic, social, technological and cultural reality generated by the constant and frenetic changes that occur at the heart of the Information and Communication Society has emerged. The aim of this article is to analyse the new style of relationships (ner), an organisational business reality developed in the Basque Country, the proposals and results of which may be of interest to all those who consider the need for change to be a priority for the future of their organisation.

At the start of the 21st century, it is also necessary to consider the impact of the Fourth Industrial Revolution, which, supported by the technological developments of the Third Industrial Revolution, fuses several technologies and in the coming years will see significant advances in the fields of artificial intelligence, robotics, the internet of things, autonomous vehicles, 3D printing, nanotechnology, biotechnology, materials science, energy storage, quantum computing, etc., softening the borders between the physical, digital and biological spheres and posing a series of important challenges and opportunities. The dizzying speed at which these unprecedented changes are occurring, the scope of effect of this Fourth Industrial

Revolution (altering almost every industry in any country), and the profoundness of these changes will involve the transformation of production, management and government systems.

At the last World Economic Forum, hosted in Davos in January 2016, Klaus Schwab stated that the Fourth Industrial Revolution will have significant repercussions on government, people and the world of business, affecting in this case mainly client expectations, product improvements, collaborative innovation and forms of organisation. Schwab is convinced that, in the future, talent, more than capital, will represent the critical production factor.¹ A study that calculates the Fourth Industrial Revolution will destroy more than five million job posts in the 15 most industrialised countries by 2020 was also presented. This means we must tackle the worrying question posed by two MIT professors in *Race Against The Machine* (Brynjolfsson & McAfee, 2011): where and how will new job posts be created? Our society of information, communication and knowledge undoubtedly presents numerous possibilities and worrying challenges that must be confronted with novel social and intellectual tools.

Consequently, it appears evident that business organizations must react and adapt to new needs and be innovative, a decision that must be made if they wish to fulfil the organisation's first objective: survive (Deming, 1989). Therefore, when looking to position a company as a market leader via its results, it requires a sustainable, competitive advantage that distinguishes it from its competitors, that provides positive economic results, and that cannot be copied easily: radical innovation in business culture.

Currently, twenty one business projects in the Basque Country, situated in Gipuzkoa and Biscay, comprise the ner Group association and are united in applying an internal organisational and functional form based on ner with the aim of sharing experiences, synergies and knowledge; combining efforts to improve, to advance in order to be more efficient and to obtain better results; and to see organisations accompany others on the path to cultural change involved in the new style of relationships (ner) (Gbe-ner elkartea, 2010:13).

The business projects of the ner Group pertain to different sectors of activity. They also vary in size and legal scope but they share a project based on people, focused on the client and focused on efficiency via values of transparency, trust, freedom, responsibility, generosity and ethics (Gbe-ner elkartea, 2010:13).

¹ <http://www.weforum.org>

2. THE INFORMATION AND COMMUNICATION SOCIETY: THE NEED FOR NEW BUSINESS MANAGEMENT SYSTEMS

Every day the need to adapt Business Management to the Information and Communication Society grows stronger (Winslow and Bramer, 1995; Drucker, 2000; Ramos P. P., 2008; Covey, 2012; Rao and Chuán 2012; Goñi Zabala, 2012). The emergence of new information and communication technology (ICT) has resulted in key changes in the economy, market, structure of businesses, segmentation of consumption, consumer values and, lastly, society as a whole.

If the First Industrial Revolution resulted in a substantial alteration in the way the energy required for production was generated, the Second modified the division of work and opened the door to mass production, the Third was based on the ability to process information, the development of electronics and the automation of processes, while the Fourth is not a new stage, but a completely new era.

Jeremy Rifkin (2000, 2011 and 2014) highlights five fundamental pillars of the Third Industrial Revolution: the step towards renewable energy; the creation of electrical “micro-power plants” to make the most of renewable energy; the unfurling of hydrogen technology; the use of internet technology to create an “internet-network” of shared energy; and the development of a form of electrical transport capable of buying and selling energy. He declares that “the union of the internet of communications with an energy internet and an internet of emerging logistics in an intelligent, perfectly integrated, 21st-century infrastructure (named the internet of things, or IoT) is giving rise to a Third Industrial Revolution” (Rifkin, 2014, 23) and he concludes that the 21st century will be the century of the Third Industrial Revolution, given that “the Third Industrial Revolution will have as significant an impact on the 21st century as the First had on the 19th and the Second on the 20th” (Rifkin, 2011, 59-60).

The terms Fourth Industrial Revolution and Industry 4.0 are used to refer to the social, economic and technological changes that have been occurring from the second decade of the 21st century. The potentialities of artificial intelligence are so great and they affect such disparate spheres that they pose challenges that have never been faced by humanity before. While the three previous industrial revolutions were marked by technological development applied to the industrial system (steam engine; diesel engine and electricity; computing and robotics) resulting in the redefining of production process, the organisation of companies and the consolidation of globalisation, the Fourth Industrial Revolution implies speaking of added

value, the future, the creation of employment, the pulling effect and innovation. This does not only affect the manufacturing industry; it also affects a new form of economics, the collaborative economy, as the determining and differentiating characteristic of this new industrial revolution is the digitalisation that links society to the technology 4.0 that is connecting the physical world with the virtual world.

However, despite all the technological and scientific advances, people do not have the chance to develop all of their potential in the companies in which they work: they do not feel motivated, they are not aware of their contribution to the organisation's objectives and they do not even know what these goals are (Covey, 2012), resulting in a situation that requires urgent change:

Technology and globalisation forcefully drive this new evaluation of work that has begun with corporate and business effort. The current concept of the "classic work order" is obsolete in light of the new development demands for "personal growth" as a reference point (García Echevarría, 2015: 8).

The organisation and management of work has been the subject of study and analysis for decades, with two essential proposals being found: the traditional, focused on control, the father of which can be said to be Frederick W. Taylor; and, since the beginning of the 1970s, the strategy focused and based on commitment:

...workers respond best - and most creatively - not when they are tightly controlled by management, placed in narrowly defined jobs, and treated like an unwelcome necessity, but instead, when they are given broader responsibilities, encouraged to contribute, and helped to take satisfaction in their work (Walton, 1985: 77).

Since the last decade of the 20th century, numerous researchers have suggested that human resources are an important source of competitive advantage (Kogut and Zander 1992; Cappelli and Singh 1992; Pfeffer 1994, 1996), given that their knowledge about products, processes and clients can generate capacities that are difficult to imitate. Meanwhile, they have also highlighted the need for a high level of commitment from the company. "Workers will only contribute their discretionary effort to problem-solving if they believe that their individual interests are aligned with those of the company, and that the company will make a reciprocal investment in their well-being" (Macduffie, 1995: 201).

As Walton indicated in 1985, the model of order and control needs to shift to a model based on a high level of reciprocal commitment and participation: "...we need to open up a third approach to the study of HRM, which might be termed a worker-centred or worker-friendly approach, which locates the worker at the heart of the analysis" (Guest, 2002: 354).

Therefore, the launch of organisational and cultural innovations (Mansfield, Schawarts and Wagnes, 1981; Pfeffer, 1996; Senge, 1999; Hamel and Breen, 2008; Rao and Chuán 2012) that produce a radical competitive advantage is inevitable as the radical nature of innovation (Schumpeter, 1978; Damanpour, 1991; Rao and Chuán, 2012) instigates a significant change and enables an advance towards a new paradigm in Business Administration that facilitates the evaluation of the person and the development of his capacities and talents. Change cannot be reduced to a modification of the profile of people: it must be more extensive and transformational, impacting directly on the consideration of the person, who is a carrier of knowledge, fostering his full development.

The manner in which “work” is understood must change drastically, promoting the development of the individual in two dimensions:

- a) The development of competences, skills, knowledge and the increased value of the individual
- b) The social dimension that corresponds mainly to the disposition of the person to “cooperate” with others, to continue contributing with his competences, “cooperating” to provide a response to the needs of both the individual and others. (García Echevarría, 2015: 1).

In this search process for new and more efficient organisational models, leadership plays a crucial role (Trice and Beyer, 1993; Senge, 1999; Ulrich, Zenger and Smallwood, 2000; Bennis and Nanus, 2008; Covey, 2012; Robbins and Coulter, 2012), with it being a determining factor in committing people to the action, converting them into leaders and making them direct agents in the process of change. As such, Bennis and Nanus (2008) encourage the launch of strategies that facilitate the implementation of an authentic form of “*transformational leadership*” (Burns, J.M. 1978), with the ability to model and strengthen the motives and objectives of followers. Bass (1985, 2008) also emphasises the need to put into practise transformational leadership that clearly delimits the role of the leader (motivator, achievement enhancer and capable of self-fulfilment) via charisma, influence, inspiring leadership, intellectual stimulation and the individual consideration of people.

This is a leadership style found in ner, which is the organisational proposal launched in the Basque Country in organisations that form a part of the ner Group.

3. ORIGINS OF THE NEW STYLE OF RELATIONSHIPS (NER). KOLDO SARATXAGA: A CHARISMATIC AND TRANSFORMATIONAL LEADER

3.1. The Irizar experience

In October 1991, Koldo Saratxaga was sent to Irizar (Gipuzkoa, Basque Country) by the Intervention Department of the Mondragón Corporación Cooperativa (MCC), where he encountered a profound economic crisis, product profitability issues and a huge lack of worker involvement, in light of which he deemed an urgent change essential; being effective as individuals and as organisations is no longer a choice in the world today: it must enter the field of play (Covey, 2012: 18).

He immediately launched and led “a people-based project”, working in teams and with a future vision, using communication, freedom and responsibility as the foundations given that the secret is effort, trust, responsibility and providing a job well done, embellished with a management model in which people (internally and externally) constitute the means and the end (Etxebarria Caño, 2001: 77). Between 1994 and 2000 Koldo Saratxaga, the leader of the transformation process, and Irizar received multiple prizes and awards, resulting in *The Economist* in January 2000 defining the company as probably the most efficient coach manufacturing company in the world.

The national and international expansion process began in 1995 with the first production plant in China and it continued in Morocco (1996), Brazil (1998), Mexico (1999), India (2001) and South Africa (2004), transporting the company from the abyss of bankruptcy to national and international recognition in less than a decade (Etxebarria Caño, 2001: 77). The success enjoyed has had international repercussions and the Harvard Business School published a study, “Irizar in 2005” (Casedesus-Masanell and Mitchell, 2006), while Saratxaga continues to share it: “Irizar is my project, but my shared project. I live it intensely, I enjoy it intensely and I share it with excitement” (Ugarte, 2004: 172).

3.2. K2K emocionando. The gbe-ner experience

In 2005 Saratxaga left Irizar and, in the same year, he created K2K emocionando, the aim of which is to accompany organisations that wish to implement ner. At the beginning of 2006, he began this activity with the Cooperativa Lancor and Walter Pack S.A., and in three years there are now ten organisations that share a “*mission, vision, values and organisational objectives*” and consider people to be the most important and valuable aspect of their organisations. They are

combined in Gbe-ner², which was publicly presented in October 2009, with the media stating “*Basque entrepreneurs unite to develop a more humanist model*”.

4. THEORETICAL BASES OF THE NEW STYLE OF RELATIONSHIPS (NER)

Ner is an innovation in the way the organisation is understood at all levels (Hamel and Breen, 2008; Goñi Zabala, 2012; Rao and Chúan, 2012). It facilitates the survival of the organisation (Deming, 1989) in addition to a competitive advantage (Porter, 1985), it enables the traditional hierarchical model to be challenged, it has a systemic nature, and it is a process continued in time, which is why transformational leadership is essential: “Leaders motivate their followers by raising their followers’ concerns from secularity and belonging to achievement and self-actualization, and by moving them beyond self-interest to concerns for their group, organization, or society” (Bass, 2008, 581 referencing Burns, 1978). Leaders whose “Components are charisma or idealized influence, inspirational leadership, intellectual stimulation, and individualized consideration” (Bass, 2008, 581).

The aim of ner is to create intelligent organisations with a shared vision of the future and systems thinking that enables the interrelation of all these elements (Senge, 1999) and the launch of radical innovations (Schumpeter, 1978; Damanpour, 1991; Hamel and Breen, 2008; Rao and Chúan, 2012) that generate substantial changes with a shared future vision, creating an innovative organisational culture where culture is a logical consequence of success (Rao and Chúan, 2012: 104) and success facilitates survival and the future of the organisation, given that the future guides innovation and innovation constructs the future (Goñi Zabala, 2012: 32).

This new organisational culture strengthens the role of people (Deal and Kennedy, 1985; Kilman et al., 1985; Frost, 1985; Peters and Waterman, 1987; and Schein, 1988), it binds together the other characteristics, and it is determining in the efficiency of the organization (Baker, 1980; Pascale and Athos, 1981; Ouchi, 1984; Kilmann et al., 1985; Gordon, 1985; Martin and Siehl, 1983) (Table 1).

² Gizarte berria eraikitzen: “Constructing a new society”

Table 1. Cultural characteristics of ner

People	Collective decisions
Ethics	Future vision
Transparency	Freedom
Communication	Solidarity
Information	No paid overtime
Trust	Share in results
Self-managed teams	No dismissals
Responsibility	Integrated in society

People develop their activity in teams to achieve client satisfaction; they share in decision making and a future project in an environment of transparency, communication, trust, responsibility, ethics, solidarity and freedom; they are committed to society in order to achieve “Fair and Sustainable Human Development” (Saratxaga, 2007).

In order to improve effectiveness and in line with the Denison and Neale proposal (1994, 2000), the cultural characteristics of ner have been grouped into four categories (Table 2).

Table 2. Characteristics and categories

Categories	Characteristics
INVOLVEMENT	People, Information, Communication, Self-Managed Teams
CONSISTENCY	Responsibility, Equality, Freedom, Transparency, Trust
MISSION	Collective decisions, Future vision, Shared project
ADAPTABILITY	No paid overtime, Share in results, No dismissals, Integrated in society

INVOLVEMENT

Currently, terms such as “human resources”, “human capital” and “personnel management” are outdated (Saratxaga, 2007; Bennis and Nanus, 2008; Covey, 2012) as if a shared project is the aim, it is necessary for people to be excited, committed and to consider themselves the owners of success (Saratxaga, 2007: 25); from this stems the need to identify, capture and retain talented individuals.

People and shared projects require an instrument that facilitates the integration of people, clients and providers in the organisation: the hierarchical structure must give way to teamwork (Saratxaga, 2007: 35). Teams should be comprised of a reduced number of people who set their

own objectives for a certain period of time and for which they feel responsible (Saratxaga, 2007; Hamel and Breen, 2008; Goñi Zabala, 2012). In ner, communication and information are fundamental elements for the creation of a common project with people working in teams focused on achieving the organisation's goals.

CONSISTENCY

Organisations are well integrated and united through a collection of values that determine the behaviour of people in their different scopes of activity. This category (Table 2) enables the union of the other elements of the organisation and provides equilibrium and reason to all cultural characteristics.

It is logical to think that without ethics there is no trust, and without trust there is no communication. Likewise, without responsibility there is no freedom and both can only be exercised if trust exists, with this being the interdependence that enriches and affords the organisational model coherence. Trust in the responsibility of people determines the character and contents of relationships and it implies transparency in communication and information.

Freedom and responsibility are basic characteristics of ner: freedom with responsibility and responsibility to have freedom; freedom to choose the future and responsibility to make the corresponding decision; freedom to decide the manner in which goals will be achieved and responsibility to achieve them as any failure to do so will affect the team and organisation as a whole. Transparency, communication, generosity, trust, empathy, data and the shared goal are the foundations that enable us to relate to each other better (K2K emocionando, 2013: 30). All of these shared values are focused on client satisfaction as the success of ner is founded on situating the client at the centre of the organisation (Saratxaga, 2007: 71).

MISSION

The people at ner Group organisations must know the objectives and strategies towards which they are working as well as have a clear vision of the future: a shared project in which a common goal is attained by everyone, as shared commitment is much more valuable than resigned obedience (Hamel and Breen, 2008). This requires leadership that facilitates the achievement of shared aims and involves everyone at the organisation as it is not possible to implement ner if people do not feel as though they are a part of the project and proud to form a part of it. There is no other alternative than to believe in people and share a common project: to believe in people, to leave them to seize control of the project and become excited by it and its

development, which will always be successful, and they will decide if it is necessary to change processes, products or travel companions (Senge, 1999: 142).

ADAPTABILITY

The people at ner Group organisations have an important degree of internal and external adaptability. Internal adaptability is evident via a supportive attitude while external adaptability is revealed through social commitment to projects of a community nature.

Internal Adaptability

Ner proposes a series of cultural values that affect the scope of stability at work, the sharing of results, the reduction in salary differences, and the removal of overtime. Internal solidarity based on the promise of “no dismissals” facilitates “voluntary relocation” that implies moving to another organisation in the group for the time the critical situation lasts, guaranteeing security in the job post (between 2012 and 2015, 68 relocations were performed).

The reduction in salary differences is a determining instrument that does not accept the existence of more than five salary levels, given that large differences or many salary levels between people are not desirable. The sharing of profit, proportional to the salary level and which varies according to the legal status of each organisation, with a minimum of 30% (S.A.) and a higher percentage in cooperative organisations, is also essential. The disappearance of paid overtime is another key element made possible as teamwork enables its own system that covers working hours and activity. Commitment to the team also aids the cover of extra work when the situation requires. Internal solidarity is also evident in the creation of an aid fund (€20,000) to attend to the occasional needs of people who may find themselves in a critical economic situation, therefore expressing the ethical commitment of the organisations to responsibility and solidarity.

External Adaptability

The commitment to society of these organisations does not correspond to the concept of corporate social responsibility (CSR), nor does it contemplate their pragmatic and economic attitude: “The CSR firm should strive to *make a profit, obey the law, be ethical, and be a good corporate citizen*” (Carroll, 1991: 43). The cultural feature, *Integrados en la Sociedad*, refers to the commitment to society: innovators, who generate and share, and who are therefore voluntary, supportive workers who learn and dream. People who wish to be active subjects to achieve a fairer and more sustainable human development, banishing indifference forever

(Empresa XXI, 2015: 11). To do this, each organisation sets aside 2.5% of its results and 2% of people's time for social projects of a community nature.

All of the cultural characteristics presented comprise ner and serve as a link between the diverse business projects that are included in the ner Group.

5. Ner Group³: A SHARED PROJECT WITH A VISION OF THE FUTURE

On 2 November 2010, the ner Group was created from Gbe-ner with the aim of sharing experiences, synergies and knowledge; combining efforts to improve; to advance in order to be more efficient and obtain improved results; and for organisations to accompany one another on the path to cultural change, which involves the new style of relationships (Gbe-ner elkartea. Revista Hurbilean, 2010: 13).

Five years later, the ner Group includes 21⁴ business projects located in the historic areas of Gipuzkoa and Biscay (Map 1) in the Basque Country with an important diversity in terms of the sectors in which they develop their activity, their legal statuses, their geographical locations, their business dimensioning, and the dates on which they first began to implement ner (Table 5).

All the projects of the ner Group assume the need for a new style of relationships in the organisation (Hamel and Breen, 2008; Covey, 2012) and are aware of the difficulties of change (Kotter, 1997; Conger et al. 2000; Ramos, 2008). Despite this, they are demonstrating, with their daily activity, that ner is applicable to any type of organisation, independent of its legal structure or ownership. This is due to the fact it is based on people, therefore it perfectly fits into any organisation comprised of people. The application of this new style of relationships in ner Group organisations has had a positive impact, not only in the perception and degree of satisfaction of people regarding ner, but also in the development of the organisations that have introduced it.

Growth indicators, regarding the evolution of the number of people in the organisations located in the Basque Country (Gipuzkoa and Biscay) for example, show a slight and continuous

³ Project that groups all the organisations that work with the new style of relationships (ner). The spelling used by the organisation is used (ner and ner Group)

⁴ 20 in the Basque Country and 1 in Singapore (Nerei)

increase between 2012 and the forecast for the year 2016, with 2015 being the year that saw the most significant growth (59 people), which is an increase of 4.5% on the previous year (Table 3).

By analysing the economic development from EBITDA⁵, an important increase in gross profit between 2012 and 2013 can be observed, however this decreased in successive years, in 2015 in particular, with an important amount of growth forecast for 2016 (Table 3).

Table 3. Evolution of the ner Group 2012-2016

ner Group	Real 2012	Real 2013	Real 2014	Real 2015	Forecast 2016
No. of people	1.279	1.291	1.309	1.368	1.394
Sales (€ 000)	280.269	281.359	288.338	258.637	280.624
Export sales (€ 000)	197.593	228.063	236.302	207.619	223.339
EBITDA⁶ Basque Country (€ 000)	27.881	49.732	28.460	21.717	32.425
EBITDA Basque Country+Exterior (€ 000)	31.563	52.284	30.113	25.370	41.024

(Source: ner Group. Creator: authors)

Internationalisation is an element that is granted great importance and priority in the organisations of the ner Group, the majority of which are represented in the internationalisation team. The objective of this team, according to Miguel Bernar, the Internationalisation Team Coordinator, is for members to help each other reach the external world and proceed to, little by little, reduce the fear and doubt that arise in smaller organisations when speaking of growing beyond their domestic market (Empresa XXI, 2015, 10).

The aim is to combine synergies and to make full use of the experience of those organisations that are at a more advanced stage in the internationalisation process such that they may share projects, information and even have people from one organisation provide cover at another.

Table 4. Results of the ner Group at an international level 2012-2016

ner Group	Real 2012	Real 2013	Real 2014	Real 2015	Forecast 2016
No. of people	273	368	533	571	597
Sales (€ 000)	10.887	19.622	25.438	39.474	51.304
EBITDA⁷ International (€ 000)	3.682	2.522	1.653	3.653	8.599

⁵ Acronym for Earnings Before Interest, Taxes, Depreciation and Amortization

⁶ *Ibídem*

⁷ *Ibídem*

(Source: ner Group. Creator: authors)

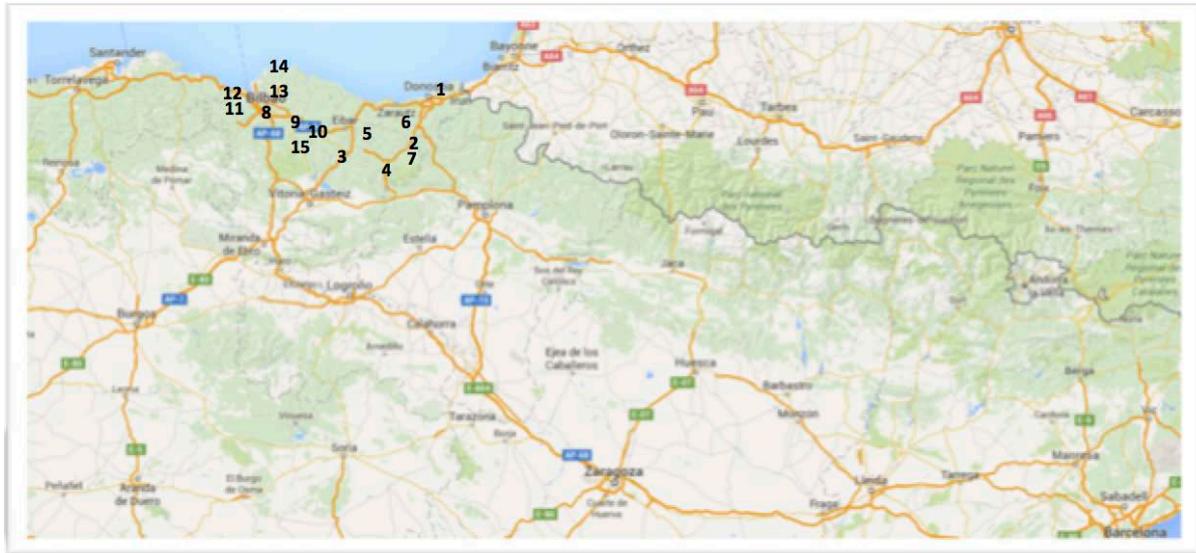
As Table 4 indicates, the results of international activity have not stopped growing during recent years from both a sales point of view and a gross profit viewpoint. This reaffirms the “successful nature” of these organisations in the international sphere too.

Table 5. Organisations of the ner Group in the Basque Country in 2015: location, activity, legal status, ner start date, and size

Name	Town/City	Territory	CNAE Code - Activity	Legal status	ner start date	Size
Ampo	Idiazabal	Gipuzkoa	2451	S.Coop.	April 2003	460
Arreche	Tolosa	Gipuzkoa	2815	S.A.	March 2014	35
Ebi	Bilbao	Biscay	4321	S.A.	January 2013	78
Ekin	Amorebieta	Biscay	2849	S.Coop.	October 2008	177
Estudio K	Getxo	Biscay	4759	S.Coop.	January 2007	14
Gashor	Zizurkil	Gipuzkoa	4669	S.Coop.	January 2013	45
Grip On	Berriz	Biscay	2849	S.A.	March 2009	28
Heroslam	Abanto-Zierbena	Biscay	2573	S.A.L.	October 2014	45
Icaza	Bilbao	Biscay	4759	S.A.	February 2009	14
K2k	Bilbao	Biscay	7022	S.L.	July 2005	6
Lancor	Gallarta	Biscay	2711	S.Coop.	January 2006	84
Lejarreta	San Sebastián	Gipuzkoa	2572	S.L.	July 2012	15
Logos	Zaldibia	Gipuzkoa	3102	S.Coop.	May 2013	47
Panelfisa	Tolosa	Gipuzkoa	2594	S.Coop.	February 2011	95
Royde	Bergara	Gipuzkoa	2815	S.Coop.	September 2011	28
Sarein	Erandio	Biscay	6201	S.L.	October 2009	12
Trebeki	Bilbao	Biscay	6910	S.L.	September 2005	11
Urtxintxa	San Sebastián	Gipuzkoa	9230	S.Coop.	May 2010	15
Walter Pack	Igorre	Biscay	2221	S.L.	March 2007	69
Zubiola	Azkoitia	Gipuzkoa	2573	S.Coop.	January 2013	32
ner Group					November 2010 (*)	1310

(*) Date the ner Group was legally constituted

Map 1. Distribution of the organisations of the ner Group in Gipuzkoa and Biscay



GIPUZKOA	BISCAY
1. San Sebastián: Lejarreta y Urteintza	8. Bilbo : K2K, Trekaki , Icaza y Ebi
2. Tolosa: Panelfisa y Arreche	9. Amorebieta : Ekin
3. Bergara : Soude	10. Berri : Grip On
4. Idiazabal : Amara	11. Abanto-Zierbena : Heroslam
5. Azkoitia : Zubiola	12. Gallarta : Lancor
6. Zizudil : Gashox	13. Erandio : Sarein
7. Zaldibia : Logos	14. Gernika : Estudio K
	15. Igorre : Walter Pack



6. EMPIRICAL RESEARCH. STRATEGY AND METHODOLOGY

During 2015 an empirical study was carried out in order to analyse the perceptions the people who form a part of these organisations have of the 14 cultural aspects (Table 1) that define the new style of relationships (ner). The target population was comprised of the 1310 people who comprise the different organisations located in Biscay and Gipuzkoa, with those located in other areas in the State or elsewhere internationally remaining outside the study.

For the collection of data, an ad-hoc questionnaire was created. To do this, different analysis models of the organisational culture were studied: García Echevarría (1990, 2007, 2015); Price and Mueller (1986); Schein (1988); Denison and Neale (1994, 2000); Ashkanasy et al. (2000); Cameron and Quinn (1999); Covey (2005) and Hofstede and Mikov (2010). The important contributions the XQ model by Franklin Covey makes and the questionnaire named the Denison Organizational Culture Survey by Denison and Neale (1994, 2000) were also considered. The structure of the questionnaire that was designed presented four clearly differentiated sections:

- 29 items via which the survey respondent was asked for his/her level of agreement⁸ with statements about the cultural features of ner, related to the categories of *Involvement* and *Consistency*.
- A second group of questions via which the respondent was asked to evaluate⁹ different scenarios and attitudes related to the *Mission* and *Adaptability* (internal and external) of the organisation.
- A third block in which the respondent was asked to note the degree of satisfaction with the new style of relationships (ner) in the daily practises of his/her organisation.
- A fourth and final section in which the respondent was asked which three cultural features of the new style of relationships (ner) he/she considers the strongest, the weakest and those that must be strengthened.

Finally, the data related to the socio-demographic variables considered for the study were collected (gender, age, job post, level of education, seniority at the organisation). The questionnaire was validated by performing a pre-test with a group of 40 people who were representative of the organisations and structures, with a collection of suggestions being gathered and included in the definitive questionnaire. Field work began at the beginning of March 2015 and finished during the first week of May of the same year, adapting to the reality of each organisation and obtaining 937 correctly completed questionnaire, which represents 80.2% of the target population.

7. RESULTS

The reliability analysis performed to measure the internal consistency of the first 29 items on the questionnaire offers a Cronbach's alpha of 0.925¹⁰; the internal consistency of items 30 to 49, in which the survey respondent is asked for his evaluation of different scenarios and attitudes related to the application of ner, obtained a Cronbach's alpha of 0.940. Following the same structure employed to present the different cultural features and categories with which they are related, the main results of the empirical research developed are outlined. Firstly, there is the descriptive analysis; secondly, there is the relational analysis; and finally, there is the Categorical Principal Components Analysis (CATPCA).

⁸ Five-point Likert scale: 1 Completely disagree; 2 Disagree; 3 Indifferent; 4 Agree; 5 Completely agree

⁹ 10-point scale: 1 = minimum; 10 = maximum

¹⁰ Cronbach's alpha coefficient enables the estimation of the reliability of a measurement instrument and, as stated by George and Mallery (2003: 231), when the coefficient is superior to 0.9 it may be considered excellent

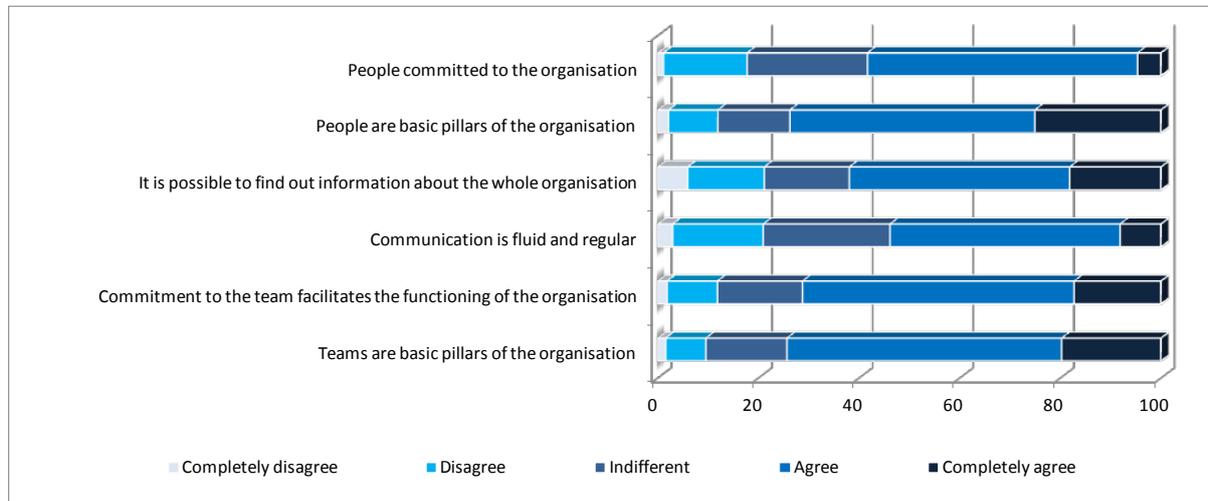
7.1. Descriptive analysis

INVOLVEMENT

The perception the people at ner Group organisations have regarding the cultural features that comprise this category (people, information, communication and self-managed teams) is as follows (Figure 1):

- The majority (58.3%) agree or completely agree that *people are committed to the organisation*.
- A significant majority (73.7%) declare they agree or completely agree that *people are the basic pillars of the organisation*.
- A significant majority (61.9%) say they agree or completely agree that *it is possible to know information about the entire organisation*.
- The majority of people (53.8%) believe that *communication is fluid and regular*.
- A large majority (71.2%) agree or completely agree that *the commitment of people to the team facilitates the functioning of the organisation*.
- Finally, a large majority (74.3%) agree or completely agree that *teams are the pillars on which activity in the organisation is based*.

Figure 1. Involvement



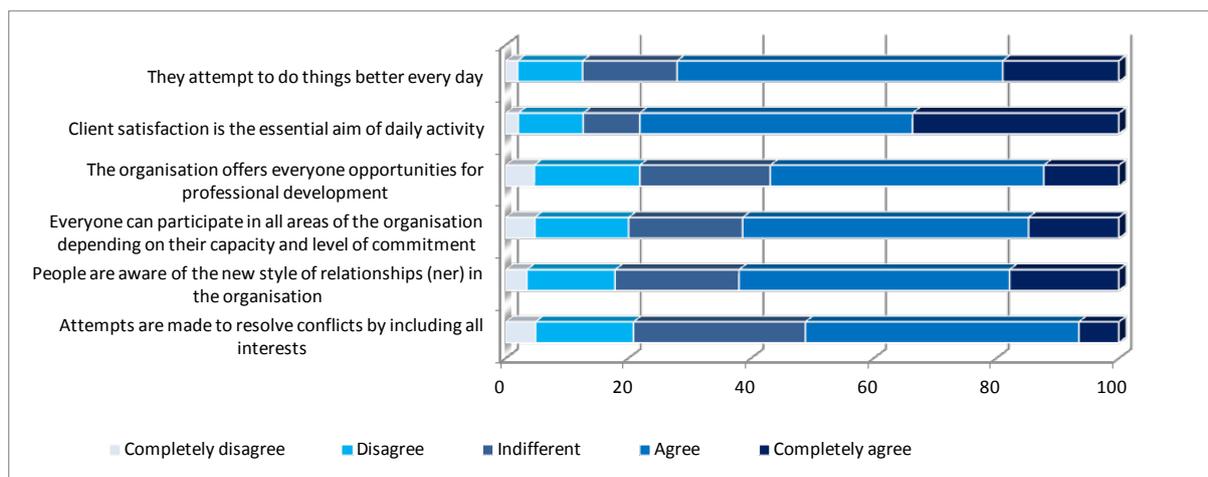
CONSISTENCY

The perception the people of the organisations of the ner Group have regarding the cultural features that comprise the category of *Consistency* (responsibility, equality, freedom, transparency and trust) are characterised by (Figure 2):

- A significant majority (72%) believes *they attempt to do things better every day*.
- A large majority (78.1%) believes *client satisfaction is the essential aim of daily activity*.

- The majority (56.8%) believe *the organisation offers everyone opportunities for professional development*.
- A significant majority (61.3%) believes *it is possible to participate in all areas of the organisation according to capacity and the level of commitment*.
- A significant majority (61.9%) believes *people are aware of the new style of relationships (ner) in the organisation*.
- Finally, the majority (51.1%) believe *attempts are made to resolve conflicts by including all interests*.

Figure 2. Consistency



MISSION

The perception the people of the organisations of the ner Group have regarding the cultural features that comprise the category of *Mission* (collective decisions, future vision, shared project) can be summarised as follows (Figure 3):

- The majority (46.1 %) grant maximum rating¹¹ to *collective decision making*.
- The majority (55%) grant maximum rating to *the self-management capacity of teams*.
- The majority (53.4%) grant maximum rating to the *existence of a clear strategy in the organisation*.
- The majority (50.2%) grant maximum rating to *understanding of what needs to be done to achieve success*.
- The majority (48.5%) grant maximum rating to the *commitment of everyone to the success of the organisation*.

¹¹ Maximum: 7-10; Intermediate: 4-6; Minimum: 1-3

- Finally, an important percentage of people (44.8%) grants maximum rating to *joining ner Group to guarantee the future of the organisation*.

Figure 3. Mission



Calculating the main parameters of the ratings given, the following can be observed (Table 6):

- All averages are above 5.
- The lowest average (5.8) corresponds to *joining ner Group to guarantee the future of the organisation* and presents the greatest variation coefficient, indicating great heterogeneity in the responses between different organisations.

Table 6. Mission: main parameters

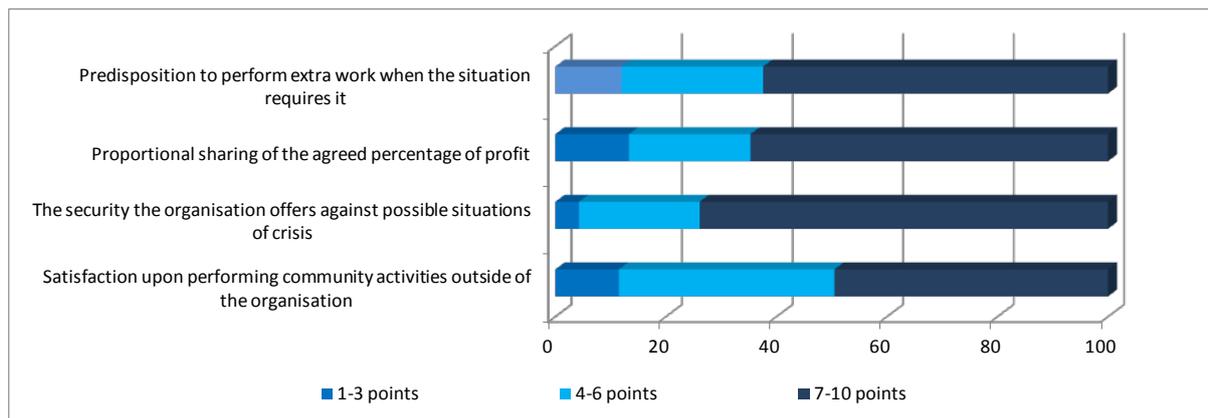
	Average	Standard deviation	Variation coefficient
Collective decision making	5.9	2.16	36.6%
Self-management capacity of teams	6.4	2.12	33.1%
Existence of a clear strategy in the organisation	6.4	2.21	34.5%
Understanding of what needs to be done to achieve success	6.3	2.08	33.0%
Commitment of everyone to the success of the organisation	6.2	2.26	37.6%
Joining ner Group to guarantee the future of the organisation	5.8	2.79	48.1%

ADAPTABILITY

The perception the people of the organisations of the ner Group have regarding the cultural features that comprise the category of *Adaptability* (no paid overtime, sharing of results, no dismissals, and integration with society) can be summarised as follows (Figure 4):

- A majority (62.4%) gives maximum rating to *predisposition to perform extra work when the situation requires it*.
- A significant majority (64.7%) grants maximum rating to *proportional sharing of the agreed percentage of profit*.
- A significant majority (73.9%) gives maximum rating to *the security the organisation offers against possible situations of crisis*.
- Finally, a majority (49.5%) grants maximum rating to *satisfaction upon performing community activities outside of the organisation*.

Figure 4. Adaptability



Calculating the main parameters of the ratings given, the following can be observed (Table 7):

- All averages are above 6.
- The highest average (7.4) in this category, and of the entire study, corresponds to the *security the organisation offers against possible situations of crisis* and it presents the lowest coefficient variation, indicating great homogeneity among the responses between the different organisations.

Table 7. Adaptability: main parameters

	Average	Standard Deviation	Variation coefficient
Predisposition to perform extra work when the situation requires it	6.8	2.43	35.7%
Reduction in salary differences	6.1	2.62	42.8%
Proportional sharing of the agreed percentage of profit	6.5	2.78	42.7%
The security the organisation offers against possible situations of crisis	7.4	2.25	30.4%
Satisfaction upon performing community activities outside of the organisation	6.1	2.37	38.8%
Equality of all people when performing community activities	6.0	2.58	43%

GENERAL DEGREE OF SATISFACTION OF THE PEOPLE AT THE NER GROUP WITH THE PRACTICAL APPLICATION OF THE NEW STYLE OF RELATIONSHIPS (ner)

In the ner Group as a whole (Table 8) a significant percentage of people (60.9%) feel satisfied or completely satisfied with the everyday application in their organisations of the new style of relationships (ner) as opposed to a reduced percentage (20.6%) who feel unsatisfied or completely unsatisfied.

Table 8. Degree of satisfaction with the new style of relationships (ner) in the organisation

	Completely Unsatisfied	Quite Unsatisfied	Indifferent	Quite Satisfied	Completely Satisfied
ner Group total	3.6%	17.0%	16.8%	47.9%	13.0%

These results show that ner is not only a theoretical proposal but also a practical reality that generates an important degree of satisfaction in the everyday practises of the organisations in the ner Group.

7.2 Relational analysis

Having performed the corresponding tests of independence among the perceptions of the cultural features related to the categories of *Involvement*, *Consistency*, *Mission* and *Adaptability (internal and external)* and the socio-demographic variables considered (gender, age, job post, level of education and seniority in the company), it can be confirmed that no relation between them exists. Only a relation of dependence has been detected, with 99.9% certainty, between perception, and the consequent evaluation, of the characteristics of *Mission* and gender; and

between perception, and the consequent evaluation, of the characteristics of *Adaptability* and gender and the level of education, but these associations are not strong (contingency coefficients between 0.171 and 0.331).

However, it can be observed that women, younger people, those who have a university degree, those who work in an office and those who have worked longer in the organisation have greater perceptions of the cultural features of the categories of *Involvement* and *Consistency* and they award a high rating to the cultural features analysed in the categories of *Mission* and *Adaptability (internal and external)*.

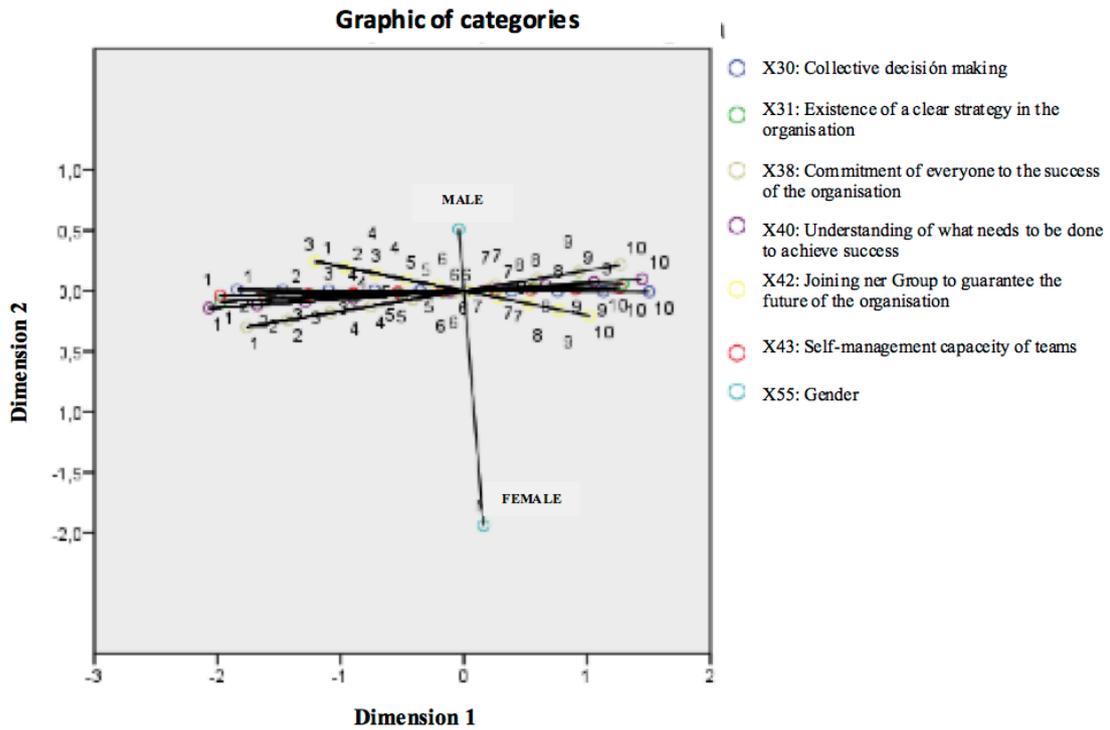
7.3 Categorical Principal Components Analysis (CATPCA)

Having performed the aforementioned descriptive and relational analyses and having observed the existence of a relation of dependence, with 99.9% certainty, between the perception/evaluation of the *Mission* and gender, and the perception/evaluation of *Adaptability* and gender and the level of education, a Categorical Principal Components Analysis (CATPCA)¹² was undertaken.

This analysis enables the collective representation of the responses given to the items on the questionnaire corresponding to the different categories studied, along with the socio-demographic variables considered, as shown in figures 5 and 6.

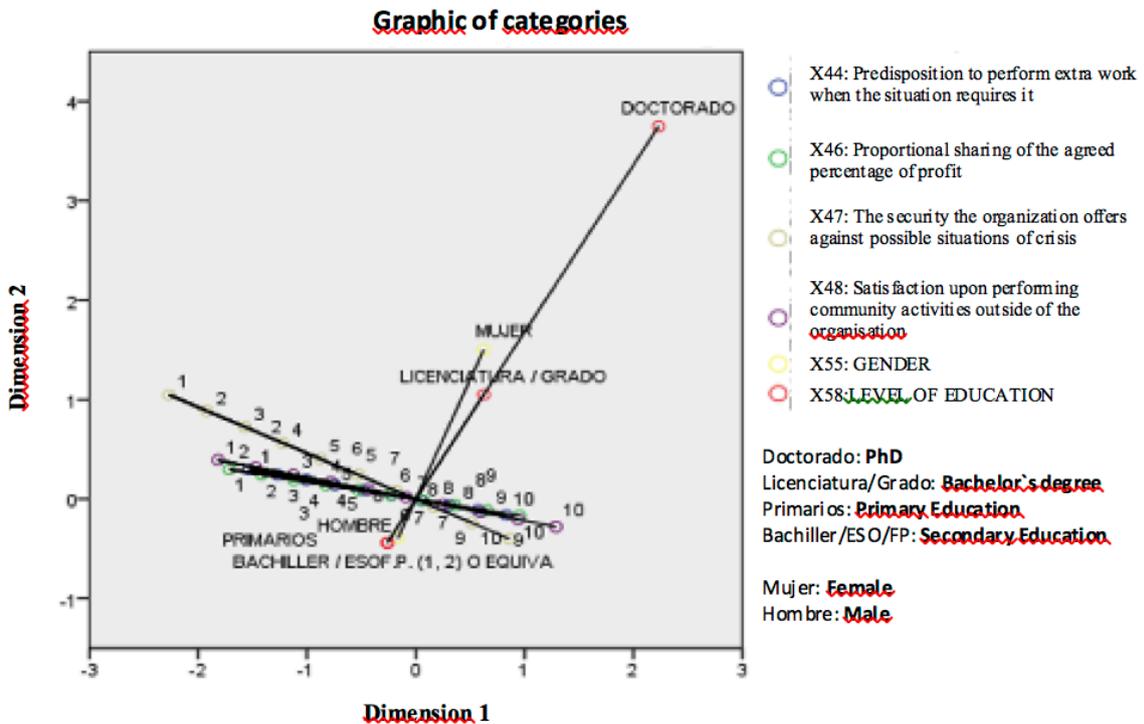
¹² A nonlinear multivariate analysis technique with optimal scaling that enables the reduction of the dimensionality of a collection of variables that are not measurable on a metric scale.

Figure 5. Mission: level of agreement and gender



In Figure 5, the first dimension (horizontal axis) explains 77.35% of the total variance and the difference between those who give low ratings and those who give high ratings to features of the *Mission* of ner.

Figure 6. Adaptability: evaluation, gender and level of education



In Figure 6, the first dimension explains the 65.18% total variance and also separates those who grant low ratings from those who give high ratings to the different characteristics considered in the *Adaptability* category of ner. In both cases, the first dimension distinguishes those with a greater level of education and a greater perception and evaluation of the cultural features of ner related to the categories of *Mission* and *Adaptability*, while those who have poorer perceptions and grant lower ratings are those with a lower level of education.

8. CONCLUSIONS AND DISCUSSION

Having analysed the cultural characteristics of the new style of relationships (ner) based on the perceptions the people who work in ner Group organisations have of these, it can be concluded that people's degree of INVOLVEMENT is highly important. The large majority believe that people are the basic pillars of the organisation and they are committed to it, feeling valued and considered in the organisation (Saratxaga, 2007).

Likewise, they believe that self-managed teams are the pillars of activity and that, via commitment to the team, this makes the functioning of the organisation possible. Teams are perceived as basic instruments for the development of daily activity and, at the same time, are custodians of people's commitment to guaranteeing the functioning of the organisation. People align themselves in teams in order to give the best of themselves and focus on the achievement of both team and organisation objectives (Senge, 1999).

People also believe that information and communication are fluid and regular, and it is possible to find out information about the entire organisation. With regards to CONSISTENCY, they perceive that people aim to do things better every day, with people's capacity and level of commitment being the bases to participation in the organisation. They understand that the organisation offers them professional development opportunities and they are aware of the impact of ner in their organisations. Regarding conflicts and trust among people, they believe they are managed by attempting to integrate all the existing interests at the organisation.

The cultural feature where there are barely any discrepancies among the different organisations of the ner Group is in the perception that client satisfaction is the essential objective of daily activity, with almost eight out of ten people backing this statement. In other words, people align themselves in teams in order to satisfy clients, which is the main goal, as they are aware that by doing so efficiency is achieved and the survival of the organisation is guaranteed.

With regards to the MISSION, people highly value collective decision making, the self-management capacity of teams, the existence of a clear strategy in the organisation, the understanding of what needs to be done to have success, and the commitment of everyone to the success of the organisation. The same occurs with joining the ner Group as a guarantee of the future, but there is a greater level of discrepancy between organisations regarding this question.

Finally, in relation to ADAPTABILITY (internal and external), people highly rated the predisposition to perform extra work when the situation requires it, the sharing of the agreed percentage of profit, and satisfaction upon performing community activities outside of the organisation. The security the ner Group offers against possible situations of crisis via the relocation system is the most highly valued element and the one that sees the greatest level of rating homogeneity among organisations.

It can be concluded that the cultural features related to the category of ADAPTABILITY (internal and external) achieve better ratings than those related to the MISSION category.

Considering an important percentage of people (60.9%) feel satisfied or completely satisfied with the application of ner in their organisations' everyday practises, it can be stated that these results declare that ner is not merely a theoretical proposal, but instead a practical reality that generates an important degree of satisfaction in the daily practise of ner Group organisations.

The results obtained reflect the reality of a highly attractive business practise in the Basque Country that must continue to be analysed, given that it implies a "case of interest" both in the perception and satisfaction of people with ner and in relation to the future indicators of these organisations. The study carried out presents the image corresponding to the moment fieldwork was undertaken (March-May 2015), and depicts the degree of socialisation and identification with the cultural features that are characteristic of ner as perceived by people.

The assertion can be made that a majority of people perceive and believe they are valued, they are fundamental pillars of their organisations, they are satisfied working in a team as the organisation recognises their activity, the organisation facilitates the means necessary for their professional development, and the essential objective is client satisfaction, all of which defines a

style accepted by people at the ner Group and clearly stands out from the vast majority of dominant management models in our organisational and productive environment.

It is evident that there are important aspects to be improved both in qualitative and quantitative terms but the issues which must be reflected upon and expanded on cannot and must not hide the most significant results of this study: the important rating granted and the high degree of socialisation of the cultural features analysed that form a part of ner, and the clear identification, socialisation and satisfaction with the style implemented.

Considering the reality of the current job market and the hegemonic management models that prevail in the large majority of companies, it can be said that ner is of high interest due to its completely different and distinguished characteristics. The new style of relationships, launched by Koldo Saratxaga, is a reality in the Basque Country that satisfies the people who work with it, and the development indicators for the organisations that implement it reinforce its successful nature.

It is an exceptional style that satisfies a significant majority of the people that form a part of its projects and that enables organisations to efficiently manage people and their knowledge in order to adapt and survive in the current economic and production situation defined and set by the Third and Fourth Industrial Revolutions.

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