Interesting report with really great examples of novel practices
The main improvement : make more explicity for an non expert how the examples relate to the analysis

MONTPELLIER MANAGEMENT

K2K

Emocionando.

Management Diagnostic Report



Management

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Abstract

This report diagnoses the management approach of K2K Emocionando, a small consultancy company built on the New Style of Relationships (NER) model. In this report two different levels will be analyzed; First of all, K2K Emocionando itself, and to enrich the investigation, NER-based companies. Following the four management functions – planning, leading, organizing and controlling –, this report analyzes the company's purpose, empowerment practices, structure and control system with frameworks and theories.The analysis emphasize that the major strengths of the NER model (people centred culture and employee autonomy) depends on a clearer purpose, better coordination and effective performance controls. The aim of this report is to propose recommendations to ensure sustainable performance while preserving the NER philosophy.

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Introduction

The aim of the report is to conduct a management diagnosis of K2K Emocionando by identifying the main challenges that affect its management practices and then proposing recommendations for improvement. With the application of management concepts and theories, the report evaluates the consistency of the company's practices according to its organizational objectives and identifies opportunities to improve its effectiveness aligning with its management philosophy.

Report base (PLOC)

To analyze K2K Emocionando's management, this report is based on the four fundamental management functions : (Bez, 2026)

- **Planning**
- **Leading**
- **Organizing**
- **Controlling**

Planning	Organizing	Leading	Controlling
1. Vision & Mission 2. Strategizing 3. Goals & Objectives	1. Organization Design 2. Culture 3. Social Networks	1. Leadership 2. Decision Making 3. Communications 4. Groups/Teams 5. Motivation	1. Systems/Processes 2. Strategic Human Resources

Fig. 1 - Illustration of the PLOC model

For assessing K2K Emocionando's management system, these four functions provide a structured framework. They also help find potential improvements while considering the company's distinctive organizational principles.

Reading convention : K2K Emocionando and NER-based companies

Throughout this report, two distinctive terms will be used. To begin with, K2K Emocionando is the Basque consultancy on which the report is based. It works inside client companies to help them change their culture and rely on the NER model. To have a more complete analysis, this report will also refer to NER-based companies, such as Irizar, the cooperative where the model was created, the NER Group, and the companies that K2K has transformed (its clients). Most of the sources describe NER-based companies in general, not only K2K. Each time a practice is described, the text will specify if it concerns K2K as a consultancy or NER-based companies.

K2K Emocionando's presentation

Koldo Saratxaga developed the NER (Nuevo Estilo de Relaciones) model in 1993 while leading the Irizar cooperative from 1991 to 2005. He helped turn Irizar into a successful international company and received several awards for his work. In 2005 he founded K2K Emocionando to help other organizations change their culture and put in place self-management (K2K, n.d.).

K2K Emocionando is a Basque consultancy, it has 21 years of experience and has transformed more than 120 organizations across four continents. Their team works directly inside client companies as part of the team. They will start a transformation only after a majority vote by all employees (Estragó, 2022).

The company is based on the NER concept. In NER-based companies, this model replaces corporate hierarchy with trust, transparency, freedom, responsibility and shared success (Estragó, 2022). It is made of three essential pillars : care for people, care for clients and operational efficiency (NER by K2K, 2025).

"A "ner organization" is a people-centered organization, where people take part in their wholeness, with their emotions, their thoughts, and their actions. People are not a "cost", not resources, nor labor nor other such concepts; people are neither robots nor machines that are used and then disposed of when they are not useful anymore."

~ Pablo Aretxabala, K2K Emocionando (Aretxabala Pellón, n.d.).

Why choose K2K Emocionando

We chose K2K Emocionando because it has a unique approach to organizational management based on the NER model. We found this approach particularly interesting because it is a company that challenges conventional management practices and questions the usual ways of organizing and managing people.

Another reason is that K2K Emocionando is specialized in helping other companies transform their management practices. We wanted to understand how this approach works, its benefits and its challenges for companies and employees.

It is also a relevant case since the NER model rethinks each stage of the four management functions. First, planning, the purpose is built around people rather than shareholders. In terms of leading, power is distributed to self-managed teams. The organization of the company, middle management is removed and coordination relies on mutual adjustment. Finally, control is based on transparency and peer accountability rather than supervision. K2K applies these four functions in its own company and helps its clients apply them.

Another reason is that K2K is a Basque company, where most of the available sources are in Spanish. All the group members speak Spanish, therefore it was easier to find sources and not rely too much on translations.

This report aims to identify for each management function, the main challenges K2K and NER-based companies are facing and to propose actionable recommendations.

The main interrogation will be : **How can K2K and NER-based companies preserve their NER approach while ensuring clear decisions, effective coordination and sustainable performance?**

PART 1 - Planning: Redefining the purpose

Introduction

When we think about companies, we rarely consider their purpose as a central aspect of their business. However, it is a fundamental part of understanding the main objectives, functions, and specificity of the company, which helps to make informed decisions. Indeed, a clear purpose gives the organization a sense of direction. It also guides choices, organizes employees, and communicates the value the company wants to bring to its stakeholders. In addition, it helps clients recognize whether the approach of the company corresponds to what they are looking for, so that they are more likely to trust its services. This is why redefining, modifying, and improving the purpose of the company is essential (Bez, 2026).

Official purpose

When we enter K2K Emocionando's official website, we can find its purpose statement, which reads as follows :

> *"Bajo el Nuevo Estilo de Relaciones -ner, que creó e inició Koldo Saratxaga en 1993 y que seguimos evolucionando ; 4 personas entusiasmadas con conseguir un entorno laboral de plenitud para todas las personas, y así lograr éxitos compartidos que aporte de forma sostenible en su ecosistema.*
>
> *Con diferentes conocimientos base y miradas especializadas, en K2K Emocionando nos complementamos y contemplamos las organizaciones de forma holística para dar respuesta a sus necesidades de presente y de futuro."*
>
> *~ K2K Emocionando, official website, "Sobre nosotros"*

Translated into English:

> *"Guided by the New Style of Relationships (ner), which Koldo Saratxaga founded and launched in 1993 and which we continue to develop, we are four people committed to*

achieving a fulfilling working environment for everyone, thereby generating shared success that contributes sustainably to its ecosystem.

With different backgrounds and specialized perspectives, at K2K Emocionando we complement one another and take a holistic view of organizations to respond to their present and future needs."

~ Translated with ChatGPT

Analysis

We will analyze K2K Emocionando's purpose in order to propose an improved version to the company. To achieve this goal, we will base our work on Cynthia Montgomery's three questions, which are: "Who are we? What makes us distinctive? What do we exist for?" (Bez, 2026).

At the outset, we will take a look at the "who are we?" part, making sure that the company has defined itself clearly. So what does this purpose allow us to know about the company?.

According to its description, K2K Emocionando is composed of "four people", "with different backgrounds and specialized perspectives", "committed to achieving a fulfilling working environment for everyone". "Koldo Saratxaga founded and launched in 1993" the idea on which the company is based.

Now, let's investigate what are the strengths and weaknesses of this first idea? To begin with, the historical part shows that the company is based on a good foundation and that it relies on a specific management approach. However, there is a lack of description of the organization's role; What is this company? What do they offer to their customers?. Moreover, is it relevant to talk about these "four people" without having more information on them?. A better definition of "who are we?" would identify K2K Emocionando more clearly as a consultancy company and explain which are their goals. This would help clients understand in one way the company's activity while keeping Koldo Saratxaga and the NER model' ideas as part of the company's identity (K2K, n.d.).

If the purpose remains abstract, potential clients may struggle to understand what K2K actually offers and how its approach differs from other management consultancies. This could therefore

weaken its commercial positioning because clients may find it difficult to relate with the company's philosophy with their concrete organizational problems.

Beyond its identity, the purpose statement also highlights the company's specificity. Therefore, the next question for K2K Emocionando to answer is "what makes us distinctive?". In their purpose statement, we can identify the "New Style of Relationships (NER)", which they continue to develop. In addition, they talk about the fact that its members "complement one another" and have "specialized perspectives". Regarding the company's uniqueness, they have an important argument: the NER; but it needs to be detailed to achieve a better understanding of this new concept and how their approach differs from other companies.

K2K Emocionando could explain that its approach relies on principles such as self-management, employee autonomy, shared decision-making, trust, talent development and less hierarchical control. Nevertheless, the reference to "specialized perspectives" is quite vague and might not be a crucial element of the company's distinctiveness (K2K, n.d.).

Having explored what sets K2K Emocionando apart, we can now examine its core aim. In other words, we are now turning to the company's "what do we exist for" question. In its "about us" section, we can point out that the goal is "achieving a fulfilling working environment for everyone, thereby generating shared success that contributes sustainably to its ecosystem." and to "respond to their present and future needs". These statements focus more on what K2K Emocionando aims to achieve than on how it helps organizations reach these objectives. The idea remains too theoretical and vague. In the "what do we exist for" section, we are seeking concrete actions the company takes and the outcomes it delivers. Indeed, the purpose needs to connect more clearly with what they really do every day and the choices the company makes.

K2K Emocionando supports self-management and empowered decision-making, so its purpose should say that it helps companies give teams greater autonomy, involve employees in decisions, and encourage transparency. This also implies difficulties. Companies used to work with centralized decisions and rigid roles may need to adapt their management practices before implementing the NER model. If the purpose is clear, it becomes a useful guide for both the clients and the employees. For this reason, the purpose needs to show the company's method, its special values, and the results it wants to achieve (K2K, n.d.). If the company's purpose is too vague, employees and consultants might have a wrong understanding of its priorities. A clearer

purpose could help K2K hire people who share the same values as the company and have the skills needed. It could also help K2K choose clients who are ready to change their management practices and develop new methods for self-management.

Improved purpose

Executive summary

- **Current issue:** K2K's purpose needs a clearer definition of its identity and goals.
- **Recommendation:** Define K2K as an NER-based consultancy founded by Koldo Saratxaga.
- **Key principles:** Self-management, trust, transparency, talent development, and shared decision-making.
- **Expected outcome:** A shared understanding of K2K's identity and its goal of building fulfilling, sustainable workplaces.

Based on our previous analysis, we are now able to propose a new improved purpose for K2K Emocionando. This version takes into account what we found in the analysis part and follows the principle that a good purpose needs to contain two or three sentences to be as clear as possible while keeping the most important information about the company.

> *"K2K Emocionando is a consultancy company based on the New Style of Relationships (NER) model, founded by Koldo Saratxaga. We help organizations develop self-management, replacing rigid hierarchy with autonomous, responsible, and collaborative management practices. Our goal is to build organizations where people actively contribute to decision-making, continuous improvement, and sustainable performance."*

This revised purpose provides a clearer and more concise definition of K2K Emocionando, its distinctive approach and the goals it seeks to achieve. It also gives clients a clearer idea of what K2K offers. It also shows that employees contribute to the company's results rather than simply

being managed. This purpose can help K2K make better strategic decisions while keeping the NER model flexible.

PART 2 - Leading: Analyzing the empowerment

Introduction

Employee empowerment is the process of delegating authority and decision-making, sharing information, and asking for their input (Bez, 2026). Empowerment allows employees to participate actively in decisions, organize their work, and take responsibility. In addition, it is linked to employee involvement and motivation (Lee et al., 2018). However, empowerment is not just about formal structures. It is also seeing if employees feel confident and supported in using their freedom at work

Empowerment can influence how employees behave in their work and how they contribute to the organization. Giving to the employees a more important autonomy can encourage them to take more responsibility, participate and be more involved in organizational decisions. Nevertheless, the employees need to have the skills to use this autonomy effectively.

K2K Emocionando and NER-based companies are great examples of organizations based on these principles. Indeed, the company moves away from traditional hierarchical management through its “ New Style of Relationships ” (NER). Their approach emphasizes self-managing teams, shared decision-making, and reduced managerial control (K2K, n.d.).

This part describes the practices of NER-based companies and K2K applies them also to its four-person consultancy.

Management Practices

K2K Emocionando’s “ New Style of Relationships ”(NER) approach aims to replace traditional hierarchical structures with flourishing, self-managing organizations. The NER-based companies have unique practices to lead and motivate employees. These practices can improve motivation in different ways. However, employees also need the right skills and the right mindset.

First of all, there is the principle of total transparency, relying on trust established by sharing and opening all information, including financial reports, to everyone. Moreover, meetings are held monthly and quarterly to ensure that every person understands the organization’s economic and

financial status (Aretxabala Pellón, n.d.). This is a general NER principle that the company K2K promotes. It will allow employees to have a better understanding of all the financial information and make better decisions.

Another approach is the elimination of hierarchy; in fact, the entire middle management layer is removed. Former CEOs become "General Coordinators" who no longer possess decision-making power over others, instead focusing on facilitating work and caring for people (Gill, 2018). Employees have the power to take decisions but when a conflict occurs nobody is in charge to resolve it.

Self-managing teams is also one of the core concepts of the NER model. Organizations are structured into multidisciplinary teams (usually 3 to 12 people) that fix their own objectives and schedules. K2K itself has only four people, so these team sizes describe NER-based companies in general. Teams elect their own representatives/leaders who have no extra power or salary and are often rotated to prevent them from becoming traditional " bosses" (Aretxabala Pellón, n.d.). Independence and autonomy is built when teams choose their own leader. But, resolving problems is always difficult because these facilitators can not impose solutions and can have hesitations while confronting the people who elected them

The principle of abolishing controls states that Traditional "command-and-control" mechanisms, such as clocking in and out (fichaje), are discarded. The system operates by goals and commitments rather than hours worked. It is based on trusting that people are responsible when given freedom (Gill, 2018; Estragó, 2022). This practice aligns with Camila Kring's Chronoleadership theory that the traditional working day does not fit every employee's biological rhythm (Bez, 2026). It gives employees more freedom like; flexibility but also makes them more responsible to organize their own time and energy.

NER-based companies also implement shared decision-making. For instance, decisions impacting the whole organization are agreed upon in General Assemblies with exceptionally high consensus requirements, often 90% or more (Estragó, 2022).

In terms of compensation, the company has two unique practices. The profit sharing, which ensures that a non-negotiable 30% of profits (20% in cooperatives) must be shared with all employees. The salary balance states that the gap between the highest and lowest earners is minimized; the top 10% can earn no more than 2.3 times the salary of the lowest 10% (Gill,

2018). These NER principles align employee's goals with the company's success and help create a workplace that is more equal.

A complementary approach is job security; NER-based companies commit to never laying off anyone for economic reasons. During crises, they use internal solidarity, such as voluntary reallocations to other companies within the "NER Group"(Alvarez Sainz & Apellaniz Valle, 2019). This goes beyond K2K , it gives employees the sense of security which makes them more comfortable to be responsible.

Last but not least, the idea of commitment to society, which argues that organizations dedicate 2.5% of profits and 2% of employees' working hours to social projects (Aretxabala Pellón, n.d.).

Empowerment Assessment

The degree of empowerment implemented in NER-based companies, and put in place by K2K Emocionando, is exceptionally high; this represents a transition from simple delegation to total self-management.

NER-based companies put in place structural empowerment. As a matter of fact, they distribute the power effectively by removing middle management. In a typical hierarchy, authority flows from the "strategic apex" down to the "operating core" (Aguirre Guantes, 2008). This structure gives more freedom to employees but they might not feel the same.

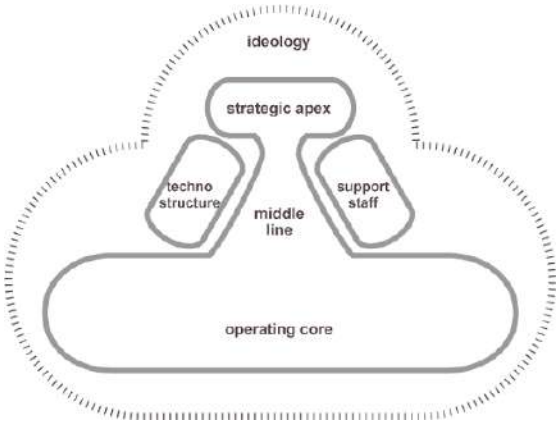


Fig. 2 - The six components of an organizational structure according to Mintzberg

NER-based companies invert this, transforming the CEO into a "General Coordinator" who possesses no command-and-control power, and the power is distributed into multidisciplinary teams.

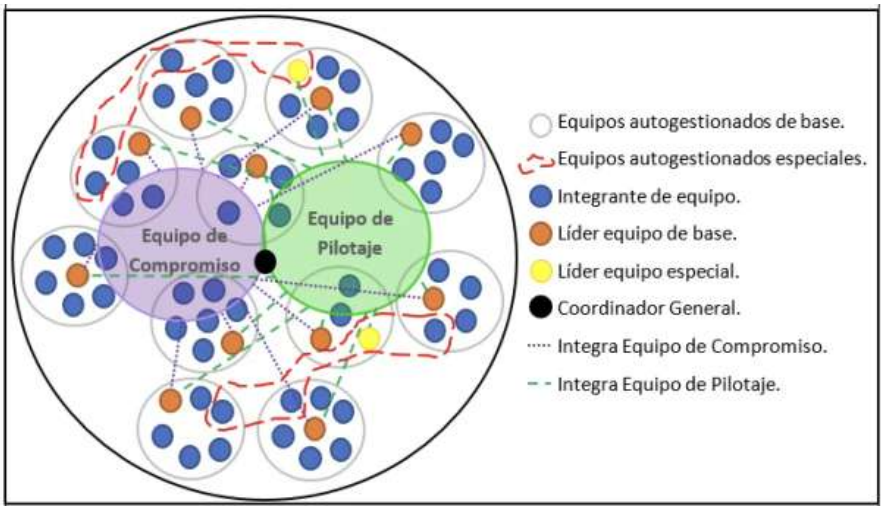


Fig. 3 - New Relationship Style (NER) Organizational Setup

Another important empowerment implemented by the company is the psychological and holistic one. The model argues that people are not just “ labor ” or “ cost ”, but “ the basic pillars of the organization ”. Indeed, employees participate in their “ wholeness ” (Aretxabala Pellón, n.d.).This aims for a higher employee’s involvement , in a study of 56.7% shows that NER workers knew how much their work helped the company to succeed (Alvarez Sainz & Apellaniz Valle, 2019). In general this shows a good involvement. Since the survey looked at NER companies generally rather than K2K’s own staff, it describes the wider environment instead of K2K specifically**.** In fact, empowerment depends on employees’ perceptions, trust, and experience (Lee et al., 2018).

Regarding the scope of autonomy, in NER-based companies, empowerment covers areas usually reserved for upper management. For instance, in terms of recruitment, the teams interview, select, and evaluate their own new members. Another principle is that significant investments cannot be implemented without the agreement and direct participation of the affected team. And finally, teams democratically elect their own leaders; these leaders can be

replaced at any time and receive no extra salary, so that they can remain facilitators (Aretxabala Pellón, n.d.).

Nevertheless, a high level of formal autonomy does not necessarily mean that all the employees will experience empowerment at the same level. Indeed, Lee et al. (2018) show that empowerment also depends on how employees perceive this autonomy and not only on the authority given by leaders. Regarding the perception employees have, autonomy can be interpreted as a sign of trust and opportunity for growth but can also create pressure and uncertainty when employees aren't prepared to make decisions (Lee et al., 2018). This can be the case in NER-based companies because their employees are given responsibilities that, traditionally, managers handle, like recruitment, decision-making, and the organization of work (Aretxabala Pellón, n.d.). Consequently, the formal structure of NER-based companies suggests a high degree of empowerment, but not every employee experiences the same level of autonomy or feels as comfortable as another with it.

In addition, empowerment can also generate negative effects when the responsibility associated with autonomy becomes excessive. Empowerment can sometimes increase stress and workload of the employees, particularly when they experience too much pressure or uncertainty (Lee et al., 2018). A similar tension appears in NER-based companies' use of peer accountability. Indeed, teams make public commitments in General Assemblies and Commitment Meetings; as a result, they experience high internal pressure to perform. This is a phenomenon known as " concertive control ", where the group holds itself accountable to fulfill publicly made promises (Estragó, 2022). This system can support accountability, but can also create strong internal pressure. Therefore, the NER model combines high autonomy with strong collective accountability, meaning that empowerment does not eliminate control but changes where this control comes from. To reduce this risk, K2K could teach employees of its client companies to manage their stress, set priorities and ask for help.

Recommendations

Executive summary

- **Strengths**: Employee autonomy, new clear purpose, flexible working, and shared decision-making.
- **Key risks**: Skills gaps, poor energy management, interpersonal conflicts, and dependence on founders.
- **Recommendations**: Develop employee skills through training and peer coaching, apply chronoleadership principles, strengthen conflict resolution, and formalize NER principles in an internal guide.
- **Implementation**: Introduce these measures progressively and integrate them into employee onboarding to preserve self-management during growth.

These recommendations are addressed to K2K Emocionando as a consultancy so that it can transmit them to NER-based companies it supports.

To strengthen employee empowerment of K2K Emocionando and NER-based companies, some improvements based on management theories are recommended. The first recommendation is based on Daniel Pink's Framework of autonomy, mastery, and purpose.

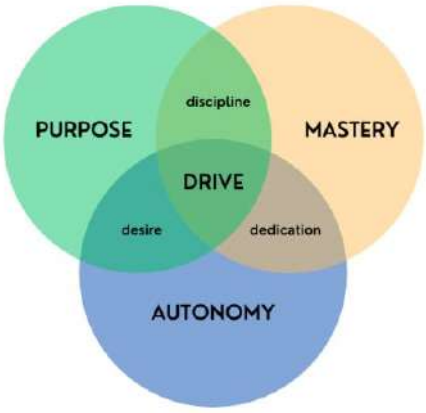


Fig. 4 - Daniel Pink's Autonomy, Mastery & Purpose Framework

According to Daniel Pink, intrinsic motivation requires three pillars: autonomy, mastery, and purpose (Bez, 2026). NER-based companies have good Autonomy through self-management and shared decision-making, but this autonomy needs employees who have the knowledge and skills necessary to make effective decisions (Bez, 2026).). K2K's Purpose is now well defined as studied in the previous section. Daniel Pink's three pillars can also be related to the NER approach. Indeed, autonomy means employees are free to organize their work and make decisions. Mastery can be affiliated to the skills and opportunities employees have to do their jobs well. Finally, purpose means employees understand why their work matters and how it would help reach the goals of the organization.

K2K Emocionando could develop a structured "mastery" program, for its own team and for its clients' employees, to support employees when they take on new responsibilities. This could include, for example, monthly workshops on decision-making, conflict management, and financial understanding. Also, experienced employees could provide peer coaching so that new employees could receive mentoring during their first months. These actions would give employees the skills and confidence needed to use their autonomy effectively (Bez, 2026; Lee et al., 2018).

The company has already abolished the traditional time clock (Gill, 2018) which leaves each employee in charge of managing their own energy. To make it more effective, K2K Emocionando (and the NER-based companies it advises) should adopt Camila Kring's " Chronoleadership " (Bez, 2026). Instead of working " whenever ", teams should be trained to manage their energy, not just hours. By understanding individual chronotypes (biological rhythms), teams can schedule group meetings during collective peak times. And to also allow individuals to perform " deep work " during their personal peak concentration periods. (Bez, 2026). The flexibility that was already given would be used successfully, with less risk of overload.

The transition from hierarchy to self-management in a company that becomes NER-based often leads to initial chaos. Following Frederic Laloux's real organization principles, K2K Emocionando should integrate more psychologists and coaches to support the " softer side " of transformation. This helps build the interpersonal skills required for effective peer-to-peer conflict resolution (Tenelius, 2025). K2K Emocionando could also start doing workshops (teambuildings) on active listening, feedback and how to turn a disagreement into a constructive one.

Indeed, self-management requires employees to develop skills to manage disagreement. Sunita Sah's work on defiance emphasizes the importance of questioning decisions and expressing disagreement when necessary (Bez, 2026). Alice Driscoll and Louise van Haarst also make the distinction between relational conflict and task conflict. They argue that teams should focus on the problem rather than turning disagreement into a personal conflict (Jones, 2025). K2K Emocionando could introduce regular workshops on active listening, feedback, and constructive disagreement. Teams could use the 5R model: Reflection, Regulation, Readiness, Response, and Repair, to structure difficult conflicts (Jones, 2025). This would help NER-based companies maintain employee autonomy but also make disagreement a normal pattern of collective decision-making.

Finally, the greatest threat to K2K's model (and to NER-based companies in general) is its dependence on a few visionary founders; as organizations grow, they often regress into traditional hierarchy. K2K itself and the NER-based companies it supports should adopt the DFS leadership-role definition: leadership is not a position of power, but the responsibility to " create, sustain and communicate the conditions " for expertise to matter. It's for this reason that formalizing a " shared awareness" of why rules and controls are avoided is important, and it will empower new employees to guard the culture of the company (Verweij, 2020). K2K Emocionando could develop an internal guide, for its own team and for its clients, explaining why they avoid hierarchy, unnecessary controls, and traditional managerial authority. This guide could be shared with the new employees so that they will have a clearer understanding of the principles behind self-management and the responsibilities associated with autonomy (Verweij, 2020).

PART 3 - Organizing: Analyzing the organizational structure

Introduction

An organization's success does not rely only on its strategy. It also depends on how the work is organized within the company to support this strategy.

An organizational structure determines how the work efforts of individuals and teams are orchestrated and how resources are distributed (Bez, 2026). It is traditionally analyzed through 5 key building blocks: specialization, formalization, centralization, hierarchy, and coordination. To reinforce the analysis, Gary Hamel's concept of experimentation can be added.

K2K Emocionando challenges these traditional principles through its NER model.

The organizational structure analysis

The organizational structure of NER-based companies, as promoted and applied by K2K Emocionando, can be characterized using 6 building blocks. Unless stated otherwise, the sources describe NER-based companies; K2K itself is a four-person consultancy.

In short, a NER-based company, and K2K Emocionando at its own scale, is a flat, decentralized, and weakly formalized organization. Work is coordinated through mutual adjustment and shared norms and values rather than through supervision or rigid procedures.

1. Specialization

Specialization describes how organizational tasks are divided into distinct jobs and grouped into specialized departments (“ division of labor ”) (Bez, 2026). Mathieu de Sitter warns against “ functional concentration ” in socio-technical system design. “ Functional concentration ” is the practice of isolating tasks into specialized silos like Finance, Marketing, or HR. De Sitter argues that this practice can create handovers, operational friction, and splits planning from execution (Minnaar, 2025). And NER-based companies follow the same vision and avoid functional concentration and Taylorist task fragmentation (Aretxabala Pellón, n.d.). Instead of rigid job descriptions or isolated functional silos, work structuration relies on cross-functional, process-oriented, and customer-centric self-managed teams (Verweij, 2020; Liberty Mind, n.d.). In alignment with De Sitter's “whole work”, NER-based teams own complete end-to-end workflows from planning to execution and delivery (Minnaar, 2025). Rather than confining

employees to repetitive micro-tasks, this gives them broad contextual awareness and operational responsibility (Aretxabala Pellón, n.d.). Specialized expertise still exists, but it is carried by people inside the teams, not by separate departments.

2. Formalization

Formalization is an element that captures the extent to which employee behavior is steered by explicit and codified rules and procedures (Bez, 2026). Academic frameworks like Jaworski's 8-item formalization scale assess whether employees feel monitored or restricted by rules. High formalization can ensure consistency and predictability in routine volume environments, but it can also inhibit flexibility and creativity (Bez, 2026).

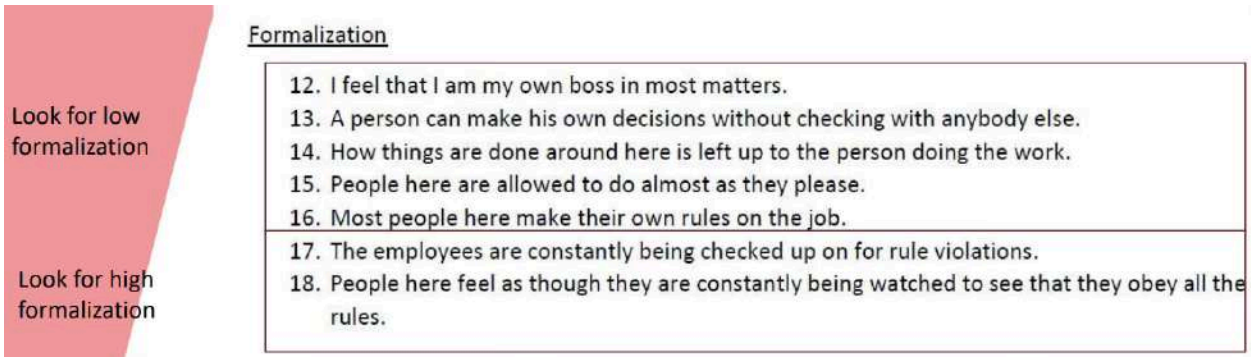


Fig. 5 - Jaworski's (1993) 8-item formalization scale - from Sea Bez course

According to Verweij, excessive rules, protocols, and checklists represent subjective decision-making that restricts frontline expertise (Verweij, 2020). NER-based companies are characterized by very low formalization; they systematically abolish administrative rulebooks, time clocks, rigid job descriptions, paid overtime, and written approval workflows (Capaldi, 2021). On Jaworski's scale, NER-based companies' employees experience high autonomy ("I feel I am my own boss in most matters", "How things are done is left up to the person doing the work "). Moreover, organizational behavior is steered not by administrative enforcement manuals, but by radical information transparency (100% open financial metrics, balance sheets and individual salaries visible for every worker) combined with cultural values of trust, responsibility and solidarity deeply internalized (Capaldi, 2021).

However, low formalization does not mean organizational chaos; rather than rigid task protocols, teams rely on clear, collectively agreed-upon governance operational limits to guide autonomous action.

3. Centralization

Centralization refers to the degree to which decision-making is concentrated at the top of the organization (Bez, 2026). High centralization causes slow information processing, employee frustration due to lack of empowerment, and an inability to adapt (Bez, 2026). DFS theory reinforces this idea: hierarchical top-down decision-making (where managers without frontline operational knowledge make arbitrary choices) is identified as a cause of risk and organizational friction (Verweij, 2020). In the case of NER-based companies, executive command and control authority is eliminated, which makes them radically decentralized companies (Minnaar, 2025). In this case, the decision-making power is pushed directly to frontline operational teams; this ensures that any choice made involves the people affected by it (Aretxabala Pellón, n.d.). Strategic coordination is managed through cross-functional “ pilot teams ” composed of elected representatives from operational teams; the General Coordinator (who replaces the traditional CEO) acts as a facilitator and possesses no unilateral executive command power (Estragó, 2022).

Nevertheless, because radical decentralization eliminates traditional managerial sign-offs, the barrier between day-to-day operational choices and company-wide strategic decisions can sometimes blur, requiring clear delegation norms.

4. Hierarchy

Hierarchy refers to formal, position-based reporting structures (who reports to whom) and establishes tall or flat vertical structures. Traditional tall hierarchies often create a vertical disconnect between the strategic apex, middle line, and operating core, leading to bureaucratic inertia (Bez, 2026). For instance, the NER model systematically abolishes traditional managers, bosses, and supervisory middle-management layers (Minnaar, 2025). Thus, the structure of a NER-based company is very flat, but not completely without roles : team leaders and the general coordinator exist, even if they are facilitators and not bosses. Former middle managers of these companies are not laid off; instead, they transition into non-supervisory specialist roles (finance, sales, operations), customer-facing tasks, or team coaching roles, based on their expertise. Leadership is no longer related to structural rank, monetary privilege, or command authority; leaders function as non-directive facilitators selected or rotated by their peers (Verweij, 2020).

Leadership is no longer related to structural rank, monetary privilege; instead, leaders function as non-directive facilitators selected or rotated by their peers based on their 'perceptiveness' , their ability to listen and facilitate collective intelligence , rather than technical seniority (Verweij, 2020).

5. Coordination

Coordination refers to the mechanisms used to integrate and align the activities of individuals and teams. Henry Mintzberg identifies six basic mechanisms used by organizations to coordinate work: direct supervision, standardization of work processes, standardization of outputs, standardization of skills/knowledge, standardization of norms/values, and mutual adjustment (Bez, 2026). NER-based companies eliminate direct supervision (no bosses overseeing work) and avoid standardization of work processes or outputs (no rigid SOPs). Coordination is achieved through two principles. The first one is mutual adjustment relying on direct, informal, horizontal communication and collaboration among self-managing team members (Aretxabala Pellón, n.d.). At Irizar, Saratxaga physically reinforced this by locating manufacturing and administrative facilities on a single open floor, which helps maximize cross-disciplinary interaction (Verweij, 2020). The other principle, in NER-based companies, is the standardization of norms and values it aligns all members through a strong collective ideology based on shared purpose, radical transparency, solidarity-based profit sharing (at least 30% distributed equally to workers), capped wage differentials (the top 10% can earn no more than 2.3 times the salary of the lowest 10%) (Gill, 2018), and social commitment (donating 2,5% of net profits and 2% of working hours to community projects) (Aretxabala Pellón, n.d.).

6. Experimentation

Experimentation refers to the degree to which employees are free to test, develop, and adapt new ways of working. Gary Hamel's humanocracy framework argues that traditional bureaucracies treat humans as tools for organizational efficiency. Humanocracy reverses this paradigm: human capability is the end, and the organization is the instrument for human experimentation. Achieving this requires an organizational architecture that is flat, free, and fearless (Bez, 2026). NER-based companies are known for their high experimentation; they establish a psychologically safe (“ fearless ”) environment where employees have the autonomy (“ freedom ”) to continuously co-create, vote on, and test new working methods or business initiatives (de Morree, 2020). K2K Emocionando's transformation methodology relies on volunteer employee project teams of the client company who design proposals. These proposals are submitted in the client company through democratic, company-wide assembly votes requiring a high approval threshold (80% to 85%) before execution (de Morree, 2020).

Additional theoretical interpretation

In Henry Mintzberg's structural framework, an organization consists of six basic parts: Ideology, Strategic Apex, Operating Core, Middle Line, Technostructure, and Support Staff (Bez, 2026). Traditional corporations operate as Machine Bureaucracies, relying heavily on the

Technostructure and Middle Line to coordinate work through the Standardization of Work Processes (Minnaar, 2025). NER-based companies reduce the role of the Technostructure and Middle Line, transforming the organization into an Organic Adhocracy / Innovative Organization centered on the Operating Core, made up of self-managed teams, and Ideology, represented by the shared NER culture. The structure of NER-based companies also embodies Frederic Laloux's Teal paradigm by operationalizing self-management, personal wholeness, and evolutionary purpose in practice (Aretxabala Pellón, n.d.).

Management diagnostic and recommendations

Executive summary

- **Strengths:** Flat structure, cross-functional teams, employee autonomy, and shared values.
- **Key risks:** Cultural regression, slow decisions, and resistance to change.
- **Recommendations:** Strengthen peer-assessed leadership and onboarding, and delegate operational decisions while retaining collective approval for major choices.
- **Implementation:** Pilot changes, collect employee feedback, and monitor decision speed and cultural alignment.

Management diagnostic

The diagnostic below concerns NER-based companies; the two recommendations are addressed to K2K Emocionando and, through it, to the companies it supports.

To begin with, organizational design serves to align an enterprise's structure, processes, and culture so that managers can effectively translate strategic intent into realized performance (Bez, 2026). In a flat, self-managed structure based on the NER model, the first strength is the total elimination of functional silos and bureaucratic handovers (Verweij, 2020). Instead of working in separate departments, cross-functional teams manage the whole customer process, thanks to planning, execution, and continuous learning (Minnaar, 2025). In addition, pushing decision-making directly to frontline operational teams helps eliminate managerial bottlenecks, reducing internal complexity and boosting operational responsiveness (Minnaar, 2025). In fact, this structural autonomy fulfills workers' intrinsic motivational needs for autonomy, mastery, and

purpose and also creates a “ flat, free and fearless ” environment for human experimentation (Aretxabala Pellón, n.d.). Empirically, organizations that adopt this model (NER-based companies, not K2K Emocionando itself) achieve profit growth between 25% and 300%, average productivity gains of 40%, absenteeism is much lower (-32%), higher wage equity, and complete job security with zero economic layoffs (Capaldi, 2021; Estragó, 2022). These figures come from case studies, so they should be read as indications rather than proof.

Key risks

Despite these advantages, flat self-management structures face significant long-term sustainability threats. As the enterprise grows, new staff accustomed to traditional hierarchies join, and some employees may lose sight of why self-management is important, leading to a gradual return to traditional ways of working. The organizational culture can also depend too much on a visionary founder or leader, making it harder to maintain direction when they leave (Verweij, 2020). Furthermore, it requires time and effort to reach 80% to 90% approval in general assemblies of the company, which can delay decisions in fast-paced situations (de Morree, 2020). Finally, ceding power can create resistance from former managers, owners, or external stakeholders who might feel they are losing their authority and status (Estragó, 2022). In summary, cultural regression is the most serious of these, because the whole structure relies on shared norms and values instead of rules and supervision. If the culture weakens, nothing else holds the system together.

Recommendation 1: Peer-assessed leadership selection and onboarding

The main goal of an NER-based company is to empower employees, support personal fulfillment, improve operational performance, and create social value rather than focus on short-term shareholder wealth maximization (Aretxabala Pellón, n.d.). To reinforce this human-centric purpose, K2K Emocionando and the NER-based companies it supports should implement two structural and leadership changes. First, create a peer-assessed leadership selection and onboarding mechanism focused on “perceptiveness” to train team facilitators who help maintain self-management and prevent cultural regression during company growth or leadership changes (Verweij, 2020). Implementation risk: former managers of a company becoming NER-based may resist the transition towards peer-selected facilitation roles because they may perceive a loss of authority or status. Implementation: involve these managers early in

the process, provide coaching for the transition, and pilot the new selection mechanism within selected teams before wider implementation. Success indicators: employee perception of facilitator quality, successful transitions into facilitation roles, and employee perception of autonomy.

Recommendation 2: Tiered decision-making thresholds

The second idea concerns tiered decision thresholds. Keep the 80% to 85% approval requirement for important decisions, but allow lower thresholds or delegated team decisions for operational and reversible choices. This would preserve democracy where it matters most and reduce delays in situations needing a fast answer. Implementation risk: employees may become uncertain about which decisions require collective approval, creating confusion or inconsistent practices. Implementation: define clear decision categories and provide examples for strategic, operational, and reversible decisions. Test the thresholds within selected teams before scaling them across the organization. Success indicators: average decision-making time, number of decisions delegated to teams, number of decisions requiring company-wide approval, and employee satisfaction with decision processes.

Implementation principles



Finally, implementing these changes requires careful attention to the link between strategy, structure, and organizational culture. First, the company should ensure that structural adjustments serve a strategic purpose and also respect the core principle that “organization makes the strategy alive” (Bez, 2026). Moreover, the company must actively support middle managers as they transition into non-directive specialist or coaching roles rather than forcing abrupt compliance. Finally, to reduce anxiety, K2K Emocionando should communicate clearly, to its own team and to its clients’ employees, about the purpose and benefits of the changes and use team-building workshops to support readiness and psychological safety (WalkMe, 2023).

PART 4 - Controlling: Analyzing the control system

Introduction

K2K Emocionando challenges traditional control practices through its Nuevo Estilo de Relaciones (NER) model. In organizations applying this approach, control does not rely mainly on hierarchical supervision, strict rules, or direct monitoring, but on the responsibility given to self-managed teams. Employees participate in setting objectives, monitoring their performance, identifying deviations, and taking corrective action through peer accountability and shared values. This changes how control operates because responsibility is distributed among employees rather than concentrated in traditional managerial positions.

Analysis

NER-based companies approach control in an unconventional way, moving away from traditional hierarchical supervision towards self-control, concertive control, and shared organizational values (Estragó, 2022). Concertive control occurs when employees develop shared expectations and hold each other accountable, meaning that pressure can come from colleagues rather than from a manager (Barker, 1993).

This approach reflects Koldo Saratxaga's philosophy. As the founder of the NER model and of K2K, states that the word "control" is explicitly banned in his philosophy, as management should give people space to think, feel, and act rather than direct them like robots (Virtuous Company Consultoria e Educação Executiva, 2023).

1. Shift in Control Philosophy: From Control by Domination to Self-Control

Control by domination and control by self-control can be distinguished. First, control by domination is based on rules, supervision, obedience, and formal authority. On the contrary, self-control orients responsibility and decision-making towards employees, which allows them to regulate their own behavior to fit with organizational objectives (Bez, 2026). NER-based companies are essentially based on self-control and peer-driven governance (Estragó, 2022). Traditional attendance and controls such as time clocks are removed because they only verify physical presence rather than genuine commitment (Estragó, 2022). Also, self-managed teams determine in autonomy their daily task, programming work distribution, schedule timing and performance targets without intervention from bosses (Estragó, 2023).

This changes the source of control. Instead of asking if employees are following instructions from a manager, the NER model asks employees to regulate themselves and their own actions in adequacy with collective objectives and shared values. The main control mechanism becomes internal commitment instead of external supervision.

2. The Control Loop Across Time: Feed-Forward, Concurrent, and Feedback Controls

In management theory, control operates as a feedback loop across three main stages of execution: feed-forward (preventive), concurrent (real-time), and feedback (corrective) (Bez, 2026). In NER-based companies, each stage is carried out by a specific structure, which links the control loop to the formal organization.

2.1 Feed-forward control

Feed-forward control occurs before processes start to set standards and prevent future failures (Bez, 2026). In the NER transformation process, K2K seeks the commitment of employees before introducing major organizational changes. This involves informing employees about the approach and allowing them to vote on whether they want to participate in the transformation. The objective is to ensure that the change is supported by the people who will experience it (De La Maza & Silas, 2019). In organizations applying the NER model, recruitment can also involve future colleagues rather than relying only on a traditional HR department. This helps teams evaluate whether new members share the values and responsibilities associated with self-management (Virtuous Company Consultoria e Educação Executiva, 2023).

These practices can reduce risks before they reach the operational stage. The first establishes collective commitment to the transformation, and the second acts as a cultural screening mechanism. NER-based companies use preventive control through participation and value alignment and reduce their reliance on traditional hierarchical approval procedures.

2.2 Concurrent control

Concurrent control monitors activities as they happen to make immediate adjustments during execution (Bez, 2026). In organizations applying the NER model, the Commitment Team (Equipo de Compromiso, EC) coordinates operational activities through regular meetings where teams review customer commitments, plan upcoming work, and adjust their activities when necessary (Estragó, 2022). When delays or unexpected problems occur, responsibility is shared among team members, who must find solutions and adapt their work to meet collective objectives. This allows organizations to respond to operational problems without depending on a traditional supervisor.

The absence of a conventional supervisor does not mean that control disappears; it changes form. Through horizontal communication and collective responsibility, teams manage their own progress and adjust their activities.

2.3 Feedback control

Feedback control reviews outcomes against pre-set goals to make long-term adjustments (Bez, 2026). In organizations implementing the NER model, the Piloting Team (Equipo de Pilotaje, EP) meets regularly to review medium- and long-term results and evaluate whether the organization is moving towards its objectives (Estragó, 2020). Employee performance can also be evaluated through peer feedback, where colleagues assess individual contributions and discuss areas of improvement. In some self-managed organizations, peer assessments may also influence salary progression, although this practice should not be assumed to apply to every NER organization. These mechanisms allow employees to evaluate results collectively and make adjustments, although peer assessments can also create risks of personal bias and conformity.

3. Control as a Package (Malmi & Brown Framework): structural and performance mechanisms

Management control operates as an integrated package that combines different mechanisms to guide employee behavior. According to Malmi and Brown (2008), this package includes five categories: planning, cybernetic, reward and compensation, administrative, and cultural controls. In NER-based companies, these mechanisms do not disappear, but they operate differently because employees have greater autonomy and share responsibility for organizational results. The following analysis focuses on administrative, cybernetic, reward and cultural controls, while planning has already been discussed through the objectives and commitments established by self-managed teams.

3.1 Administrative controls: formal structure and coordination between teams

The NER model does not eliminate organizational structure. Instead, in the organizations where it is implemented, traditional hierarchical structures are replaced by a network of self-managed teams with different responsibilities. This system includes three main types of teams:

- **Base self-managed teams (Equipos autogestionados):** Employees organize their own work, schedules, and objectives while taking responsibility for their results (Estragó, 2022).

- **Commitment Team (Equipo de Compromiso, EC):** This team coordinates operational activities, reviews customer commitments, and helps organize the work needed to meet them (Estragó, 2022).

- **Piloting Team (Equipo de Pilotaje, EP):** This team focuses on strategic coordination, reviews medium- and long-term results, and helps maintain alignment between organizational objectives and team activities (Estragó, 2020).

The EC focuses on whether teams are meeting their operational commitments, while the EP evaluates whether the organization is moving in the right direction. Together, these mechanisms connect daily activities with strategic objectives without depending on traditional hierarchical supervision. In NER transformations, the removal of physical barriers and status symbols, such as separate executive offices, can also encourage horizontal communication and reinforce the idea that everyone contributes to organizational performance (Estragó, 2022).

This structure supports decentralized control because coordination and decision-making are shared among teams. However, its effectiveness depends on regular communication and well-organized meetings. If the EC and EP meetings become too long or poorly coordinated, decisions may be delayed and disagreements may become harder to resolve. Therefore, even without traditional supervisors, clear responsibilities and effective coordination remain necessary.

3.2 Cybernetic controls: performance measurement

Cybernetic control relies on budgets, targets, and key performance indicators (KPIs) that allow organizations to compare expected and actual results and make adjustments when necessary (Malmi & Brown, 2008). In NER-based companies, this type of control is not eliminated but becomes more decentralized and transparent. Financial information, profit margins, and performance results are shared with employees, allowing teams to understand the economic consequences of their decisions and take corrective action without depending on a manager for every decision (Aretxabala Pellón, n.d.; Estragó, 2022).

However, having access to financial information does not automatically mean that teams can identify the causes of poor performance. Financial results can reveal performance problems, but they do not always explain why it happened or what should be corrected first. For this reason, non-financial indicators could complement the existing information and help teams detect operational problems earlier, while keeping the autonomy and transparency promoted by the NER model.

3.3 Reward and compensation controls

In organizations applying the NER model, compensation practices favor more balanced salary structures and collective profit-sharing mechanisms over individual bonuses (Estragó, 2022). The model also promotes employment stability and solidarity between organizations. For example, when demand decreases, some NER Group companies have temporarily reassigned employees to other organizations within the network instead of dismissing them (Alvarez Sainz & Apellaniz Valle, 2019). These practices aim to encourage cooperation rather than individual competition. However, when rewards depend on collective results or peer evaluations, organizations also need to consider the risks of unequal contributions and personal bias in employee evaluations.

3.4 Cultural controls

Shared values such as trust, solidarity, and responsibility play an important role in the way NER-based companies regulate employee behavior. Instead of relying mainly on managerial supervision, employees are encouraged to respect collective commitments and hold each other accountable (Estragó, 2022). This creates a form of concertive control, where shared expectations influence how individuals behave within their teams (Barker, 1993). However, this system also has limitations. When employees feel too much pressure to agree with their colleagues or meet collective expectations, accountability can become a source of stress or conformity. Therefore, cultural control can strengthen cooperation, but employees should also be free to express disagreements and question decisions.

4. Human Dimension, Psychological Safety and Social Biases

4.1 Psychological safety (Amy Edmondson)

In organizations relying on self-control and peer accountability, psychological safety plays an important role because employees need to feel comfortable expressing concerns, admitting mistakes, and questioning decisions. According to Amy Edmondson, psychological safety refers to the belief that individuals can take interpersonal risks without being punished or rejected by their colleagues. Her research shows that teams with greater psychological safety are more likely to engage in learning behaviors, such as discussing errors and looking for ways to improve their work (Edmondson, 1999).



Fig. 6 - Amy Edmondson's psychological safety

This concept is particularly relevant to the NER model, where employees are expected to take responsibility for their work and contribute actively to collective decisions. Koldo Saratxaga emphasizes the importance of reducing fear and treating people as central to the organization. The NER approach also promotes employment stability, including efforts to avoid dismissals for economic reasons (Virtuous Company Consultoria e Educação Executiva, 2023). However, job security does not automatically guarantee psychological safety. Even in self-managed teams, employees may hesitate to express disagreement when they feel pressure to maintain consensus or meet collective expectations.

For this reason, psychological safety can support decentralized control by encouraging employees to communicate problems before they become more serious. When team members feel comfortable discussing mistakes and questioning decisions, they can identify weaknesses and make adjustments without depending on a traditional supervisor. Nevertheless, this requires more than shared values or autonomy. Teams also need to encourage constructive feedback and ensure that disagreement is not interpreted as a lack of commitment to the group.

4.2 Psychological and social biases that can affect control

When a control system relies heavily on self-assessment and peer judgment, employees have greater responsibility for evaluating their own work and the contributions of their colleagues. However, these evaluations can be influenced by personal perceptions, group pressure, and

unconscious biases. In NER-based organizations, where collective decisions and shared responsibility play an important role, three risks are particularly relevant:

- **Groupthink:** When teams seek consensus, employees may hesitate to express different opinions because they do not want to create disagreement with their colleagues (Janis, 1972). In organizations applying the NER model, this could affect the quality of collective decisions, especially when employees feel pressure to agree with the majority.

- **Affinity bias:** When recruitment and employee evaluations involve colleagues, personal preferences may influence how people are judged. Rivera (2012) shows that cultural similarities can affect recruitment decisions, sometimes giving personal compatibility more importance than professional competencies. In self-managed teams, a similar risk could appear if employees favor colleagues they feel closer to rather than evaluating their actual contributions.

- **Self-serving bias:** When employees or teams evaluate their own performance, they may give themselves more credit for successful results while attributing failures to external circumstances (Miller & Ross, 1975). In NER-based organizations, this could make it harder to recognize internal problems, even when teams have access to transparent financial information.

These biases do not necessarily mean that self-management is ineffective, but they show that autonomy and shared responsibility are not enough to guarantee fair evaluations and effective decisions. For this reason, NER-based organizations need to find a balance between employee freedom, collective accountability, and the ability to question decisions. This is particularly important when peer pressure becomes too strong, as it can discourage employees from speaking up and reduce the effectiveness of the control system.

Recommendations

Executive summary

- **Strengths:** Employee autonomy, shared values, financial transparency, and collective responsibility within the NER approach.
- **Key risks:** Delayed identification of performance problems, biased peer evaluations, slow collective decisions, and limited long-term innovation.
- **Recommendations:** Introduce complementary non-financial indicators, improve the fairness of peer assessments, monitor decision-making effectiveness, and protect time for innovation.
- **Implementation:** Test these measures progressively in the relevant organizational context, collect employee feedback, and adapt them to preserve the autonomy and transparency promoted by the NER model.

These recommendations are addressed to K2K Emocionando as a consultancy so that it can transmit them to NER-based companies it supports.

To improve the effectiveness of the NER approach promoted by K2K Emocionando, it is important to consider the limitations of relying heavily on self-control, peer accountability, and shared organizational values. Although these mechanisms support employee autonomy, they may not always be sufficient to identify performance problems or ensure fair evaluations. The following recommendations aim to strengthen these practices without introducing unnecessary hierarchical supervision. They mainly concern organizations implementing the NER model, while some measures could also be adapted to K2K's own consultancy activities.

1. Complement Financial Transparency Performance Indicators

In organizations applying the NER model, financial transparency allows employees to understand the economic results of their decisions. However, financial information alone may not be enough to identify operational problems before they affect overall performance. To improve this, K2K could encourage the use of simple non-financial indicators that help

self-managed teams monitor their activities and identify areas for improvement. These indicators should be adapted to each organization's needs rather than introducing the same control system everywhere.

For example, organizations could monitor the percentage of projects completed on time or the number of corrections required before a deliverable is accepted by the client. In K2K's own consultancy activities, similar indicators could help evaluate project progress and client feedback, although their current use has not been established. These measures would allow teams to identify difficulties earlier and make adjustments while maintaining their autonomy. However, the number of indicators should remain limited to avoid creating unnecessary administrative work.

2. Improve Peer Assessments to Reduce Bias and Conformity Pressure

In self-managed organizations where employees participate in evaluating their colleagues, peer feedback can strengthen responsibility and collective involvement. However, as discussed in the previous section, personal preferences and group pressure may influence how employees assess each other. This can affect the fairness of evaluations and make some employees uncomfortable expressing their opinions. To reduce these risks, organizations applying the NER model could introduce clearer evaluation criteria based on employee contributions, skill development, and shared values.

For example, employees could complete individual feedback forms before discussing their evaluations collectively. This would give everyone the opportunity to express their opinions without immediately being influenced by the group. Teams could also use the same evaluation criteria to make assessments more consistent. The effectiveness of this approach could be monitored by reviewing whether all employees are evaluated using the same criteria and whether employees perceive the evaluation process as fair. However, these tools should remain simple and support open discussions rather than replace them.

3. Monitor the Effectiveness of Collective Decision-Making

In organizations applying the NER model, collective decision-making allows employees to participate actively in decisions that affect their work. However, discussions and approval processes can become time-consuming, especially when many people are involved or when decisions require specialized knowledge. As discussed in the Organizing section, distinguishing between operational and strategic decisions could help improve coordination while preserving

employee participation. From a controlling perspective, the main challenge is to evaluate whether these decision-making processes remain effective.

For this reason, NER-based organizations could monitor the average time needed to make decisions and the number of decisions that require further revision after implementation. Employee feedback could also help identify whether people feel sufficiently involved and whether decision-making responsibilities are clear. These indicators would help teams identify unnecessary delays or coordination problems without introducing a traditional supervisor. However, faster decisions should not be considered successful if they reduce participation or lead to poorer outcomes.

4. Protect long-term innovation from operational pressures

In organizations applying the NER model, operational teams focus on fulfilling customer commitments and managing their daily activities. However, concentrating too much on immediate objectives can leave less time for developing new ideas and improving existing practices. According to March (1991), organizations need to balance exploitation, which focuses on improving current activities, with exploration, which involves experimentation and discovering new opportunities. For this reason, K2K could encourage organizations implementing NER to reserve some time for projects that support long-term improvement.

For example, teams could dedicate a small part of their working time to testing new methods, improving internal processes, or developing solutions for future customer needs. In K2K's own consultancy activities, this could involve developing new transformation tools or improving the way client projects are managed. The effectiveness of these initiatives could be evaluated through the number of improvement projects completed and the results obtained from their implementation. However, the time allocated to innovation should remain flexible and depend on the organization's workload and available resources.



Conclusion

NER-based companies, including K2K Emocionando at its own scale, rely mainly on one asset : a shared culture. It might be their greatest strength and a potential weakness at the same time. If the culture becomes weaker or not well understood by its employees, it is the whole system that will become harder to maintain. However, a strong culture alone is not enough to ensure effective management. Employees also need clear objectives, appropriate skills, well-defined responsibilities and reliable ways to assess results. Therefore some recommendations to make its culture clearer and easier to learn can be applied.

First of all, K2K Emocionando needs to define a clearer purpose that truly explains what it does and how it differs from other consultancy firms (Planning). Then, it should put in place some training programmes to help employees know how to use their autonomy in an efficient way (Leading). Another recommendation is to set different approval rules depending on the different situations. Strategic decisions would still require 80 to 85% approval whereas operational decisions and the ones easy to reverse could be handled by experts (Organizing). Also, the use of shared criteria and anonymous feedback before group discussions would help improve the fairness of peer evaluations. In addition, dedicate some time for innovation and implement simple non-financial indicators (Controlling).

But these recommendations also have some limits. K2K is a relatively small company so most of its practices can remain informal. If the company starts to grow or it hires employees unfamiliar with the NER system, indicators and checklists will become more useful. Also, the NER's focus on transparency is a bit in contradiction with the anonymous feedback proposed. It should prepare discussions not replace them.



The analysis also has some limits. Most of the evidence comes from case studies of NER organizations and secondary sources rather than internal data from K2K. This is why the report often speaks of NER-based companies: the available sources describe them much more than K2K's own four-person team. Before applying all these recommendations it would be great to test them on a smaller scale for example applying them only to one team. Moreover, management needs to adapt to changes in the organization, and the recommendation might need to evolve and change also. Overall, the four management functions need to work together. Planning sets the direction, Leading helps develop employees' autonomy, Organizing coordinates responsibilities and decisions and Controlling assesses results. K2K's challenge is to show that self-management can work even if the company grows. It is especially important because it is a company that advises other organizations to follow the same model.

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Declaration of AI Use

ChatGPT (OpenAI) was used as a supporting tool for translating selected content from Spanish into English, improving language clarity, reviewing paragraph structure, and suggesting revisions based on the feedback received. The group remained responsible for evaluating the suggestions, selecting the relevant management concepts, reviewing the sources, and approving the final content of the report.